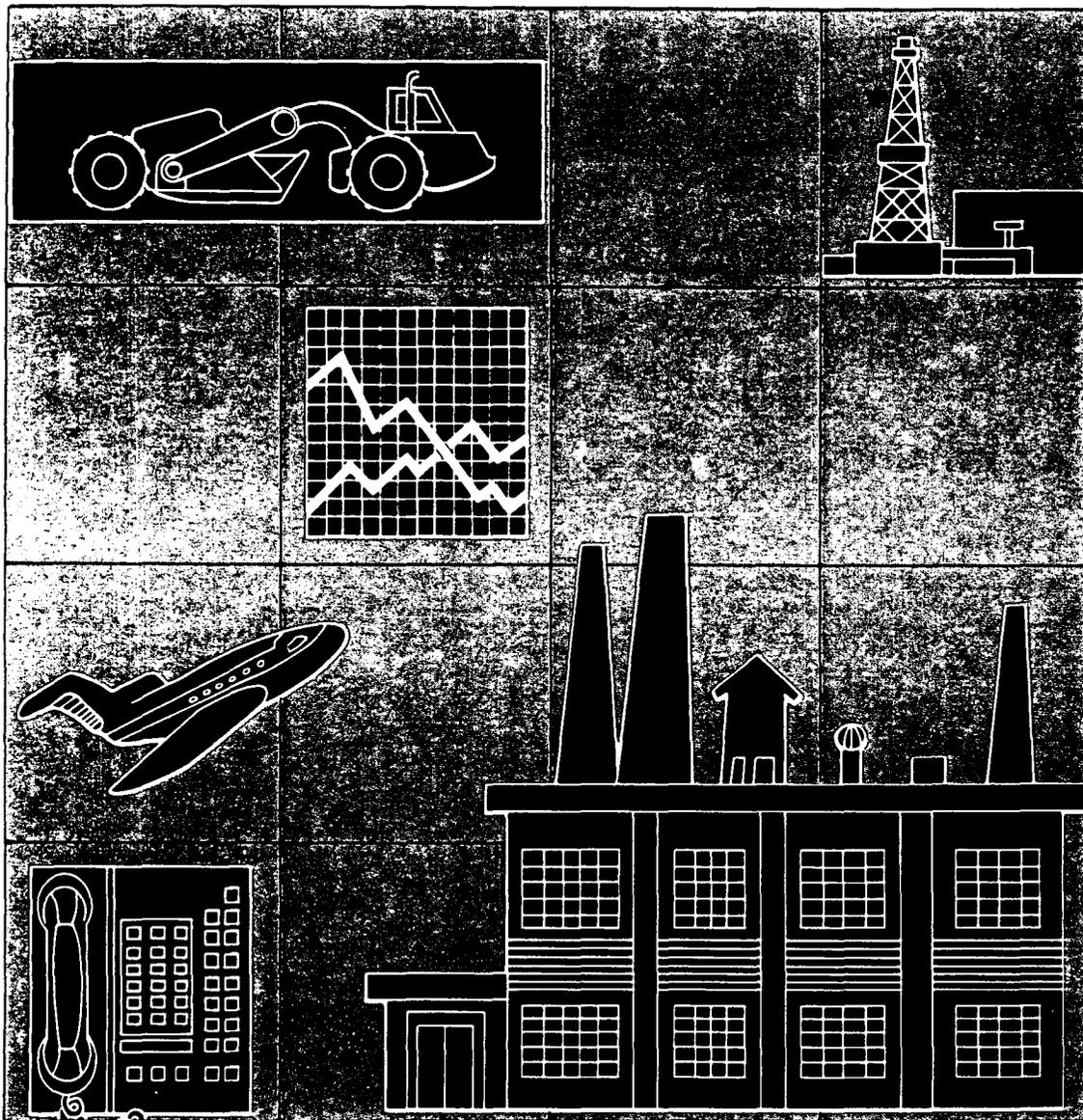


1982

Statistics
of Income

Corporation Income Tax Returns

Statistics of Income, 1982, Corporation Income Tax Returns



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Individual Income Tax Returns Publication 79—Annual Publication

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Area Statistics of
Income Studies (1976-1982)
(In Preparation)

Compendium of Sole
Proprietorship Returns,
1978-1982
(In Preparation)

Compendium on
Individual Income
Tax Rates, 1978-1983
(In Preparation)

Estate Tax Returns, 1976

Other Information Available

All the items listed below, as well as other unpublished or special tabulations from the **Statistics of Income Program**, are available on a cost-reimbursable basis. Further details, including ordering information can be obtained by writing to: Director, Statistics of Income Division D:R:S, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. 20224. Tape files indicated with an (A) are available (on a reimbursable basis) through the Machine Readable Archives Division (NRR) of the National Archives and Records Service, Washington, D.C. 20408.

Corporation Source Book

Presents detailed income and balance sheet data classified by industry and size of total assets. A general description is available upon request. (Available on computer tapes and microfilm files)

Small Area Data

Data on individual income tax returns, exemptions, and adjusted gross income are presented by State, county, and SMSA. Also, the number of persons who moved from one location to another based on addresses shown on the returns. A general description is available upon request.

Public-Use Tape Files

Individual Tax Model, 1966-78 (A)
1979-81
Corporation Source Book, 1965-76 (A),
1977-82
Estate Tax Returns, 1972, 1976
Private Foundations, 1974 (A), 1979
Sole Proprietorships, 1980
Employee Plans File, 1977
New Migration DATA
County Migration Data, 1980-82
1982-83
County Migration Flow Data, 1978-80
1980-81
County Income Data, 1982

1982 Statistics of Income

Corporation Income Tax Returns

Publication 16 (7-85)

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Internal Revenue Service

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Fritz Scheuren
Director, Statistics of Income Division

Dan Rosa
Chief, Corporation Statistics Branch

This report contains data by industry on assets, liabilities, receipts, deductions, net income, income subject to tax, credits, distributions to stockholders and additional tax for tax preferences. Data are also classified by size of total assets and by size of business receipts. Other classifications include "returns with net income" and "Small Business Corporations taxed through stockholders."

More detailed statistics for the industries shown in table 1 of this report are available in Publication 1053, *Source Book of Statistics of Income—1982*. A general description of the Source Book, including ordering information, is available from the Director, Statistics of Income Division D:R:S, Internal Revenue Service, Washington, DC 20224.

In addition, special Statistics of Income tabulations based on corporation income tax returns for 1982 can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

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Washington, DC 1985

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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

June 21, 1985

The Honorable James A. Baker, III
The Secretary of the Treasury
Washington, DC 20220

Dear Mr. Secretary:

I am transmitting the complete report, Statistics of Income--1982, Corporation Income Tax Returns. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws.

The report presents information on receipts, deductions, net income, income tax liability, tax credits, and distributions to stockholders. Statistics are also provided on the corporate tax base and on the computation of income tax and additional tax for tax preferences ("minimum tax").

Classifications include industry, size of total assets, and size of receipts. Separate statistics are included for returns with net income, inventories, investment credit items, members of controlled groups, and Small Business Corporations electing to be taxed through their stockholders.

With kind regards,

Sincerely,



SOI BULLETIN

The SOI Bulletin provides the earliest published annual financial statistics from the various types of tax and information returns filed with the Internal Revenue Service. The Bulletin also includes information from periodic or special analytical studies of particular interest to tax administrators. In addition, historical data from 1970 to the present are provided for selected types of taxpayers, as well as on tax rates for individuals and gross internal revenue collections.

The SOI Bulletin is published quarterly and available from the Superintendent of Documents, U.S. Government Printing Office during the following months:

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- Domestic international sales corporations
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- Foreign source income of U.S. taxpayers
- Individual income by ZIP code area
- Individual income tax returns
- Investment tax credit
- Marginal and average tax rates
- Occupation data
- Partnership returns
- Private foundations
- Projections of return filings
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Guide to Tables and Figures

This report contains 17 basic tables. The major classification is industrial activity. This guide provides a reference for the major selected items and subjects available in the report. Figures A, B, C, D, E, and F are on pages 2, 3, 10, 11, and 13, respectively. See page 17 to determine the appropriate page number(s) for specific tables.

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Total receipts (figures A, C, tables 1,2,3,4,5,6,7,8,9)
Book Income or Deficit (table 14)
Business receipts (tables 1,2,3,4,5,6,7,9)
Interest (tables 2,3,4,5,9)
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Rent paid on business property (tables 2,3,4,5,9)
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Notes and accounts receivable (tables 2,3,4,5,6,7,9)
Allowance for bad debts (tables 2,3,4,5,9)
Inventories (tables 2,3,4,5,6,7,9,)
Investments in Government obligations (tables 2,3,4,5,6,7,9)
Loans to stockholders (tables 2,3,4,5,6,7,9)
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Accumulated amortization (tables 2,3,4,5,6,7,9)
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Accounts payable (tables 2,3,4,5,6,7,9)
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Capital stock (tables 2,3,4,5,6,7,9)
Paid-in or capital surplus (tables 2,3,4,5,6,7,9)
Retained earnings (tables 2,3,4,5,6,7,9)
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Income tax (figures A,C, tables 1,2,3,4,5,6,7,8,13,16)
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Distributions to stockholders (tables 1,2,3,4,5,6,7,9)
Domestic international sales corporations (DISC) (table 10)
Members of controlled groups (table 11)
Sampling selection ranges, and variability (figures D, E, F)

This report presents statistical estimates derived from a stratified sample of approximately 93,700 corporate returns selected from the more than 2.9 million active corporate returns filed for the 1982 Income Year.*

The report is divided into 6 sections. The first section provides statistics summarizing overall corporate activity for Income Year 1982. Section 2 discusses changes in law between this report and that for Income Year 1981. Section 3 describes in detail the sample of income tax returns upon which the statistics were based, as well as the method of estimation used, the sampling variability of the data, and other limitations.

Section 4 presents the basic tables that contain detailed statistics on 1982 income tax liability, tax credits, net income, and other financial data. Section 5 contains detailed explanations of the terms used in the report. In most instances, the explanations include definitions of terms used as well as adjustments made in preparing the statistics and any limitations inherent in the data.

Section 6 consists of the return forms and instructions. Following Section 6 is a user survey designed to help the Statistics of Income Division better determine the needs of users of this report. The user's cooperation in completing this form would be much appreciated.

The statistics in this report represent revisions to the preliminary data contained in "Corporate Income Tax Returns: Preliminary Income and Tax Statistics, 1982" in the Statistics of Income Bulletin, Volume 4, Number 3, Winter 1984-85. [1]

OVERALL CORPORATE SUMMARY

Figure A presents a two-year comparison of the number of returns, total assets, total receipts, net income (less deficit), income subject to tax and total income tax before and after credits for Income Years 1981 and 1982. This figure shows a 4.0 percent increase (approximately 114,000) in the total number of returns from 1981 to 1982.

For the first time, total assets, as reported on tax returns, surpassed the \$9 trillion mark, increasing approximately 9.4 percent to \$9.4 trillion. This increase was less than the 12.2 percent increase for the previous year. The total receipts reported for 1982 decreased less than 1 percent from 1981. Net income (less deficit) decreased 27.7 percent from 1981 to 1982, continuing the substantial downward trend started in 1980.

For returns with total assets of \$250 million or more, the total income tax before credits was approximately 13.8 percent lower for 1982 than for 1981. These returns, which represented less than one

percent of the total, accounted for a higher percent of total income tax after credits on all corporate returns - 64.9 percent for 1982 versus 64.0 percent for 1981. Therefore, for these returns their profits decreased however, their percentage of the total profits increased.

ACTIVITIES COVERED

The estimates in this report encompass corporate business activities in the United States as reported on returns of "domestic" and foreign corporations, as well as certain foreign activities. The term "domestic corporations" refers to companies incorporated in the United States, but does not necessarily imply that all their activities are domestic. For instance, data for a U.S. corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries and, to a certain extent, their undistributed earnings. [2]

For foreign corporations (defined as those organized abroad) engaged in trade or business in the United States, only income that was considered "effectively connected" [3] with the conduct of a trade or business in the United States was included in the statistics. Other foreign corporations, organized abroad and not engaged in trade or business in the United States, were liable for tax only on investment income from U.S. sources. Such income is excluded from this report. [4]

The effect of foreign activity on the statistics varies by type of industry and by size of assets. Some industries may have higher incidences of foreign activity than others and foreign income is reflected in their statistics to a greater extent. Also, foreign activity tends to increase with the asset size of the corporation.

Section 6012 of the Internal Revenue Code required that all corporations in existence at any time during the income year file returns, regardless of whether they had income or not. This applied to active and inactive domestic corporations unless they were expressly exempt from filing, as well as to active foreign corporations with insufficient taxes withheld at the source to satisfy their U. S. tax liability on income earned in the United States.

In addition to legally defined corporations, the Internal Revenue Code recognized many types of businesses as corporations, including joint stock companies, and unincorporated associations, such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks. Because these organizations possess characteristics typical of the corporate form, such as continuity of life, centralization of

*Tim Wheeler was responsible for the overall production of this report and also prepared the text for sections 1, 2 and 5. The report was prepared under the direction of Karen L. Cys of the Returns Analysis Section, Corporation Statistics Branch.

Figure A.—Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), Income Subject to Tax, Total Income Tax, Total Income Tax After Credits by Size of Total Assets, Income Years 1981 and 1982

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

| Year and size of total assets | Number of returns | Total assets | Total receipts | Net income (less deficit) ¹ | Income subject to tax ² | Total income tax ³ | Total income tax after credits ³ |
|---|-------------------|---------------|----------------|--|------------------------------------|-------------------------------|---|
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1981 | | | | | | | |
| Total | 2,812,420 | 8,547,161,872 | 7,026,351,839 | 213,648,962 | 241,496,368 | 102,257,851 | 58,444,720 |
| Zero assets | 114,240 | — | 93,807,569 | - 183,641 | 3,986,198 | 1,669,902 | 866,427 |
| \$1 under \$100,000 | 1,455,263 | 49,712,690 | 212,281,029 | - 377,802 | 3,649,129 | 675,764 | 491,353 |
| \$100,000 under \$250,000 | 515,966 | 83,108,897 | 225,289,170 | 2,681,573 | 5,178,239 | 1,046,776 | 779,232 |
| \$250,000 under \$500,000 | 295,683 | 104,273,577 | 245,168,357 | 3,797,707 | 6,096,936 | 1,425,222 | 1,095,720 |
| \$500,000 under \$1,000,000 | 192,441 | 134,805,485 | 302,616,587 | 4,518,827 | 7,162,885 | 2,035,914 | 1,614,250 |
| \$1,000,000 under \$5,000,000 | 177,424 | 361,000,303 | 777,263,658 | 13,689,636 | 19,206,560 | 7,297,103 | 6,124,469 |
| \$5,000,000 under \$10,000,000 | 23,739 | 165,091,661 | 296,206,636 | 6,708,036 | 8,602,423 | 3,698,133 | 3,162,328 |
| \$10,000,000 under \$25,000,000 | 17,480 | 275,266,279 | 326,592,821 | 9,510,601 | 11,598,616 | 5,089,718 | 4,263,713 |
| \$25,000,000 under \$50,000,000 | 8,385 | 296,242,293 | 235,395,765 | 7,477,023 | 8,550,620 | 3,816,449 | 2,994,084 |
| \$50,000,000 under \$100,000,000 | 5,226 | 372,028,106 | 254,200,623 | 7,881,786 | 9,271,402 | 4,197,755 | 3,233,666 |
| \$100,000,000 under \$250,000,000 | 3,412 | 540,443,289 | 381,543,363 | 10,675,323 | 12,876,406 | 5,870,709 | 4,322,595 |
| \$250,000,000 or more | 3,141 | 6,165,189,292 | 3,675,062,954 | 147,258,401 | 145,284,790 | 65,419,444 | 29,491,947 |
| 1982 | | | | | | | |
| Total | 2,925,933 | 9,357,784,804 | 7,024,097,766 | 154,334,143 | 205,175,407 | 86,766,154 | 47,071,909 |
| Zero assets | 109,478 | — | 96,893,679 | - 2,558,968 | 2,104,510 | 886,897 | 783,260 |
| \$1 under \$100,000 | 1,537,105 | 52,861,537 | 226,632,692 | - 1,210,340 | 3,754,678 | 665,475 | 469,277 |
| \$100,000 under \$250,000 | 534,730 | 86,268,083 | 230,231,641 | 1,771,292 | 5,212,161 | 1,019,760 | 786,527 |
| \$250,000 under \$500,000 | 301,334 | 106,843,092 | 246,226,671 | 2,283,056 | 5,289,507 | 1,156,412 | 870,263 |
| \$500,000 under \$1,000,000 | 197,368 | 138,031,961 | 303,404,652 | 2,930,594 | 6,261,079 | 1,684,114 | 1,302,152 |
| \$1,000,000 under \$5,000,000 | 182,544 | 371,990,220 | 789,055,018 | 8,797,159 | 16,187,999 | 5,974,240 | 4,984,724 |
| \$5,000,000 under \$10,000,000 | 23,965 | 167,176,428 | 280,544,599 | 4,749,937 | 7,198,346 | 3,070,526 | 2,608,424 |
| \$10,000,000 under \$25,000,000 | 16,298 | 287,182,056 | 338,949,030 | 7,035,890 | 10,237,358 | 4,466,754 | 3,703,231 |
| \$25,000,000 under \$50,000,000 | 8,933 | 318,092,833 | 248,406,200 | 5,282,211 | 7,823,354 | 3,484,643 | 2,685,758 |
| \$50,000,000 under \$100,000,000 | 5,479 | 387,791,537 | 239,966,253 | 5,270,552 | 7,928,901 | 3,576,251 | 2,596,636 |
| \$100,000,000 under \$250,000,000 | 3,463 | 559,741,865 | 375,410,073 | 6,714,107 | 11,057,057 | 5,029,082 | 3,598,004 |
| \$250,000,000 or more | 3,188 | 6,880,804,980 | 3,647,338,475 | 113,242,731 | 122,062,475 | 55,725,292 | 22,663,597 |

¹Includes taxable income before net operating loss deduction and special deductions.

²Includes net long-term gain taxed at alternative rates, taxable income less net operating loss deduction and special deductions.

³Includes regular and alternative tax, personal holding company tax, tax from recomputing prior-year investment credit, minimum tax, excessive net passive income tax (Form 1120S), and tax from Section 1 (Form 1120F).

⁴Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits.

NOTE: Detail may not add to total because of rounding and the deletion of data. See text for "Explanation of Terms" and Description of the Sample and Limitation of the Data.

management apart from ownership, limited liability of owners, and transferability of shares of capital ownership, they were required to file corporation income tax returns.

The estimated number of returns, shown by type of return form, are the basis of the estimates for the financial statistics presented in this report. These data are tabulated from active corporation income tax returns.

| | |
|--|-----------|
| Form 1120 (U.S. Corporations) | 2,337,890 |
| Form 1120S (U.S. Small Business Corporations) | 564,219 |
| Form 1120L (U.S. Life Insurance Companies) | 2,114 |
| Form 1120M (U.S. Mutual Insurance Companies) | 1,386 |
| Form 1120F (U.S. Returns of Foreign Corporations) | 10,661 |
| Form 1120-DISC (Domestic International Sales Corporations) | 9,663 |
| Total | 2,925,933 |

No data were tabulated from amended corporation returns; or inactive corporation returns, which reported no total receipt or total deduction items. Also, the statistics specifically exclude foreign corporations with no income "effectively connected" with a U.S. trade or business, returns of farmers' cooperatives exempt from income tax under Internal Revenue Code section 521, information returns of certain joint undertakings, returns filed by political organizations under Code section 527, returns filed by General Stock Ownership Corporations (corporations established by a state for the benefit of the residents of a state), information returns reporting no tax because of a tax treaty or convention under Code section 894, and nonprofit corporations (educational, charitable, and similar organizations) exempt from income tax under section 501. Also excluded from the statistics are returns of

mutual insurance companies (except life or marine and certain fire or flood insurance companies), with gross receipts that did not exceed \$150,000, which were exempt from income tax under Internal Revenue Code section 501.

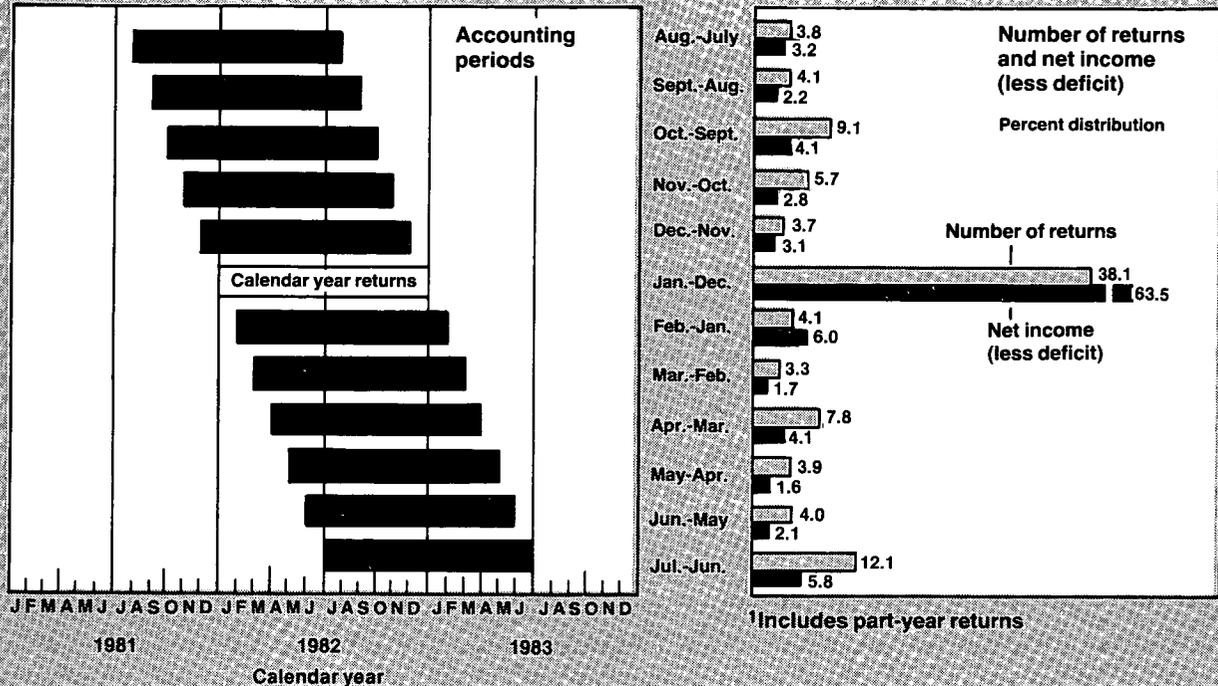
TIME PERIOD EMPLOYED

The estimates in this report are based on data from returns with accounting periods that coincided with the calendar year and returns with accounting periods that were for noncalendar years ended during the span of months July 1982 through June 1983. This span, in effect, defines the income year in such a way that the noncalendar year accounting periods are centered at the calendar year ended December.

The 12 accounting periods covered by the report are presented in figure B. Code section 441 specified that, in general, a taxpayer's accounting period end on the last day of the month. Thus, figure B shows a span of 23 months between the first-included accounting period, which began on August 1, 1981, and closed on July 31, 1982, and the start of the last-included accounting period, which began on July 1, 1982, and closed on June 30, 1983. This report, therefore, shows income received or expenses incurred during any or all of the months in the 23-month span. For balance sheet items, such as total assets and inventories, the report shows a corporation's position only at a given time, namely, at the end of its accounting period. Corporations were required by Code section 441 to file returns for the accounting period customarily used in keeping their books.

Figure C shows the total assets, total receipts, net income (less deficit), and total income tax reported on returns for each of the 12 accounting periods. Approximately 38.2 percent of the 1982 returns were filed for the calendar year. However, these included returns of most of the larger corporations. Approximately 79.2 percent of total

Figure B. Number of returns and net income (less deficit), by accounting periods¹



¹Includes part-year returns

Figure C.- Returns of Active Corporations: Number of Returns, Total Receipts, Net Income (Less Deficit), Income Subject to Tax, Total Income Tax, and Total Income Tax After Credits, by Accounting Periods for Income Year 1982

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

| Accounting period ended ¹ | Number of returns (1) | Total assets (2) | Total receipts (3) | Net income (less deficit) ² (4) | Income subject to tax ³ (5) | Total income tax ⁴ (6) | Total income tax after credits ⁵ (7) |
|--------------------------------------|--------------------------|---------------------|-----------------------|---|---|--------------------------------------|--|
| Total | 2,925,933 | 9,357,784,804 | 7,024,097,766 | 154,334,143 | 205,175,407 | 86,766,154 | 47,071,909 |
| December, 1982 | 1,117,458 | 7,407,839,922 | 4,295,627,478 | 97,927,288 | 140,001,882 | 61,347,873 | 28,171,328 |
| Noncalendar year, total | 1,808,475 | 1,949,944,882 | 2,728,470,288 | 56,406,855 | 65,173,525 | 25,418,282 | 18,900,581 |
| July 1982 | 112,466 | 122,483,583 | 174,082,217 | 4,874,037 | 4,349,303 | 1,696,692 | 1,303,195 |
| August 1982 | 120,146 | 116,800,512 | 182,342,737 | 3,361,026 | 4,268,007 | 1,657,090 | 1,238,030 |
| September 1982 | 267,407 | 376,402,983 | 413,439,384 | 6,370,052 | 10,320,036 | 4,060,742 | 2,922,410 |
| October 1982 | 165,592 | 197,689,531 | 238,804,936 | 4,264,834 | 5,785,897 | 2,236,182 | 1,561,415 |
| November 1982 | 107,774 | 126,514,077 | 127,229,439 | 4,742,896 | 3,643,427 | 1,430,771 | 964,715 |
| January 1983 | 119,765 | 159,990,939 | 290,939,288 | 9,299,624 | 6,577,123 | 2,753,510 | 2,129,811 |
| February 1983 | 97,344 | 73,094,150 | 122,548,817 | 2,571,184 | 3,406,957 | 1,327,491 | 1,085,706 |
| March 1983 | 229,449 | 226,984,518 | 379,170,801 | 6,290,914 | 6,814,356 | 2,601,821 | 1,926,452 |
| April 1983 | 115,502 | 102,564,046 | 143,492,944 | 2,465,948 | 3,399,989 | 1,287,307 | 1,015,027 |
| May 1983 | 118,021 | 100,759,881 | 178,433,073 | 3,286,422 | 3,778,134 | 1,434,777 | 1,081,288 |
| June 1983 | 355,007 | 346,660,661 | 477,986,651 | 8,879,918 | 12,830,296 | 4,931,900 | 3,672,532 |

¹Includes part-year returns.

²Includes taxable income before net operating loss deduction and special deductions.

³Includes net long-term gain taxed at alternative rates, taxable income less net operating loss deduction and special deductions.

⁴Includes regular and alternative tax, personal holding company tax, tax from recomputing prior-year investment credit, minimum tax, excessive net passive income tax (Form 1120S) and tax from Section 1 (Form 1120F).

⁵Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits.

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

assets, 63.5 percent of net income (less deficit), and 61.2 percent of total receipts were reported on 1982 calendar year returns.

Corporation returns were usually required to be filed within two-and-one-half months after the close of the corporate accounting period. However, in accordance with Code section 6081, most corporations could receive filing extensions for as long as 6 months.

In addition to returns with accounting periods that spanned 12 months, the total number of active corporations includes returns with accounting periods of shorter duration. Such returns are referred to as part-year returns and were filed, for the most part, by continuing corporations changing their accounting periods, new corporations in existence less than 12 months, merging corporations, and liquidating corporations.

NOTES AND REFERENCES

- [1] Frequencies and amounts will differ slightly between this report and the Statistics of Income Bulletin because additional returns and corrections are included in this report.
- [2] A Compendium of Foreign Area Statistics of Income Studies (1976 - 1982) is in preparation and will be published later this year.
- [3] "Effectively connected" income is defined in Code Section 864(c).
- [4] An annual report is published in the Statistics of Income Bulletin. For the latest article see Carson, Chris R., "Nonresident Alien Income and Tax Withheld; 1982," Statistics of Income Bulletin, Fall 1984, pp. 21-30.

The statistics in this report reflect, to varying degrees, changes in law that became effective during the accounting periods covered. Depending on the accounting period used and the effective date of the change in law, the changes may have been fully applicable for some corporations, only partially applicable for others, and not applicable at all for still others.

The information that follows includes a description of the major law changes that affected substantially the comparability of the statistics in this report with those for prior years. These changes resulted from the Economic Recovery Tax Act of 1981 (ERTA) and the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). Also, certain minor law changes are only discussed in Section 5, Explanation of Terms, such as the effect of ERTA on the computations of gain or loss of Section 1245 and 1250 property when sold or disposed of.

ECONOMIC RECOVERY TAX ACT OF 1981

Reduction in Corporate Tax Rates

ERTA contained provisions which reduced tax rates for the two lowest income brackets for tax years beginning after 1981. For the taxable income bracket of \$25,000 or less, the tax rate decreased for 1982 from 17 percent to 16 percent, and for 1983 to 15 percent. For the taxable income bracket over \$25,000 but not over \$50,000, the tax rate decreased for 1982 from 20 percent to 19 percent, and for 1983 to 18 percent. The remaining tax rates of 30 percent (taxable income bracket over \$50,000 but not over \$75,000), 40 percent (taxable income bracket over \$75,000 but not over \$100,000) and 46 percent (taxable income bracket over \$100,000) did not change. Corporations with accounting periods overlapping January 1, 1983, because of the tax rate changes, were required to compute their tax based on the proration rules of Code section 21. For example, fiscal year 1982-83 corporations computed their tax for the year by prorating a tax for the period before 1983 and for the period after 1982, using the tax rates in effect for each period.

In addition ERTA reduced the tax on undistributed personal holding company income from 70 percent to 50 percent for corporations classified as Personal Holding Companies with accounting periods beginning after 1981.

Targeted Jobs Credit and Work Incentive (WIN) Credit Revised

The Revenue Act of 1978 created the targeted jobs credit to encourage hiring of needy youths and others who often had difficulty finding jobs. Under ERTA the time period for which the targeted jobs tax credit applied was extended beyond 1981 and definitions of certain target groups were revised. Under prior law the credit was applied to wages paid or incurred before January 1, 1982; ERTA extended the credit for wages paid to eligible individuals who began work for

the employer before January 1, 1983. For these individuals, the employer could claim the credit for qualified first-year and second-year wages paid to employees attributable to service rendered in 1983 and 1984, respectively.

Prior to ERTA first-year wages qualifying for the targeted jobs credit were limited to 30 percent of the total wages paid to all employees. This rule was repealed for taxable years beginning after 1981, which resulted in the credit not being affected by wages paid to non-targeted group members.

Four changes to the definitions of targeted groups were made as outlined below:

1. The target group of youth participating in cooperative education programs was limited to those who were from an economically disadvantaged family.
2. Work incentive registrants, previously covered by the credit for work incentive program (WIN), were added to the target groups. Thus, those who claimed a WIN credit for 1981 for first-year wages were entitled to claim a targeted jobs credit for second-year wages under the jobs credit provision. The WIN credit, available for 1981, was repealed for 1982.
3. Some Comprehensive Employee Training Act (CETA) employees were included in the target groups if they were involuntarily terminated after December 31, 1980, and began work between August 13, 1981, and December 31, 1982.
4. The exclusion of Vietnam veterans over 35 years old who would otherwise qualify for this target group was repealed.

Further explanation of the jobs and WIN credits are contained in the Explanation of Terms section of this report under "Jobs Credit" and "Work Incentive (WIN) Credit," respectively.

Charitable Deduction Increased

A taxpayer could deduct, within certain limitations, the amount of cash or other property contributed to qualified charitable organizations under Code section 170. Under prior law, the deduction for charitable contributions was limited to 5 percent of the taxable income without regard to certain deductions. Effective for tax years beginning after 1981, the new law increased the limit to 10 percent of the taxable income without regard to certain deductions. Further explanations of charitable deductions are contained in the Explanation of Terms section of this report under "Contributions or Gifts."

Employee Stock Ownership Credit Revised

ERTA contained revised provisions for an employee stock ownership (ESOP) tax credit. The investment-based credit for employer contributions to ESOP's for industries that were more capital-intensive was terminated at the end of 1982 and was replaced by a new credit tied to payroll. The new credit was

designed to encourage formation of such plans in industries that were more labor-intensive and was based on the lesser of (a) the value or employer stock (or cash with which to buy such stock) contributed by the corporation to the plan each year, or (b) a specified percentage of the total compensation of those employees participating in the plan that was paid or accrued during the portion of the corporation's accounting period that fell within a given calendar year. The percentage for 1983 (and 1984) was .5; for 1985-87, it was .75. The new credit was then due to expire, on January 1, 1988. No credit was allowed regulated public utility companies, if, for example, it resulted in a reduced cost of service for rate making purposes or as shown in its regulated books of account or if it served to reduce the base to which the employer's rate of return was computed for rate making purposes. The credit allowed was limited to \$25,000 plus 90 percent of the tax in excess of \$25,000. The income tax against which the credit was applied was after reduction by foreign tax, possessions tax, investment, WIN, jobs, alcohol fuel, non-conventional source fuel, and research credits. Unused credits could be carried back for use in the 3 preceding years and then, if necessary, carried over to the 15 succeeding years. After the fifteenth year any amount remaining could be deducted as part of the deduction for employer contributions to qualifying plans.

Small Business Corporation Law Revised

The Subchapter S Revision Act of 1982 extensively revised the laws for small business corporations with tax years beginning after December 31, 1982. The provisions of that act will be covered in Statistics of Income for 1983.

Mutual Savings Banks Eligible to Convert to Stock Associations

The Economic Recovery Act of 1981 (ERTA) set forth provisions for "conversion of mutual savings banks to stock associations." There are two new provisions under ERTA; first, a stock association that was subject to the same regulations as a mutual savings bank was eligible to compute its bad debt deduction in accordance with the rules applicable to mutual savings banks and (2) extended the special rule under which mutual savings banks could separately compute tax liability on their insurance business to stock associations that are regulated as mutual savings banks.

TAX EQUITY AND FISCAL RESPONSIBILITY ACT OF 1982

"Safe Harbor" Leasing Revised

Safe harbor leasing as provided for under ERTA was designed to allow unprofitable corporations that needed new capital equipment to purchase it, even though they were thereby unable to take advantage of the two tax benefits for so doing. These two benefits were accelerated depreciation deductions based on the Asset Cost Recovery System (ACRS) and the investment credit against income tax. ERTA had encouraged such purchases of equipment by allowing the purchasing corporations to immediately resell the equipment to a corporation that was able to take advantage of these two benefits, in return for cash and a note plus interest, for example. The equipment was then leased back to the original purchaser and rent was paid on it that was equal to the amount needed to service the note. At the end of the term of the lease, the

original purchaser of the equipment was allowed to repurchase the equipment for a nominal sum. This was a typical arrangement whereby both parties benefited from the arrangement.

TEFRA substantially reconstructed these leasing procedures and reduced the tax benefits available to companies that used such leases. While most of the restrictions generally applied to property leased after July 1, 1982, transitional and certain anti-abuse rules were retroactive to February 19, 1982. The safe harbor leasing provisions were then to expire on January 1, 1984 and be replaced at that time by new leasing rules.

The following are some of the major restrictions and limitations imposed on these traders of tax benefits by the TEFRA provisions:

1. the amount of the lessor's income tax which could be reduced through safe harbor leases was limited to the larger of the actual income tax liability, or 50 percent of the tax before adjustments for rental income, investment credit and deductions for ACRS depreciation and interest (if paid by the lessor),
2. public utility property was made ineligible for safe harbor leasing,
3. property used by foreign "persons" was made ineligible for safe harbor leasing unless income from the use of the property was subject to U.S. taxation,
4. in general, safe harbor leasing could apply to no more than 45 percent of the cost of the lessee's "qualified base property" placed in service during any calendar year,
5. limitations were placed on the ability of the lessee to increase percentage depletion deductions because of changes in the net income from the property (which limited the deduction) resulting from the leasing provisions,
6. lessors were prevented from using safe harbor tax benefits to generate the net operating loss or investment credit carrybacks to earlier users,
7. only 20 percent of the investment credit earned for property involved in a safe harbor lease was allowed for the year in which the property was first placed in service. The remainder of the unused credit was spread equally over the four succeeding years under special rules,
8. safe harbor leasing among members of an "affiliated group" of corporations was prohibited,
9. the maximum interest rate allowed on obligations of the lessor to a lessee in a safe harbor lease transaction for purposes of determining the lessee's interest deduction was limited, and
10. investment credit "strips", which were safe harbor lease transactions in which the lessee transferred the investment credit only (ACRS depreciation deductions were not transferred) were restricted to transactions entered into before October 20, 1981.

For additional information on safe harbor leasing see "Safe Harbor Leasing, 1981 and 1982" in the Statistics of Income Bulletin, Volume 3, Number 2, Fall 1983.

Targeted Jobs Credit Revised

Under prior law, the targeted jobs credit was available for wages paid to eligible individuals in targeted groups who began work for the employer prior to January 1, 1983. Under TEFRA, the credit was made available with respect to any eligible individual who began work before January 1, 1985. Also, TEFRA added a new targeted group consisting of economically disadvantaged youths age 16 or 17; the wages were limited (85 percent of up to \$3,000) to those paid for any 90-day period between May 1 and September 15, beginning in 1983.

Section 3

Description of The Sample and Limitations of the Data*

This section describes the sample criteria and selection of returns, the method of estimation and sampling variability of the estimates contained in this report.[1]

This section also describes the methodology needed to compute confidence interval estimates, as well as some of the limitations of the data.

SAMPLE SELECTION

The statistics in this report were estimated from a stratified probability sample of corporation income tax returns selected after revenue processing but before audit examination (see Figures D and E). The corporation population consisted of 3,131,181 returns for active and inactive corporations, from which the sample of 96,734 returns was drawn. The differences between these counts and those shown elsewhere in this report are due to the inability to distinguish with certainty active corporations from others at the point of selection (a further discussion is presented later in this section). The following types of returns were subjected to sampling: Form 1120--U.S. Corporation Income Tax Return; Form 1120F--U.S. Income Tax Return of a Foreign Corporation; Form 1120L--U.S. Life Insurance Company Income Tax Return; Form 1120M--U.S. Mutual Insurance Company Income Tax Return; Form 1120S--U.S. Small Business Corporation Income Tax Return; and Form 1120-DISC--Domestic International Sales Corporation Return.

All sample returns, except Forms 1120-DISC, were computer-selected from the Internal Revenue Service's Business Master File (BMF) system. Form 1120-DISC returns were processed on a separate computer system designed expressly for the sampling process. Both sampling procedures used a transformation of the Employer Identification Number as the basis for essentially random selection within a sample class.

The prescribed sample rates for Forms 1120 and 1120S ranged from 0.40 percent to 100 percent, depending on size of total assets and net income (or deficit) and the presence or absence of selected "financial," "nonfinancial special" or "nonfinancial regular" principal business activity (PBA) codes as defined in the note to Figure D. The average sample rates for Forms 1120 and 1120S, shown in figure D, columns 8 and 9, ranged from 0.45 percent to 100 percent, which represent average prescribed rates for the individual sample classes. Forms 1120L and 1120M were sampled, based on size of total assets, at rates ranging from 50 percent to 100 percent. Forms 1120F were sampled based on total assets and "financial" or "nonfinancial" PBA codes, at sample rates ranging from 25 to 100 percent. For Forms 1120-DISC, sample rates were dependent upon: (1) the size of total assets of

the majority corporate stockholder, (2) the size of total assets of the DISC, (3) the size of net income (or deficit) of the DISC and (4) the size of the annualized adjusted taxable income of all the DISCs in the controlled group. The sample rates ranged from 5 to 100 percent.

Figure D contains the number of returns in the population and sample, by sample class and sampling rates (both prescribed and achieved). A comparison of the total 1982 population (3,131,181) in figure D with the total estimated number of returns (2,925,933) in table 1, column 1, will show a difference of 205,248. This difference resulted from returns which were excluded because they were: (1) inactive returns having neither income nor deductions; (2) duplicate returns; (3) amended returns not associated with the original returns and which were not earlier removed by the original computer selection (the original returns were subject to sampling); (4) tentative returns not associated with the revised returns and which were not earlier removed by the original computer selection (the revised returns were subject to sampling); (5) returns exempt under section 936 of the Internal Revenue Code (IRC); (6) returns exempt under section 1247 of the IRC; (7) returns exempt under section 883 of the IRC; (8) Cost Corporation returns exempt under Revenue Ruling 52-542; (9) Form 1120M corporation returns exempt from tax under section 501(c)(15) of the IRC; (10) returns of (non-resident) foreign corporations having no income effectively connected with a trade or business within the U.S.; (11) (U.S.) Virgin Islands returns exempt under section 934 of the IR Code; (12) returns of political organizations filing on Forms 1120 and stating that they are filing under IR Code section 527; (13) returns filed by general stock ownership corporations on Forms 1120 which are required to file a return but are exempt from tax; (14) returns filed by homeowners' associations on Forms 1120 and stating they are filing under IR Code section 528; and (15) information returns reporting no tax due to tax treaty or convention according to IR Code section 894; (16) certain delinquent returns of corporations for prior years.

Until income year 1981, it had been our practice to include prior-year returns of small corporations in the tabulations as a substitute for returns not filed until after the end of the sample selection period. For income year 1982, however, we decided to no longer completely process delinquent returns with total assets under \$250,000,000 which used basic tax forms prior to 1981, and whose accounting periods ended before July, 1982.

The estimated number of corporations filing on old tax forms was assumed to approximate the number of yet to be filed 1982 returns and thus even while these

*Homer Jones and Richard Collins designed the sample for this report. Homer Jones prepared the text and tables in this section under the coordination of Sandra Barker of the Operations Section, Corporation Statistics Branch.

Figure D--Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Selection Class, Income-Year 1982

| Sample Class Number | Description of Sample Selection Classes | | Industry Class | Year Sampled | Number of Returns | | Sampling Rates (Percent) | |
|---------------------|--|-------------------------------------|----------------|--------------|----------------------|-------------|--------------------------|----------|
| | Size of total assets | Size of net income or deficit | | | Estimated Population | Sample Size | Pre-scribed | Achieved |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| | All Returns, Total.....* | | | * | 3,131,181 | 96,734 | 3.15% | 3.09% |
| | Forms 1120 and 1120S with Form 5735 attached, Total.....* | | | * | 623 | 606 | 100.00 | 97.27 |
| 1 | Under \$50,000,000..... | Any amount..... | B,C | All | 545 | 528 | 100.00 | 96.88 |
| | Under \$100,000,000..... | Any amount..... | A | All | | | | |
| 2 | \$50,000,000 or more..... | Any amount..... | B,C | All | 78 | 78 | 100.00 | 100.00 |
| | \$100,000,000 or more..... | Any amount..... | A | All | | | | |
| | Forms 1120 and 1120S (no Form 5735 attached), Total.....* | | | * | 3,103,330 | 88,412 | 2.91 | 2.85 |
| 3 | Under \$50,000..... | Under \$25,000..... | All | All | 1,275,033 | 6,215 | 0.45 | 0.49 |
| 4 | \$50,000 under \$100,000..... | \$25,000 under \$50,000..... | All | All | 481,724 | 3,495 | 0.69 | 0.73 |
| 5 | \$100,000 under \$250,000..... | \$50,000 under \$100,000..... | All | All | 564,776 | 6,568 | 1.15 | 1.16 |
| 6 | \$250,000 under \$500,000..... | \$100,000 under \$250,000..... | All | All | 327,404 | 8,166 | 2.48 | 2.49 |
| 7 | \$500,000 under \$1,000,000..... | \$250,000 under \$500,000..... | All | All | 203,669 | 7,896 | 3.87 | 3.88 |
| 8 | \$1,000,000 under \$2,500,000..... | \$500,000 under \$1,000,000..... | All | All | 138,267 | 13,402 | 9.91 | 9.69 |
| 9 | \$2,500,000 under \$5,000,000..... | \$1,000,000 under \$1,500,000..... | All | All | 47,438 | 5,849 | 12.84 | 12.33 |
| 10 | \$5,000,000 under \$10,000,000..... | \$1,500,000 under \$2,500,000..... | All | All | 24,531 | 6,327 | 26.61 | 25.79 |
| 11 | \$10,000,000 under \$25,000,000..... | \$2,500,000 under \$5,000,000..... | A | All | 6,693 | 2,593 | 39.74 | 38.74 |
| 12 | \$10,000,000 under \$25,000,000..... | \$2,500,000 under \$5,000,000..... | B | All | 3,091 | 1,502 | 49.40 | 48.59 |
| 13 | \$25,000,000 under \$50,000,000..... | \$5,000,000 under \$10,000,000..... | A | All | 4,863 | 2,372 | 49.80 | 48.78 |
| 14 | \$10,000,000 under \$50,000,000..... | \$2,500,000 or more..... | C | All | | | | |
| | \$25,000,000 under \$50,000,000..... | \$5,000,000 or more..... | B | All | 17,329 | 15,515 | 100.00 | 89.53 |
| | \$50,000,000 under \$100,000,000..... | \$10,000,000 or more..... | A | All | | | | |
| 15 | \$50,000,000 or more..... | Any amount..... | B,C | All | 8,512 | 8,512 | 100.00 | 100.00 |
| | \$100,000,000 or more..... | Any amount..... | A | All | | | | |
| | Forms 1120L and 1120M, Total.....* | | | * | 3,517 | 1,976 | 56.20 | 56.18 |
| 16 | Under \$50,000,000..... | Any amount..... | All | All | 3,081 | 1,540 | 50.00 | 49.98 |
| 17 | \$50,000,000 or more..... | Any amount..... | All | All | 436 | 436 | 100.00 | 100.00 |
| | Forms 1120F (with effectively connected income, in U.S.), Total....* | | | * | 12,411 | 3,394 | 28.03 | 27.35 |
| 18 | Under \$25,000,000..... | Any amount..... | A | All | 11,909 | 2,900 | 25.00 | 24.35 |
| | Under \$10,000,000..... | Any amount..... | B,C | All | | | | |
| 19 | \$25,000,000 under \$100,000,000..... | Any amount..... | A | All | 282 | 274 | 100.00 | 97.16 |
| | \$10,000,000 under \$50,000,000..... | Any amount..... | B,C | All | | | | |
| 20 | \$100,000,000 or more..... | Any amount..... | A | All | 220 | 220 | 100.00 | 100.00 |
| | \$50,000,000 or more..... | Any amount..... | B,C | All | | | | |
| | Forms 1120-DISC (See Figure E).....* | | | * | 11,300 | 2,346 | 20.93 | 20.76 |

Notes:

Returns were classified according to either size of total assets, or size of net income or deficit, whichever made the sample class number higher. EXAMPLE: A Form 1120 return with total assets of \$750,000 and having net income of \$75,000 would be in sample class 7 (based on total assets) rather than in sample class 5 (based on net income). The prescribed and achieved sampling rates for Sample Classes 3 through 13 are composite figures of different sampling rates used during the three calendar years of sampling, 1982, 1983, and 1984. Other sample classes had the same prescribed and achieved sampling rates for the three years. There are three categories of industries used in this design as indicated in Column (4) by A, B, and C. Class A represents Financial industries having business codes 6030, 6060, 6090, 6120, 6140, 6150, 6199, 6210, 6359, 6511, 6550, 6599, 6742, and 6749. Class B represents Non-Financial Special industries having business codes of 0400, 1330, 1510, 1600, 2298, 3490, 3670, 3698, 3998, 4200, 5008, 5050, 5140, 5300, 7000, 7389, and 7900. Class C represents Non-Financial Regular industries having all other business codes. Classes B and C combined represent Non-Financial industries. For a detailed description of these Principal Business Activity (PBA) codes, see the tax return instructions in section 6.

* Not Applicable

sample returns were not fully processed, the final weighted sample was adjusted upward to account for this exclusion.

The estimated population of exclusions, 205,248, is a decrease of 26,828 under the income year 1981 population of exclusions, 232,076. This is distributed as follows:

POPULATION EXCLUSIONS

| | INCOME YEAR | | |
|--------------------|-------------|--------|--------|
| | 1982 | 1981 | 1980 |
| Total | 100.0% | 100.0% | 100.0% |
| Inactive returns | 59.1 | 53.7 | 84.7 |
| Duplicate returns | 25.9 | 42.2 | 13.6 |
| Filed on old forms | 13.7 | 1.6 | n.a. |
| Miscellaneous | 1.3 | 2.5 | 1.7 |

METHOD OF ESTIMATION

The data from the sample returns were weighted to estimate the total size of business activities of all corporations in the United States and its possessions which filed returns for accounting periods ending July 1982 through June 1983. The returns were selected for the sample during the two year period, July 1982 through June 1984. A few missing returns with total assets \$250,000,000 or more were processed after the normal period when received.

A two stage process was used to calculate the Forms 1120, 1120F and 1120S weights. The first was to compute a provisional weight for each sampling class. The provisional weight was computed by dividing the total number of returns in a sampling class by the number of returns in the sample from that class. The Forms 1120, 1120S, and 1120F returns subject to sampling at less than the 100 percent achieved rate were reweighted after determination of their provisional weights.

The second stage involved post-stratification based on 58 groups of Principal Business Activity Codes (the major industries). Because each group was not sufficiently represented in each sampling class, raking ratio estimation procedures were employed to prevent the loss of coverage.[2]

The estimation procedures used were essentially the same as those used for the 1981 income year. Income years before 1980 used just a version of the provisional weight mentioned above.

The prescribed sampling weights are the inverse of the prescribed provisional rates given in figure D, column 8, and figure E, column 5. In income years prior to 1981, the shortage, if any, in the 100 percent sampling weight classes was adjusted out of these classes to a lower prescribed sampling weight class with the highest non-100 percent sampling rate but otherwise having the same characteristics, thereby increasing its provisional weight and partially compensating for the shortage.

For the income year 1982, the second largest 100 percent sample class for each type of return was again used to adjust for any shortage in the overall 100 percent class. This procedure tends to improve the adjustment over what it would have been under the pre-1981 procedure, since its total assets, and income/deficit levels are nearer those of the missing items in the sample. Nonetheless, missing returns that were to have been selected with certainty continue to represent a major limitation on any analyses done with the sample results.

TABLE PRESENTATION

Sample weights determined from the above procedure were carried to two decimal places. This continues

the practice readopted in the years 1980-1981 issuances which resumed a tradition implemented in volumes of Statistics of Income prior to the 1973 issuance (from 1973 through 1979, integer weighting was adopted). The use of decimal weighting made weighting more accurate and reduced the sampling variability. Integer weighting had some advantages also, such as better additivity of parts to their total.

As a result of two decimal place weighting, a column of frequencies may fail to add exactly to the corresponding total. The total should be considered more accurate in this case. The same condition may exist for money amount totals but the effect is likely to be less important since the dollar amounts are normally in approximate balance prior to the rounding to thousands of dollars (which takes place in all tables as the last step before displaying the results).

Whenever a weighted frequency is less than 3, the estimate is combined or deleted in order to avoid disclosure of information about specific corporations. These combinations or deletions are indicated by either a double asterisk (**) or a triple asterisk (***). In all other cases, when an estimate is based on fewer than 10 returns, not all of them selected at the 100 percent rate, the estimate is considered statistically unreliable and is indicated by a single asterisk (*) to the left of the data items. (Asterisk estimates should normally be used only in combination with other tabulated values.) Also, for tables classified by total assets, the amounts in the asset size columns may not add up to the total for particular industries because of deletions of asset size column(s) at a lower industry level.

The statistical reliability of each cell in the tables was determined independently from that of other cells. Accordingly, it is possible to see a total figure with an asterisk (*) indicating statistical unreliability and yet a subset of the total not so identified. For example, an industrial division figure could be based on 7 returns, of which 3 were not sampled at the 100 percent rate (and, thus, receive an asterisk), and a major group in this division could have 4 returns all sampled at the 100 percent rate and, thus, not receive an asterisk.

In the tables, a dash (-) in place of a frequency or an amount indicates that: (1) if returns were sampled at a rate of 100 percent, no returns had the particular characteristics or (2) if returns were sampled at a rate less than 100 percent, either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any sample returns.

SAMPLING VARIABILITY

The particular sample used in this program is one of a large number of possible samples that could have been selected using the same sample design. Estimates derived from the different samples would differ from each other. The deviation of a sample estimate from the average of all possible samples is called the standard error. The sampling variability of an estimate is a measure of the variation among the estimates from the possible samples and, thus, is a measure of the precision with which an estimate from a particular sample approximates the average result of all possible samples.

The coefficient of variation is the standard error of the estimate expressed as a percent of the estimate. The standard error, when added to and subtracted from the value of the estimate, provides upper and lower limits within which approximately two out of three estimates derived from similarly selected samples would be expected to fall. (See figure F).

Figure E--Domestic International Sales Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Selection Class, Income Year 1982.

| Description of Sample Selection Class | | Number of Returns | | Sampling Rates (Percent) | |
|---|--|----------------------|-------------|--------------------------|----------|
| Size of total assets | Size of net income or deficit | Estimated Population | Sample Size | Prescribed | Achieved |
| (1) | (2) | (3) | (4) | (5) | (6) |
| All 1120-DISC Returns | | 11,300 | 2,346 | 20.93% | 20.76% |
| MCS under \$10,000,000 & DISC under \$500,000 | Both TICG & DISC under \$200,000 | 5,923 | 324 | 5.00 | 5.47 |
| MCS under \$10,000,000 & DISC \$500,000 under \$1,000,000 | Larger of TICG or DISC \$200,000 under \$500,000 | 1,823 | 171 | 10.00 | 9.38 |
| MCS \$10,000,000 under \$25,000,000 & DISC under \$1,000,000 | Both TICG and DISC under \$500,000 | | | | |
| MCS under \$25,000,000 & DISC \$1,000,000 under \$2,500,000 | Larger of TICG or DISC \$500,000 under \$1,000,000 | 1,194 | 255 | 20.00 | 21.36 |
| MCS \$25,000,000 under \$50,000,000 & DISC under \$2,500,000 | Both TICG and DISC under \$1,000,000 | | | | |
| MCS under \$50,000,000 & DISC \$2,500,000 under \$5,000,000 | Larger of TICG or DISC \$1,000,000 under \$1,500,000 | 647 | 186 | 30.00 | 28.75 |
| MCS \$50,000,000 under \$100,000,000 & DISC under \$5,000,000 | Both TICG and DISC under \$1,500,000 | | | | |
| MCS under \$100,000,000 & DISC \$5,000,000 under \$10,000,000 | Larger of TICG or DISC \$1,500,000 under \$2,500,000 | 519 | 241 | 50.00 | 46.44 |
| MCS \$100,000,000 under \$250,000,000 & DISC under \$10,000,000 | Both TICG & DISC under \$2,500,000 | | | | |
| MCS under \$100,000,000 & DISC \$10,000,000 under \$25,000,000 | Larger of TICG or DISC \$2,500,000 under \$5,000,000 | 258 | 233 | 100.00 | 90.31 |
| MCS under \$250,000,000 & DISC \$25,000,000 or more | Either TICG or DISC \$5,000,000 or more | 936 | 936 | 100.00 | 100.00 |
| MCS \$250,000,000 or more & Any amount for DISC | Any amount for both TICG & DISC | | | | |

Notes:

The abbreviations used in the table above are:

MCS - Majority Corporate Stockholder,

DISC - Domestic International Sales Corporation, and

TICG - Taxable Income of Controlled Group.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the average result of all possible different samples. For example, assume an estimate of 90,339 represents the number of returns having total assets \$100,000 under \$250,000 in a 1982 Statistics of Income table. A coefficient of variation (CV) of 3.11 percent for this frequency is obtained by using column 2 of Figure F and interpolating as indicated in the footnote found there.

The standard error of the estimate SE(X) is needed to construct the interval estimate; it is the product of the estimate, X, and its coefficient of variation, CV(X):

$$\begin{aligned} SE(X) &= X \text{ CV}(X) \\ &= 90,339 (.0311) \\ &= 2,810 \text{ returns.} \end{aligned}$$

The SE(X) value is then subtracted from and added to the estimate X to construct a 68 percent confidence interval estimate. The interval is computed using the formula:

$$(X - SE(X)) \leq Y \leq (X + SE(X))$$

with a 68 percent confidence level, where Y is the population value estimated by X. Based on the data for this example, the interval estimate is from 87,529 returns to 93,149 returns (90,339 ± 2,810 returns). A conclusion that the average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds (68 percent) of all possible similarly selected different samples.

To obtain this interval estimate with 95 percent confidence limits, multiply the SE(X) value by two and recompute the interval. For this example, the resulting interval would be from 84,719 returns to 95,959 returns.

Figure F -- Coefficient of Variation of Estimated Number of Returns, Income Year 1982

| Estimated number of returns | Tables showing the classification by size of total assets | | | | | | | | Tables not showing classes by size of total assets | Form 1120-DISC tables |
|-----------------------------|---|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---|--|-----------------------|
| | under \$100,000 ¹ | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 ² | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | | |
| | (Percent)2/3/ | | | | | | | | | |
| 200..... | 102.62 | 66.15 | 44.37 | 35.22 | 22.35 | 12.67 | 10.00 | 2.45 | 102.62 | 29.44 |
| 300..... | 83.79 | 54.01 | 36.23 | 28.76 | 18.25 | 10.34 | 8.16 | 2.00 | 83.79 | 24.04 |
| 400..... | 72.56 | 46.77 | 31.37 | 24.90 | 15.80 | 8.96 | 7.07 | 1.73 | 72.56 | 20.82 |
| 500..... | 64.90 | 41.84 | 28.06 | 22.28 | 14.14 | 8.01 | 6.32 | 1.55 | 64.90 | 18.62 |
| 600..... | 59.25 | 38.19 | 25.62 | 20.33 | 12.90 | 7.31 | 5.77 | 1.41 | 59.25 | 17.00 |
| 700..... | 54.85 | 35.36 | 23.72 | 18.83 | 11.95 | 6.77 | 5.35 | 1.31 | 54.85 | 15.74 |
| 800..... | 51.31 | 33.07 | 22.18 | 17.61 | 11.17 | 6.33 | 5.00 | 1.22 | 51.31 | 14.72 |
| 900..... | 48.37 | 31.18 | 20.92 | 16.60 | 10.54 | 5.97 | 4.71 | 1.15 | 48.37 | 13.88 |
| 1,000..... | 45.89 | 29.58 | 19.84 | 15.75 | 9.99 | 5.67 | 4.47 | 1.10 | 45.89 | 13.17 |
| 1,200..... | 41.89 | 27.00 | 18.11 | 14.38 | 9.12 | 5.17 | 4.08 | 1.00 | 41.89 | 12.02 |
| 1,500..... | 38.79 | 25.00 | 16.77 | 13.31 | 8.45 | 4.79 | 3.78 | 0.93 | 38.79 | 11.13 |
| 1,600..... | 36.28 | 23.39 | 15.69 | 12.45 | 7.90 | 4.48 | 3.54 | 0.87 | 36.28 | 10.41 |
| 1,800..... | 34.21 | 22.05 | 14.79 | 11.74 | 7.45 | 4.22 | 3.33 | 0.82 | 34.21 | 9.81 |
| 1,900..... | 32.45 | 20.92 | 14.03 | 11.14 | 7.07 | 4.01 | 3.16 | 0.77 | 32.45 | 9.31 |
| 2,500..... | 29.02 | 18.71 | 12.55 | 9.96 | 6.32 | 3.58 | 2.83 | 0.69 | 29.02 | 8.33 |
| 3,000..... | 26.50 | 17.08 | 11.46 | 9.09 | 5.77 | 3.27 | 2.58 | 0.63 | 26.50 | 7.60 |
| 4,000..... | 22.95 | 14.79 | 9.92 | 7.88 | 5.00 | 2.83 | 2.24 | 0.55 | 22.95 | 6.58 |
| 5,000..... | 20.52 | 13.23 | 8.87 | 7.04 | 4.47 | 2.53 | 2.00 | 0.49 | 20.52 | 5.89 |
| 7,000..... | 17.35 | 11.18 | 7.50 | 5.95 | 3.78 | 2.14 | 1.69 | 0.41 | 17.35 | 4.98 |
| 10,000.... | 14.51 | 9.35 | 6.27 | 4.98 | 3.16 | 1.79 | 1.41 | 0.35 | 14.51 | 4.16 |
| 15,000.... | 11.85 | 7.64 | 5.12 | 4.07 | 2.58 | 1.46 | 1.15 | (4) | 11.85 | (4) |
| 25,000.... | 9.18 | 5.92 | 3.97 | 3.15 | 2.00 | 1.13 | 0.89 | (4) | 9.18 | (4) |
| 35,000.... | 7.76 | 5.00 | 3.35 | 2.66 | 1.69 | 0.96 | 0.76 | (4) | 7.76 | (4) |
| 50,000.... | 6.49 | 4.18 | 2.81 | 2.23 | 1.41 | (4) | (4) | (4) | 6.49 | (4) |
| 75,000.... | 5.30 | 3.42 | 2.29 | 1.82 | 1.15 | (4) | (4) | (4) | 5.30 | (4) |
| 100,000... | 4.59 | 2.96 | 1.98 | 1.58 | 1.00 | (4) | (4) | (4) | 4.59 | (4) |
| 150,000... | 3.75 | 2.42 | 1.62 | 1.29 | 0.82 | (4) | (4) | (4) | 3.75 | (4) |
| 250,000... | 2.90 | 1.87 | 1.25 | 1.00 | 0.63 | (4) | (4) | (4) | 2.90 | (4) |
| 500,000... | 2.05 | 1.32 | 0.89 | (4) | (4) | (4) | (4) | (4) | 2.05 | (4) |
| 700,000... | 1.73 | (4) | (4) | (4) | (4) | (4) | (4) | (4) | 1.73 | (4) |
| 1,000,000. | 1.45 | (4) | (4) | (4) | (4) | (4) | (4) | (4) | 1.45 | (4) |
| 1,500,000. | 1.18 | (4) | (4) | (4) | (4) | (4) | (4) | (4) | 1.18 | (4) |
| 2,000,000. | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) | 1.03 | (4) |

1 Includes zero assets and assets not reported.

2 Coefficient of variation is zero for returns with total assets of \$100,000,000 or more

3 This percentage should normally not be used for estimates designated by a single asterisk (*) because the approximation shown here is inapplicable when the sample is too small to yield reliable confidence interval estimates.

4 Not applicable because the estimated number of returns was greater than the population estimate.

NOTE: Method of interpolation: Divide the estimate by 100, determine the coefficient of variation percentage in the proper column, and then divide the result by 10. EXAMPLE: To find the coefficient of variation for an estimate of 60,000 returns having total assets of \$250,000 under \$500,000 divide by ten the coefficient of variation of 25.62 percent shown for 600 returns (60,000 divided by 100) to obtain 2.56 percent.

SAMPLE MANAGEMENT

The totals (i.e. population and sample counts) for the number of returns filed were derived from computer counts of corporation returns (other than Form 1120-DISC) produced at the ten Internal Revenue Service processing centers and the National Computer Center (NCC), while Form 1120-DISC population and sample counts were from the Data Center (DC) located in Detroit, Michigan. These counts were verified during statistical processing to minimize loss of data. Returns are classified into sample strata based on their total assets, net income or deficit, return type, and industry code. In previous years, the population counts reported by the NCC for the ten processing centers were accepted without change for each of the sample strata. For income year 1982, however, misstratified returns were reclassified into their correct strata classes on the basis of consistency tests made on sample returns. The population of returns which needed to be reclassified was estimated from the sample returns and the population adjusted accordingly. Only returns that were misclassified prior to statistical processing were corrected in this way. Population and sample counts totals were minimally affected by the reclassification. Under a model, reliability was increased slightly by the process. The model assumed, and an analysis of the errors made tend to confirm, that misstratified returns were randomly distributed in the population.

The reasons generally discovered for misstratification of a particular type of return were: (1) total assets not recorded when actually present, (2) total assets recorded, but with dropped (missing) digits, (3) total assets recorded, but with added digits, (4) another figure on the tax return substituted for total assets or net income/deficit (5) an incorrect figure substituted for total assets or net income/deficit, (6) industry code incorrectly recorded, and (7) tax return form type incorrectly recorded.

Because of the significant impact of the statistics, returns of the largest corporations were included, even if not designated by the computer, through the use of a critical case name control procedure. In a few cases when the income year 1982 return could not be located, a form of imputation was carried out, usually by substituting last year's return, after suitable adjustments.

ROUNDING AND MONEY AMOUNTS

Data were abstracted in whole dollars for all types of returns. Amounts of \$500 or more were rounded to the next thousand at the table level instead of at the record level. For example, \$500 was entered as \$1,000 if the weighted values of all records in the cell gave a total of \$500. Amounts under \$500 were entered into the unweighted records, but if their weighted total was under \$500, an indicator was entered instead to account for the presence of an amount greater than zero, but under \$500.

INDUSTRIAL CLASSIFICATION

Among the several classifications used in this report, tax return data are classified according to the principal business activity of the corporation. A return was classified in the "minor" industry which, in general, accounted for the largest portion of its total receipts, even though the return may have been for a company engaged in many business activities or may have been a consolidated return filed for the

members of an affiliated group of corporations. Minor industries were aggregated into major industries, which in turn were aggregated into industrial divisions. (See "Codes for Principal Business Activities" in the tax form instructions in Section 6 of this volume.)

In pre-1981 Statistics of Income years, all returns in the statistical sample were examined during statistical processing and each was assigned a code, the SOI Industry Code ("Minor Industry"), classifying it by industry. In determining the code, the following were considered: the description of the business activity given by the taxpayer; the taxpayer-assigned Principal Business Activity ("PBA") code; the sources of the taxpayer's income; the nature of the expenses; and, where necessary, information from various reference books. Year-to-year changes in the classification of specific corporations could have resulted from mergers and other changes in organization or from the filing of consolidated returns, as well as from changes in the principal source of total receipts. An Industry Code Library System initiated in 1981 income year, which consisted of records from previous years' files was again used to assign the SOI Industry Code. If the EIN and the PBA code on a record in the Industry Code Library matched that of the current year record, the SOI Industry Code was transferred from the Library record to the SOI record. Approximately 70 percent of the returns had industry codes assigned by this method. In general, all other records were industry-coded according to the former process.[3]

The industries used in this report generally conform to the Enterprise Standard Industrial Classification (ESIC) authorized by the Office of Information and Regulatory Affairs in the Office of Management and Budget. This classification, which was designed to classify companies (which are often engaged in more than one industrial activity), follows closely along the line of the more detailed Standard Industrial Classification (SIC) Manual (also authorized by the Office of Management and Budget), which was designed to classify separate "establishments" rather than the companies of which establishments were parts. Some departures from the ESIC system were made for the Statistics of Income (SOI) for the finance industries in order to reflect particular provisions of the Internal Revenue Code. For a comparison of the ESIC and SIC industries with the SOI industries used in this report, see the complete report, Statistics of Income--1977, Corporation Income Tax Returns. [4]

CONSOLIDATED RETURNS

The number of returns in the population differs from the total number of profit-oriented corporations in the U.S. chiefly because the Internal Revenue Code permitted single returns presenting the combined financial data of an entire "affiliated group" to be filed by parent corporations.

Although consolidated returns usually reported more than one kind of industrial activity, each return was assigned a single industry classification based on the corporation's principal business activity. Basically, a return was classified into the SOI industry which accounted for the largest portion of its total receipts.

The fact that a consolidated corporation return was assigned a single SOI industry code constitutes a limitation of the data. Some consolidated (and nonconsolidated) corporations were engaged in many types of business activities, so some of the data in this report are not entirely related to the industrial activity under which they are shown.

OTHER DATA LIMITATIONS

Various techniques were used to control and improve the quality of the data during the processing stages. During sampling, a comparison was made between the expected and realized number of sample returns in each of the service centers. Any differences were resolved by follow-up, to the extent feasible. During statistical editing, editors were instructed to correct tax return errors wherever possible through reference to other entries on the return or accompanying schedules and to adjust data to achieve consistency in statistical definitions. Imputation of data by other techniques was also utilized when necessary.

Prior to tabulation numerous computer tests were applied to each return record to check for inconsistencies. Prior to publication, all statistics and tables were reviewed for accuracy and reasonableness, in light of the provisions of tax laws, taxpayer reporting variations and limitations, economic conditions, and comparability with other statistical series.

Part of the review process involved extensive comparison of the current year data with that of the prior year. On occasions, the review process reveals discrepancies or irregularities in previously published data. When adjustments or additional limitations of published data are deemed appropriate, the Statistics of Income Division will provide data users with additional information to place published data in proper perspective. Future editions of Statistics of Income publications will be used to disseminate such information.

NOTES AND REFERENCES

[1] For a description of the sample designs employed in earlier publications of Statistics of Income,

Corporation Income Tax Returns see "Sampling Corporation Income Tax Returns for Statistics of Income, 1951 to Present" by Homer W. Jones and Paul B. McMahon, available in Statistics of Income and Related Administrative Record Research: 1984, Internal Revenue Service or 1984 Proceedings of the Section on Survey Research Methods, American Statistical Association.

[2] Further details on the procedures used can be found in the paper "Modified Raking Estimations in the Corporate SOI Program" by M.R. Leszcz, H.L. Oh, and F.J. Scheuren, Statistics of Income and Related Administrative Record Research: 1983, Internal Revenue Service (available upon request) or 1983 Proceedings of the Section on Survey Research Methods, American Statistical Association.

[3] For a discussion of industry coding systems used in various statistical series, see A Review of Industry Coding Systems, Statistical Working Paper 11, Statistical Policy Office, Office of Information and Regulatory Affairs, Office of Management and Budget, published in March 1984 by the OMB. See also A Review of Industry Coding Systems, a Supplement to Statistical Policy Working Paper 11, which contains descriptions of several federal industry coding systems reviewed by the working group.

[4] More detailed statistics are available in Publication 1053, Source Book of Statistics of Income for the industries shown in table 1 of this report. A general description of the Source Book, including ordering information, is available from the Director, Statistics of Income Division, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224. Information concerning a magnetic-tape version of the Source Book is also contained in this general description.

INCOME AND FINANCIAL DATA BY INDUSTRY AND SIZE

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- 2 Returns of active corporations: Balance sheets and income statements, tax and selected other items, by major industry, 24
- 3 Returns with net income: Balance sheets and income statements tax and selected other items, by major industry, 32
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- 9 Returns of active Small Business Corporations, Form 1120S: Balance sheets and income statements and distributions to stockholders, by industrial division, 55

*Review of the tables was coordinated by Janice C. Washington.

RETURNS OF ACTIVE CORPORATIONS

Table 1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Depreciable Assets, and Depreciation Deduction, by Minor Industry

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

| Minor industry | Number of returns | | Total receipts | | Business receipts | Cost of sales and operations | Net income | Deficit | Income subject to tax | Total income tax |
|--|-------------------|------------------|----------------------|-------------------------|----------------------|------------------------------|--------------------|--------------------|-----------------------|-------------------|
| | Total | With net income | All returns | Returns with net income | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Total returns of active corporations | 2,925,933 | 1,608,357 | 7,024,097,766 | 5,202,373,378 | 6,156,994,009 | 4,270,850,310 | 274,352,942 | 120,018,799 | 205,175,407 | 86,766,154 |
| Agriculture, forestry, and fishing | 91,320 | 47,858 | 65,356,911 | 38,649,180 | 60,643,550 | 43,222,379 | 2,528,479 | 2,614,897 | 1,604,445 | 502,671 |
| Agricultural production | 65,747 | 35,183 | 45,831,899 | 25,891,973 | 41,992,629 | 29,115,965 | 2,108,577 | 2,150,707 | 1,291,492 | 408,491 |
| Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping | 25,573 | 12,675 | 19,525,011 | 12,757,207 | 18,650,920 | 14,106,414 | 419,902 | 464,190 | 312,953 | 94,180 |
| Mining | 36,676 | 15,950 | 203,098,557 | 165,218,032 | 191,152,749 | 151,521,066 | 8,429,100 | 7,885,522 | 7,319,683 | 3,330,610 |
| Metal mining | 1,748 | 219 | 4,711,144 | 911,643 | 4,335,516 | 3,109,556 | 103,016 | 888,444 | 61,931 | 31,291 |
| Iron ores | 145 | *6 | 1,326,015 | *132,093 | *1,202,619 | *914,629 | *10,517 | *222,029 | 10,508 | 4,862 |
| Copper, lead and zinc, gold and silver ores | 1,367 | 173 | 2,030,774 | 80,034 | 1,879,615 | 1,373,998 | 23,404 | 414,527 | *13,709 | 7,832 |
| Other metal mining | 236 | *39 | 1,354,355 | *699,516 | 1,253,282 | 820,929 | *69,094 | 251,888 | 37,715 | *18,597 |
| Coal mining | 3,543 | 1,315 | 18,698,159 | 10,931,448 | 17,660,722 | 12,829,052 | 524,291 | 511,284 | 350,625 | 177,248 |
| Oil and gas extraction | 27,876 | 12,599 | 172,829,349 | 149,749,010 | 162,788,788 | 131,491,870 | 7,540,972 | 6,141,719 | 6,704,821 | 3,027,262 |
| Crude petroleum, natural gas, and natural gas liquids | 13,188 | 4,743 | 133,160,678 | 119,993,589 | 127,030,441 | 110,775,766 | 4,494,550 | 3,588,248 | 4,004,462 | 1,830,856 |
| Oil and gas field services | 14,688 | 7,856 | 39,668,671 | 29,755,421 | 35,758,346 | 20,716,103 | 3,046,421 | 2,553,471 | 2,700,359 | 1,196,407 |
| Nonmetallic minerals, except fuels | 3,509 | 1,818 | 6,859,905 | 3,625,931 | 6,367,723 | 4,090,589 | 260,821 | 344,075 | 2,002,356 | 94,809 |
| Dimension, crushed, and broken stone; sand and gravel | 2,937 | 1,438 | 4,246,055 | 2,580,042 | 4,017,376 | 2,693,922 | 183,604 | 147,462 | 134,906 | 57,390 |
| Other nonmetallic minerals, except fuels | 572 | 380 | 2,613,850 | 1,045,888 | 2,350,347 | 1,396,667 | 77,218 | 196,613 | 67,400 | 37,419 |
| Construction | 282,345 | 138,783 | 281,747,868 | 199,257,225 | 271,633,721 | 212,898,363 | 8,106,061 | 5,782,109 | 5,973,416 | 2,114,820 |
| General building contractors and operative builders | 113,656 | 52,116 | 119,980,764 | 85,716,935 | 114,052,864 | 96,181,801 | 2,972,773 | 2,588,092 | 2,090,307 | 747,189 |
| General building contractors | 109,951 | 49,988 | 116,466,774 | 84,295,144 | 111,680,462 | 94,829,544 | 2,798,387 | 2,282,805 | 1,965,840 | 703,083 |
| Operative builders | 3,705 | 2,128 | 3,511,990 | 1,421,791 | 2,372,403 | 1,252,258 | 174,386 | 295,287 | 124,468 | 44,105 |
| Heavy construction contractors | 18,341 | 9,678 | 56,162,591 | 40,201,560 | 53,704,603 | 42,098,777 | 2,098,302 | 1,008,313 | 1,635,653 | 689,247 |
| Special trade contractors | 150,348 | 76,989 | 105,604,513 | 73,338,731 | 103,876,254 | 74,417,785 | 3,034,985 | 2,185,705 | 2,247,455 | 678,364 |
| Plumbing, heating, and air conditioning | 30,347 | 16,016 | 25,465,421 | 18,454,588 | 25,061,990 | 18,676,849 | 595,283 | 440,127 | 443,474 | 124,064 |
| Electrical work | 23,000 | 12,060 | 20,273,339 | 14,398,627 | 19,931,033 | 14,563,473 | 560,873 | 347,408 | 413,433 | 127,524 |
| Other special trade contractors and contractors not allocable | 97,001 | 48,913 | 59,865,753 | 40,485,517 | 58,883,231 | 41,177,463 | 1,878,829 | 1,398,169 | 1,390,546 | 426,795 |
| Manufacturing | 259,106 | 146,415 | 2,488,331,915 | 1,945,910,140 | 2,357,973,059 | 1,660,537,002 | 108,170,744 | 32,379,481 | 102,157,505 | 45,760,800 |
| Food and kindred products | 15,411 | 9,741 | 291,582,477 | 238,954,093 | 283,085,497 | 207,385,752 | 9,954,737 | 1,320,220 | 9,162,273 | 4,099,545 |
| Meat products | 2,467 | 1,819 | 56,454,862 | 43,667,342 | 55,608,381 | 47,017,366 | 648,638 | -189,785 | 506,309 | 219,747 |
| Dairy products | 2,071 | 1,433 | 43,125,536 | 39,467,783 | 42,117,605 | 32,740,515 | 1,659,277 | 62,463 | 1,626,608 | 731,159 |
| Preserved fruits and vegetables | 555 | 379 | 22,472,246 | 17,405,482 | 21,634,143 | 15,278,537 | 918,829 | 210,845 | 893,084 | 407,068 |
| Grain mill products | 1,176 | 804 | 43,851,740 | 36,656,596 | 42,433,681 | 32,069,511 | 1,398,779 | 83,267 | 1,374,974 | 621,708 |
| Bakery products | 3,193 | 1,698 | 16,878,000 | 14,508,658 | 16,451,936 | 9,473,259 | 782,320 | 109,226 | 707,287 | 318,493 |
| Sugar and confectionery products | 923 | 769 | 13,623,633 | 12,739,280 | 13,264,074 | 8,669,687 | 768,064 | 105,311 | 657,031 | 292,201 |
| Malt liquors and malt | 32 | 17 | 12,406,805 | 9,581,995 | 12,169,436 | 7,302,510 | 331,908 | *70,338 | 312,452 | 144,579 |
| Alcoholic beverages, except malt liquors and malt | 535 | 136 | 10,682,013 | 10,281,535 | 9,595,442 | 6,192,511 | 912,451 | 51,236 | 711,392 | 295,158 |
| Bottled soft drinks, and flavorings | 1,156 | 1,032 | 26,494,917 | 17,301,570 | 25,204,247 | 14,179,750 | 1,409,829 | 88,086 | 1,354,625 | 618,062 |
| Other food and kindred products | 3,302 | 1,654 | 45,592,925 | 37,343,852 | 44,605,853 | 34,462,106 | 1,124,644 | 349,662 | 1,018,512 | 451,368 |
| Tobacco manufactures | 96 | 68 | 33,212,393 | 33,034,056 | 31,345,213 | 18,043,576 | 2,665,290 | *4,372 | 2,503,589 | 1,123,551 |
| Textile mill products | 5,075 | 3,143 | 40,202,815 | 26,983,703 | 39,439,712 | 30,057,481 | 1,294,648 | 587,931 | 1,176,129 | 517,417 |
| Weaving mills and textile finishing | 975 | 404 | 14,249,137 | 9,120,556 | 13,966,933 | 10,475,094 | 382,206 | 243,128 | 367,129 | 162,064 |
| Knitting mills | 1,112 | 795 | 5,911,747 | 4,783,247 | 5,847,217 | 4,351,289 | 340,273 | 82,564 | 292,495 | 130,948 |
| Other textile mill products | 2,987 | 1,944 | 20,041,931 | 13,079,901 | 19,625,562 | 15,231,098 | 572,168 | 262,239 | 516,504 | 224,404 |
| Apparel and other textile finishing | 15,957 | 9,010 | 51,274,573 | 43,777,128 | 50,142,197 | 35,575,924 | 2,297,865 | 595,120 | 4,001,433 | 856,218 |
| Men's and boys' clothing | 2,056 | 1,323 | 17,206,016 | 15,716,031 | 16,674,051 | 11,876,753 | 845,820 | 132,106 | 788,027 | 352,033 |
| Women's and children's clothing | 7,920 | 4,127 | 21,338,435 | 17,382,226 | 20,934,272 | 14,657,034 | 951,911 | 324,931 | 798,661 | 344,296 |
| Other apparel and accessories | 1,988 | 1,587 | 4,774,421 | 4,242,488 | 4,709,617 | 3,378,782 | 194,999 | 44,722 | 177,615 | 69,309 |
| Miscellaneous fabricated textile products; textile products, not elsewhere classified | 3,993 | 1,973 | 7,955,702 | 6,436,384 | 7,824,258 | 5,663,355 | 305,135 | 93,361 | 237,130 | 90,580 |
| Lumber and wood products | 14,203 | 6,951 | 49,407,935 | 22,032,410 | 46,525,373 | 35,176,243 | 764,765 | 1,249,701 | 587,346 | 227,135 |
| Logging, sawmills, and planing mills | 5,583 | 3,068 | 19,179,730 | 10,321,589 | 17,577,593 | 13,449,748 | 269,829 | 460,355 | 195,406 | 62,914 |
| Millwork, plywood, and related products | 3,627 | 1,719 | 18,152,430 | 5,446,345 | 17,465,394 | 12,989,818 | 269,775 | 230,258 | 100,348 | |
| Other wood products, including wood buildings and mobile homes | 4,993 | 2,164 | 12,076,774 | 6,264,476 | 11,482,386 | 8,736,676 | 225,160 | 292,030 | 161,682 | 63,874 |
| Furniture and fixtures | 8,523 | 4,373 | 20,581,885 | 16,323,531 | 20,117,563 | 13,943,162 | 950,411 | 273,471 | 837,952 | 358,906 |
| Paper and allied products | 3,942 | 2,411 | 65,705,171 | 47,290,634 | 62,618,126 | 43,630,107 | 3,055,704 | 734,432 | 2,997,424 | 1,233,477 |
| Pulp, paper, and board mills | 548 | 291 | 39,059,000 | 25,891,016 | 36,810,147 | 26,086,212 | 1,391,226 | 546,094 | 1,396,195 | 508,163 |
| Other paper products | 3,395 | 2,120 | 26,647,170 | 21,399,618 | 25,807,979 | 17,543,895 | 1,664,477 | 188,338 | 1,601,229 | 715,314 |
| Printing and publishing | 37,904 | 22,253 | 86,922,304 | 70,964,472 | 83,699,912 | 43,138,961 | 5,218,999 | 959,621 | 4,768,254 | 2,057,917 |
| Newspapers | 4,952 | 3,021 | 27,275,685 | 23,417,598 | 26,201,276 | 11,524,252 | 2,227,225 | 210,465 | 2,074,204 | 922,932 |
| Periodicals | 3,332 | 1,890 | 12,627,564 | 10,291,660 | 12,125,254 | 5,927,249 | 596,062 | 186,898 | 500,227 | 213,002 |
| Books, greeting cards, and miscellaneous publishing | 5,089 | 2,603 | 15,223,223 | 12,277,935 | 14,194,489 | 5,976,251 | 1,028,364 | 205,247 | 984,958 | 440,890 |
| Commercial and other printing and printing trade services | 24,532 | 14,738 | 31,795,832 | 24,977,279 | 31,178,893 | 19,711,209 | 1,367,348 | 357,012 | 1,208,864 | 481,092 |
| Chemicals and allied products | 10,145 | 6,060 | 227,449,176 | 184,086,524 | 215,944,366 | 135,656,095 | 12,986,637 | 1,985,635 | 12,521,541 | 5,736,917 |
| Industrial chemicals, plastics materials and synthetics | 3,572 | 2,208 | 108,965,869 | 82,739,490 | 103,652,402 | 69,341,543 | 3,216,865 | 901,038 | 2,938,753 | 1,347,315 |
| Drugs | 1,034 | 546 | 40,956,910 | 35,714,723 | 37,671,733 | 17,688,379 | 5,426,795 | 366,819 | 5,322,808 | 2,453,318 |
| Soap, cleaners, and toilet goods | 1,825 | 985 | 41,385,239 | 40,218,897 | 39,952,206 | 25,656,921 | 2,981,510 | 84,272 | 2,941,184 | 1,341,829 |
| Paints and allied products | 1,335 | 1,038 | 9,676,079 | 9,095,827 | 9,502,491 | 5,857,218 | 395,583 | 41,777 | 382,816 | 167,707 |
| Agriculture and other chemical products | 2,378 | 1,284 | 26,465,078 | 16,317,587 | 25,165,534 | 17,112,033 | 965,883 | 591,729 | 935,980 | 426,748 |
| Petroleum (including integrated) and coal products | 2,106 | 1,083 | 584,137,738 | 546,063,297 | 560,780,496 | 434,046,123 | 29,139,512 | 1,617,777 | 28,587,718 | 13,116,503 |
| Petroleum refining (including integrated) | 530 | 157 | 575,006,959 | 541,916,650 | 551,900,834 | 427,223,483 | 28,622,310 | 1,556,686 | 28,132,618 | 12,909,062 |
| Petroleum and coal products, not elsewhere classified | 1,576 | 926 | 9,130,779 | 4,146,647 | 8,879,662 | 6,822,640 | 517,201 | 61,091 | 155,100 | 207,442 |
| Rubber and miscellaneous plastics products | 10,713 | 5,368 | 42,356,156 | 33,326,113 | 41,102,997 | 28,105,588 | 1,692,245 | 470,630 | 1,513,925 | 651,871 |
| Rubber products; plastics footwear, hose and belting | 1,404 | 1,078 | 25,914,030 | 21,077,401 | 24,956,404 | 16,979,576 | 1,006,426 | 115,874 | 959,161 | 433,180 |
| Miscellaneous plastics products | 9,308 | 4,290 | 16,442,127 | 12,248,711 | 16,146,593 | 11,126,012 | 685,819 | 354,757 | 554,764 | 218,691 |
| Leather and leather products | 2,273 | 1,471 | 12,843,678 | 11,224,602</ | | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Depreciable Assets, and Depreciation Deduction, by Minor Industry — Continued

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

| Minor industry | Number of returns | | Total receipts | | Business receipts | Cost of sales and operations | Net income | Deficit | Income subject to tax | Total income tax |
|--|-------------------|-----------------|----------------------|-------------------------|----------------------|------------------------------|-------------------|-------------------|-----------------------|-------------------|
| | Total | With net income | All returns | Returns with net income | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Manufacturing — Continued | | | | | | | | | | |
| Stone, clay, and glass products | 9,975 | 5,192 | 46,311,499 | 29,318,854 | 44,233,718 | 30,306,568 | 1,172,801 | 1,210,701 | 1,059,625 | 469,308 |
| Glass products | 1,936 | 1,176 | 17,775,028 | 13,468,098 | 17,005,957 | 11,337,510 | 439,671 | 164,395 | 414,036 | 181,601 |
| Cement, hydraulic | 144 | *44 | 4,074,394 | *917,508 | 3,849,531 | 2,618,214 | *32,913 | 396,420 | *32,024 | 16,306 |
| Concrete, gypsum, and plaster products | 4,713 | 2,590 | 14,074,220 | 7,915,656 | 13,336,858 | 9,527,307 | 364,548 | 446,247 | 308,041 | 143,693 |
| Other nonmetallic mineral products | 3,182 | 1,382 | 10,387,856 | 7,017,592 | 10,041,373 | 6,823,538 | 335,669 | 203,638 | 305,524 | 127,709 |
| Primary metal industries | 4,237 | 1,947 | 128,808,336 | 32,099,277 | 120,975,962 | 94,685,902 | 1,402,207 | 6,847,295 | 1,151,252 | 510,911 |
| Ferrous metal industries; miscellaneous | | | | | | | | | | |
| primary metal products | 2,412 | 916 | 82,159,453 | 12,119,525 | 78,048,883 | 60,475,757 | 678,472 | 4,963,543 | 613,985 | 262,188 |
| Nonferrous metal industries | 1,825 | 1,031 | 46,648,883 | 19,979,753 | 42,927,079 | 34,210,144 | 723,735 | 1,883,752 | 537,267 | 248,723 |
| Fabricated metal products | 42,325 | 23,473 | 117,526,669 | 87,779,949 | 113,161,637 | 79,299,340 | 5,223,740 | 2,196,377 | 4,771,512 | 2,008,362 |
| Metal cans and shipping containers | 155 | 77 | 13,670,289 | 13,327,452 | 12,719,389 | 9,524,905 | 426,953 | 19,885 | 413,923 | 174,958 |
| Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products | 3,643 | 2,056 | 12,631,900 | 10,333,782 | 12,110,985 | 7,650,058 | 817,055 | 177,437 | 784,238 | 338,507 |
| Plumbing and heating, except electric and warm air | 595 | 351 | 4,499,281 | 4,312,975 | 4,314,040 | 2,906,054 | 271,818 | 27,275 | 256,355 | 112,811 |
| Fabricated structural metal products | 9,188 | 4,734 | 30,872,898 | 23,009,854 | 29,934,419 | 22,066,518 | 1,329,218 | 546,005 | 1,176,316 | 497,640 |
| Metal forgings and stampings | 3,724 | 2,533 | 11,560,003 | 6,501,153 | 11,320,332 | 8,109,845 | 389,611 | 348,423 | 342,428 | 143,954 |
| Coating, engraving, and allied services | 3,402 | 2,150 | 4,986,168 | 2,478,405 | 4,719,217 | 3,136,494 | 150,706 | 141,926 | 112,897 | 39,620 |
| Ordnance and accessories, except vehicles and guided missiles | 556 | 401 | 1,041,783 | 852,899 | 1,019,494 | 722,571 | 58,154 | *19,800 | 53,249 | 22,686 |
| Miscellaneous fabricated metal products | 21,062 | 11,172 | 38,264,347 | 26,963,429 | 37,023,761 | 25,182,895 | 1,780,224 | 153,688 | 1,632,105 | 678,186 |
| Machinery, except electrical | 26,708 | 15,625 | 184,131,098 | 130,453,815 | 157,541,494 | 100,042,497 | 11,247,014 | 3,934,920 | 10,880,580 | 4,925,892 |
| Farm machinery | 1,614 | 943 | 12,082,934 | 4,246,268 | 10,840,549 | 7,300,731 | 151,888 | 385,966 | 140,166 | 60,309 |
| Construction and related machinery | 1,769 | 864 | 35,167,859 | 18,247,078 | 33,126,128 | 22,586,434 | 1,468,592 | 1,350,102 | 1,414,253 | 657,790 |
| Metalworking machinery | 8,253 | 4,927 | 15,859,082 | 10,353,832 | 15,280,305 | 10,016,791 | 677,539 | 510,055 | 612,576 | 256,005 |
| Special industry machinery | 3,626 | 2,416 | 16,590,002 | 12,321,590 | 15,959,879 | 10,879,008 | 591,968 | 345,134 | 569,464 | 235,079 |
| General industrial machinery | 3,913 | 2,777 | 20,324,618 | 15,303,319 | 19,527,350 | 13,071,936 | 795,794 | 337,601 | 745,648 | 323,065 |
| Office, computing, and accounting machines | 835 | 392 | 67,215,879 | 58,871,552 | 46,581,577 | 24,970,890 | 7,006,293 | 471,157 | 6,921,293 | 3,190,281 |
| Other machinery, except electrical | 6,699 | 3,308 | 16,890,724 | 11,110,376 | 16,325,906 | 11,220,706 | 554,939 | 534,904 | 483,180 | 203,363 |
| Electrical and electronic equipment | 17,105 | 9,245 | 188,187,778 | 156,456,019 | 174,472,852 | 113,791,559 | 8,584,066 | 2,199,414 | 8,045,807 | 3,562,852 |
| Household appliances | 470 | 405 | 14,254,721 | 9,523,964 | 13,558,942 | 9,286,661 | 590,874 | 153,667 | 569,455 | 259,796 |
| Radio, television, and communication equipment | 1,862 | 1,039 | 45,953,551 | 40,528,887 | 39,788,733 | 26,137,441 | 1,583,297 | 337,988 | 1,299,259 | 535,852 |
| Electronic components and accessories | 8,695 | 4,868 | 60,496,520 | 44,676,000 | 57,818,970 | 39,302,680 | 3,261,025 | 1,065,513 | 3,143,001 | 1,399,000 |
| Other electrical equipment | 6,077 | 2,933 | 67,482,986 | 61,727,169 | 63,306,207 | 39,084,778 | 3,148,870 | 642,246 | 3,034,091 | 1,368,205 |
| Motor vehicles and equipment | 2,991 | 1,967 | 152,803,403 | 124,332,356 | 143,126,094 | 102,492,548 | 3,087,258 | 1,605,940 | 2,857,029 | 1,319,151 |
| Transportation equipment, except motor vehicles | 4,179 | 2,023 | 74,664,415 | 38,774,297 | 70,586,584 | 52,493,176 | 1,352,201 | 2,978,581 | 1,108,109 | 498,385 |
| Aircraft, guided missiles and parts | 1,337 | 495 | 62,736,192 | 32,614,265 | 59,053,916 | 43,779,821 | 1,057,775 | 2,620,529 | 875,745 | 397,649 |
| Ship and boat building and repairing | 1,923 | 1,003 | 6,988,948 | 2,645,199 | 6,761,856 | 5,237,622 | 154,962 | 182,815 | 116,534 | 52,241 |
| Other transportation equipment, except motor vehicles | 919 | 526 | 4,939,275 | 3,514,833 | 4,770,813 | 3,475,734 | 139,465 | 175,236 | 115,830 | 48,494 |
| Instruments and related products | 6,174 | 3,529 | 49,079,562 | 43,144,545 | 46,652,527 | 27,401,176 | 3,652,283 | 569,278 | 3,493,906 | 1,585,239 |
| Scientific instruments and measuring devices; watches and clocks | 2,519 | 1,016 | 17,561,870 | 13,936,898 | 16,732,229 | 10,043,930 | 1,322,017 | 342,472 | 1,189,747 | 536,098 |
| Optical, medical, and ophthalmic goods | 2,955 | 2,258 | 17,698,181 | 15,856,816 | 16,816,654 | 9,531,929 | 1,177,215 | 170,065 | 1,094,304 | 495,010 |
| Photographic equipment and supplies | 700 | 255 | 13,819,511 | 13,350,832 | 13,103,645 | 7,825,318 | 1,243,050 | 56,740 | 1,209,855 | 554,131 |
| Miscellaneous manufacturing and manufacturing not allocable | 19,063 | 11,480 | 41,142,854 | 29,490,466 | 39,797,135 | 26,617,869 | 1,774,867 | 959,695 | 1,553,500 | 656,130 |
| Transportation and public utilities | 115,470 | 59,793 | 632,294,442 | 481,678,525 | 606,039,657 | 338,796,961 | 27,378,633 | 9,042,673 | 25,955,886 | 11,638,542 |
| Transportation | 91,856 | 45,798 | 224,493,312 | 128,095,668 | 211,228,536 | 119,663,909 | 5,539,364 | 6,070,441 | 4,777,679 | 1,945,414 |
| Railroad transportation | 286 | 84 | 44,731,155 | 20,316,964 | 38,879,039 | 22,241,366 | 928,612 | 1,461,376 | 704,339 | 261,421 |
| Local and interurban passenger transit | 8,663 | 5,051 | 4,652,041 | 3,550,508 | 4,486,721 | 2,045,680 | 179,429 | 92,960 | 144,302 | 50,225 |
| Trucking and warehousing | 42,135 | 21,645 | 61,793,272 | 42,479,313 | 59,529,084 | 26,917,929 | 1,956,190 | 1,001,279 | 1,743,322 | 706,015 |
| Water transportation | 9,424 | 2,766 | 14,889,028 | 6,972,006 | 13,877,913 | 8,710,596 | 362,750 | 808,364 | 274,568 | 111,939 |
| Transportation by air | 6,975 | 2,449 | 48,189,551 | 13,825,203 | 45,672,498 | 21,450,698 | 362,226 | 1,197,829 | 326,262 | 142,755 |
| Pipelines, except natural gas | 184 | 113 | 26,446,666 | 26,241,614 | 26,001,635 | 22,857,172 | 1,256,289 | *58,530 | 1,237,228 | 554,351 |
| Transportation services, not elsewhere classified | 24,189 | 13,690 | 23,791,599 | 14,710,061 | 22,781,647 | 15,440,473 | 493,868 | 450,103 | 357,657 | 118,407 |
| Communication | 12,634 | 6,904 | 130,440,430 | 125,016,161 | 126,762,052 | 43,827,087 | 8,571,992 | 1,074,190 | 8,241,239 | 3,840,859 |
| Telephone, telegraph, and other communication services | 6,749 | 3,680 | 112,356,290 | 109,682,342 | 110,124,021 | 36,800,651 | 6,964,883 | 554,884 | 6,785,246 | 3,227,717 |
| Radio and television broadcasting | 5,885 | 3,224 | 18,084,140 | 15,333,820 | 16,638,031 | 7,026,438 | 1,807,110 | 519,306 | 1,455,993 | 613,142 |
| Electric, gas, and sanitary services | 10,980 | 7,091 | 277,360,701 | 228,566,696 | 268,049,068 | 175,305,965 | 13,267,276 | 1,898,042 | 12,936,967 | 5,852,269 |
| Electric services | 265 | 186 | 81,892,226 | 68,226,350 | 78,923,667 | 42,106,962 | 5,004,160 | 636,143 | 4,858,529 | 2,216,715 |
| Gas production and distribution | 1,113 | 653 | 132,266,241 | 106,927,809 | 127,610,753 | 100,703,206 | 2,886,667 | 1,064,073 | 2,606,645 | 1,251,189 |
| Combination utility services | 178 | 160 | 56,387,115 | 48,208,997 | 54,959,207 | 29,909,148 | 4,817,535 | *74,560 | 4,785,854 | 2,178,987 |
| Water supply and other sanitary services | 9,424 | 6,093 | 6,815,119 | 5,202,640 | 6,555,442 | 2,586,648 | 558,913 | 123,267 | 485,938 | 205,378 |
| Wholesale and retail trade | 839,547 | 468,108 | 2,017,701,364 | 1,468,940,134 | 1,972,305,356 | 1,556,263,179 | 45,747,936 | 17,305,258 | 30,107,072 | 11,584,691 |
| Wholesale trade | 285,615 | 168,977 | 1,069,342,142 | 725,686,290 | 1,047,583,638 | 887,794,832 | 26,599,894 | 9,980,125 | 13,987,182 | 5,455,600 |
| Groceries and related products | 24,065 | 14,869 | 157,775,585 | 136,263,938 | 155,852,434 | 136,185,312 | 2,030,122 | 376,118 | 1,471,111 | 584,541 |
| Machinery, equipment, and supplies | 52,653 | 30,781 | 111,362,997 | 78,186,332 | 107,145,162 | 79,678,540 | 5,976,452 | 1,002,380 | 2,118,727 | 800,295 |
| Miscellaneous wholesale trade | 208,897 | 123,400 | 800,203,561 | 511,236,020 | 784,586,041 | 671,930,980 | 18,593,320 | 7,701,628 | 10,397,345 | 4,070,764 |
| Motor vehicles and automotive equipment | 20,406 | 13,816 | 60,405,673 | 49,108,120 | 59,309,480 | 46,915,909 | 3,119,746 | 563,824 | 2,323,588 | 994,909 |
| Furniture and home furnishings | 8,339 | 3,825 | 8,307,375 | 5,707,263 | 8,132,509 | 5,811,235 | 204,828 | 166,533 | 149,715 | 49,231 |
| Lumber and construction materials | 11,613 | 6,253 | 28,948,991 | 20,138,074 | 28,433,765 | 23,142,324 | 567,723 | 429,604 | 431,498 | 152,186 |
| Sporting, recreational, photographic, and hobby goods, toys, and supplies | 4,716 | 2,544 | 10,919,797 | 8,117,003 | 10,692,695 | 8,008,770 | 560,769 | 207,836 | 221,521 | 86,551 |
| Metals and minerals, except petroleum and scrap | 6,382 | 3,143 | 77,780,766 | 27,492,030 | 76,202,137 | 71,357,021 | 636,211 | 1,096,508 | 403,609 | 174,577 |
| Electrical goods | 17,106 | 10,172 | 45,773,825 | 35,314,089 | 44,519,546 | 32,908,625 | 2,770,238 | 509,411 | 846,628 | 327,845 |
| Hardware, plumbing, and heating equipment and supplies | 11,667 | 7,269 | 28,589,337 | 19,204,075 | 27,939,882 | 20,832,685 | 673,624 | 1,216,529 | 512,799 | 180,797 |
| Other durable goods | 37,975 | 20,901 | 61,252,870 | 39,220,242 | 59,683,804 | 47,200,040 | 2,006,554 | 226,130 | 984,184 | 350,879 |
| Paper and paper products | 6,678 | 3,773 | 16,755,815 | 13,168,668 | 16,458,048 | 12,771,515 | 404,107 | 171,147 | 263,371 | 93,183 |
| Drugs, drug proprietaries, and druggists' sundries | 4,248 | 2,660 | 19,300,291 | 17,008,575 | 19,002,647 | 15,254,470 | 552,113 | 98,552 | 331,853 | 140,846 |
| Apparel, piece goods, and notions | 14 | | | | | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Depreciable Assets, and Depreciation Deduction, by Minor Industry — Continued

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

| Minor industry | Number of returns | | Total receipts | | Business receipts | Cost of sales and operations | Net income | Deficit | Income subject to tax | Total income tax |
|--|-------------------|-----------------|--------------------|-------------------------|--------------------|------------------------------|-------------------|-------------------|-----------------------|------------------|
| | Total | With net income | All returns | Returns with net income | | | | | | |
| | (1) | (2) | (3) | (4) | | | | | | |
| Wholesale and retail trade — Continued | | | | | | | | | | |
| Retail trade | 549,127 | 297,307 | 945,667,059 | 741,512,058 | 922,135,862 | 666,530,043 | 19,052,717 | 7,268,063 | 16,051,477 | 6,105,061 |
| Building materials, garden supplies, and mobile home dealers | 40,527 | 22,502 | 49,891,941 | 33,865,682 | 48,537,499 | 35,361,864 | 1,218,151 | 761,885 | 1,046,937 | 355,540 |
| Building materials dealers | 18,787 | 9,804 | 32,890,839 | 21,767,479 | 31,970,041 | 23,591,916 | 786,193 | 481,614 | 693,735 | 253,052 |
| Hardware stores | 12,164 | 7,458 | 9,117,698 | 6,699,527 | 8,955,012 | 6,011,057 | 275,216 | 140,230 | 222,366 | 63,782 |
| Garden supplies and mobile home dealers | 9,576 | 5,241 | 7,883,404 | 5,398,675 | 7,612,446 | 5,758,891 | 156,741 | 154,004 | 130,836 | 38,706 |
| General merchandise stores | 9,958 | 5,383 | 150,460,117 | 137,001,131 | 143,413,511 | 93,127,508 | 3,452,530 | 454,806 | 3,153,455 | 1,392,930 |
| Food stores | 44,583 | 24,666 | 208,582,590 | 174,935,748 | 205,917,557 | 160,289,760 | 2,848,720 | 615,158 | 2,582,237 | 1,086,145 |
| Grocery stores | 25,936 | 16,117 | 194,611,728 | 165,436,712 | 192,110,961 | 150,340,966 | 2,597,829 | 458,657 | 2,407,283 | 1,020,773 |
| Other food stores | 18,647 | 8,549 | 13,970,862 | 9,499,036 | 13,806,597 | 9,948,793 | 250,891 | 156,501 | 174,953 | 65,371 |
| Automotive dealers and service stations | 82,634 | 46,065 | 235,395,386 | 161,706,096 | 231,139,213 | 197,561,845 | 2,184,536 | 1,289,808 | 1,640,919 | 507,251 |
| Motor vehicle dealers | 36,751 | 19,914 | 166,576,378 | 116,959,762 | 163,235,639 | 141,971,994 | 1,859,631 | 760,085 | 928,869 | 301,983 |
| Gasoline service stations | 19,764 | 11,234 | 43,546,734 | 27,387,558 | 43,062,920 | 37,832,418 | 346,966 | 227,917 | 285,638 | 83,980 |
| Other automotive dealers | 26,119 | 14,917 | 25,272,274 | 17,358,676 | 24,840,454 | 17,757,433 | 573,190 | 301,806 | 426,412 | 121,288 |
| Apparel and accessory stores | 45,326 | 27,093 | 44,485,320 | 36,820,887 | 43,358,480 | 26,084,104 | 1,592,689 | 571,775 | 1,388,742 | 518,269 |
| Furniture and home furnishings stores | 36,118 | 22,309 | 30,680,799 | 23,050,701 | 29,674,193 | 18,743,598 | 1,189,631 | 433,911 | 1,016,453 | 378,192 |
| Eating and drinking places | 11,846 | 53,977 | 74,923,584 | 54,696,793 | 71,896,588 | 32,147,263 | 2,506,232 | 1,425,862 | 1,912,783 | 725,602 |
| Miscellaneous retail stores | 175,135 | 95,312 | 151,247,322 | 119,435,019 | 148,198,821 | 103,214,100 | 4,060,227 | 1,714,858 | 3,309,952 | 1,141,133 |
| Drug stores and proprietary stores | 21,862 | 16,320 | 39,838,710 | 36,786,549 | 39,301,328 | 28,717,415 | 1,041,604 | 102,169 | 939,663 | 369,088 |
| Liquor stores | 14,591 | 8,717 | 10,153,424 | 7,008,299 | 10,054,621 | 8,038,604 | 178,200 | 93,697 | 117,444 | 29,685 |
| Other retail stores | 139,182 | 70,275 | 101,255,188 | 75,640,171 | 98,842,872 | 66,458,081 | 2,840,423 | 1,518,992 | 2,252,845 | 742,359 |
| Wholesale and retail trade not allocable | 4,805 | 1,824 | 2,692,163 | 1,741,787 | 2,585,857 | 1,938,304 | 95,326 | 57,070 | 68,412 | 24,031 |
| Finance, insurance, and real estate | 461,630 | 252,689 | 949,867,877 | 623,504,456 | 337,493,098 | 169,435,694 | 57,745,075 | 35,940,986 | 19,973,233 | 7,809,420 |
| Banking | 14,021 | 9,474 | 330,537,008 | 243,236,130 | 28,915,823 | 5,964,798 | 6,982,535 | 6,369,115 | 6,350,774 | 2,731,633 |
| Mutual savings banks | 420 | 119 | 16,572,469 | 2,373,209 | 494,037 | 64,980 | 82,989 | 2,867,864 | 51,500 | 19,145 |
| Bank holding companies | 3,228 | 2,079 | 236,484,436 | 192,676,875 | 25,112,899 | 5,871,954 | 4,738,390 | 1,672,718 | 4,351,654 | 1,919,725 |
| Banks, except mutual savings banks and bank holding companies | 10,372 | 7,275 | 77,480,103 | 48,186,046 | 3,308,887 | 27,864 | 2,161,155 | 1,828,533 | 1,947,619 | 792,762 |
| Credit agencies other than banks | 35,434 | 17,724 | 99,312,097 | 18,871,713 | 11,500,285 | 3,535,225 | 1,310,190 | 15,323,212 | 883,389 | 322,687 |
| Savings and loan associations | 3,857 | 586 | 69,704,490 | 5,629,219 | 3,449,013 | 497,778 | 207,681 | 14,091,187 | 144,697 | 65,158 |
| Personal credit institutions | 4,374 | 2,495 | 7,471,408 | 2,724,954 | 3,722,288 | 1,612,493 | 172,212 | 170,236 | 154,728 | 58,107 |
| Business credit institutions | 1,123 | 637 | 2,558,241 | 1,018,732 | 467,634 | 91,750 | 71,148 | 69,113 | 54,578 | 21,136 |
| Other credit agencies; finance not allocable | 26,080 | 14,006 | 19,577,958 | 9,498,807 | 3,861,350 | 1,333,204 | 859,150 | 992,676 | 529,387 | 178,286 |
| Security, commodity brokers and services | 10,579 | 6,297 | 29,570,356 | 22,939,256 | 14,941,518 | 4,130,676 | 1,958,768 | 553,342 | 1,666,405 | 709,734 |
| Security brokers, dealers, and flotation companies | 5,029 | 2,925 | 24,235,208 | 19,702,991 | 10,648,495 | 1,874,541 | 1,656,274 | 274,926 | 1,448,613 | 626,712 |
| Commodity contracts brokers and dealers; security and commodity exchanges; and allied services | 5,550 | 3,372 | 5,335,148 | 3,236,265 | 4,293,022 | 2,256,135 | 302,494 | 278,416 | 217,792 | 83,022 |
| Insurance | 7,900 | 5,076 | 344,369,681 | 242,050,634 | 208,238,543 | 120,807,004 | 6,772,144 | 4,779,967 | 4,653,011 | 2,024,939 |
| Life insurance | 2,114 | 1,373 | 211,498,686 | 160,785,979 | 100,593,301 | 54,892,580 | 4,540,842 | 2,058,507 | 3,117,725 | 1,365,193 |
| Mutual insurance, except life or marine and certain fire or flood insurance companies | 1,386 | 991 | 36,072,665 | 21,303,464 | 30,782,684 | 22,013,038 | 746,689 | 918,653 | 404,280 | 169,023 |
| Other insurance companies | 4,400 | 2,712 | 96,798,329 | 59,961,191 | 76,862,558 | 43,901,386 | 1,484,614 | 1,802,808 | 1,131,006 | 490,724 |
| Insurance agents, brokers, and service | 51,637 | 32,324 | 18,864,178 | 12,543,310 | 17,301,888 | 3,786,046 | 1,076,373 | 438,973 | 795,431 | 276,195 |
| Real estate | 295,119 | 154,822 | 57,318,340 | 33,612,352 | 30,402,650 | 12,193,296 | 5,545,445 | 6,121,427 | 3,939,496 | 1,150,000 |
| Real estate operators and lessors of buildings | 140,057 | 85,966 | 22,579,444 | 14,475,473 | 7,027,422 | 2,757,966 | 2,978,079 | 2,019,455 | 2,482,180 | 762,842 |
| Lessors of mining, oil, and similar property | 1,019 | 888 | 776,334 | 696,173 | 409,476 | 194,702 | 193,621 | 37,924 | 177,040 | 66,899 |
| Lessors of railroad property, and of real property, not elsewhere classified | 5,089 | 2,487 | 704,615 | 272,009 | 389,705 | 303,444 | 95,990 | 61,521 | 79,968 | 23,369 |
| Condominium management and cooperative housing associations | 11,924 | 5,448 | 2,740,563 | 1,261,246 | 1,495,163 | 59,192 | 70,183 | 169,391 | 31,975 | 6,286 |
| Subdividers and developers | 41,536 | 17,324 | 11,058,142 | 5,737,670 | 5,696,571 | 3,430,395 | 1,044,451 | 2,162,836 | 517,477 | 159,598 |
| Other real estate | 95,495 | 42,709 | 19,459,241 | 11,169,782 | 15,384,313 | 5,447,597 | 1,163,120 | 1,670,300 | 650,855 | 172,206 |
| Holding and other investment companies, except bank holding companies | 46,939 | 26,972 | 69,896,217 | 50,251,062 | 26,192,391 | 19,018,650 | 34,099,620 | 2,354,951 | 1,684,728 | 594,233 |
| Regulated investment companies | 1,731 | 1,232 | 33,571,333 | 32,954,364 | 6,608 | — | 30,862,755 | 46,780 | 254 | 64 |
| Real estate investment trusts | 711 | 132 | 1,183,310 | 848,225 | 39,363 | — | 807,158 | 37,138 | 1,021 | 446 |
| Small business investment companies | 2,667 | 1,508 | 241,738 | 152,036 | 86,943 | — | 67,466 | 40,649 | 40,814 | 11,911 |
| Other holding and investment companies, except bank holding companies | 41,830 | 24,100 | 34,899,837 | 16,296,437 | 26,059,477 | 19,018,650 | 2,842,240 | 2,230,385 | 1,642,639 | 581,813 |
| Services | 819,706 | 472,799 | 380,767,394 | 276,410,034 | 355,090,610 | 135,273,962 | 16,061,222 | 8,861,964 | 11,941,166 | 3,982,538 |
| Hotels and other lodging places | 18,936 | 11,389 | 24,009,610 | 14,864,823 | 21,437,701 | 9,418,417 | 1,086,898 | 748,792 | 800,620 | 308,481 |
| Personal services | 51,929 | 27,704 | 17,438,528 | 13,101,294 | 16,854,213 | 6,572,244 | 861,951 | 647,197 | 647,197 | 214,720 |
| Business services | 210,496 | 115,191 | 114,777,607 | 84,459,085 | 106,656,661 | 51,481,728 | 5,033,513 | 2,881,553 | 3,656,489 | 1,312,415 |
| Advertising | 21,615 | 14,004 | 20,503,671 | 16,612,008 | 19,936,768 | 12,318,285 | 656,691 | 226,107 | 545,828 | 204,251 |
| Business services, except advertising | 188,881 | 101,187 | 94,273,937 | 67,847,078 | 86,719,913 | 39,163,443 | 4,376,822 | 2,655,446 | 3,110,661 | 1,108,165 |
| Auto repair; miscellaneous repair services | 75,448 | 40,889 | 34,246,845 | 22,268,912 | 31,503,310 | 16,462,276 | 1,035,855 | 704,356 | 773,237 | 250,728 |
| Auto repair and services | 46,852 | 25,668 | 24,611,968 | 16,091,912 | 22,102,706 | 11,224,005 | 715,413 | 528,048 | 530,361 | 181,366 |
| Miscellaneous repair services | 28,595 | 15,221 | 9,634,878 | 6,176,999 | 9,400,609 | 5,238,272 | 320,442 | 176,308 | 242,875 | 69,362 |
| Amusement and recreation services | 58,945 | 23,957 | 40,187,879 | 29,836,962 | 35,564,931 | 15,270,269 | 2,342,201 | 1,395,355 | 1,808,073 | 721,419 |
| Motion picture production, distribution, and services | 9,471 | 4,695 | 14,769,373 | 12,155,036 | 12,921,670 | 7,340,178 | 981,282 | 318,509 | 818,349 | 357,199 |
| Motion picture theaters | 3,076 | 1,966 | 4,766,714 | 3,771,465 | 4,290,986 | 1,639,126 | 252,065 | 50,518 | 208,548 | 81,699 |
| Amusement and recreation services, except motion pictures | 46,398 | 23,296 | 20,651,791 | 13,910,460 | 18,352,274 | 6,290,964 | 1,108,654 | 1,026,326 | 781,176 | 282,522 |
| Other services | 403,952 | 247,669 | 150,106,924 | 111,878,958 | 143,073,767 | 36,069,028 | 5,700,803 | 2,861,320 | 4,255,550 | 1,174,775 |
| Offices of physicians, including osteopathic physicians | 113,167 | 80,479 | 39,651,172 | 29,025,713 | 38,447,194 | 3,948,932 | 1,141,581 | 333,922 | 989,946 | 187,964 |
| Offices of dentists | 39,732 | 28,930 | 11,093,762 | 8,451,500 | 10,901,990 | 1,992,472 | 287,909 | 84,582 | 240,506 | 42,121 |
| Offices of other health practitioners | 11,050 | 8,199 | 2,084,338 | 1,719,148 | 2,071,769 | 337,607 | 126,611 | 29,311 | 103,014 | 20,532 |
| Nursing and personal care facilities | 7,319 | 5,730 | 11,030,738 | 9,319,929 | 10,565,952 | 2,925,414 | 462,274 | 111,884 | 251,835 | 96,915 |
| Hospitals | 303 | 161 | 10,236,266 | 9,459,869 | 9,620,657 | 2,222,037 | 454,096 | 64,638 | 422,012 | 197,114 |
| Medical laboratories | 3,609 | 2,175 | 1,697,851 | 1,005,867 | 1,638,700 | 590,648 | 51,858 | 94,175 | 33,975 | 8,921 |
| Other medical services | 18,042 | 10,184 | 8,583,057 | 5,323,495 | 7,626,477 | 2,619,767 | 313,592 | 207,314 | 248,816 | 79,163 |
| Legal services | 34,966 | 24,880 | 12,920,520 | 10,492,673 | 12,279,132 | 842,596 | 529,703 | 206,324 | 406,903 | 79,484 |
| Educational services | 13,232 | 6,204 | 3,575,117 | 2,413,170 | 3,367,231 | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Depreciable Assets, and Depreciation Deduction, by Minor Industry — Continued

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

| Minor industry | Foreign tax credit | U.S. possessions tax credit | Investment credit | Total income tax after credits ¹ | Distributions to stockholders except in own stock | | Total assets | Depreciable assets | Depreciation deduction |
|--|--------------------|-----------------------------|-------------------|---|---|-------------------------|----------------------|----------------------|------------------------|
| | | | | | All returns | Returns with net income | | | |
| | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) |
| Total returns of active corporations | 19,137,201 | 2,026,980 | 17,312,702 | 47,071,909 | 132,478,411 | 116,758,328 | 9,357,784,804 | 2,583,060,326 | 213,179,160 |
| Agriculture, forestry, and fishing | *1,905 | — | 118,494 | 375,422 | 409,070 | 383,384 | 50,409,537 | 30,289,176 | 2,892,300 |
| Agricultural production | *1,905 | — | 91,061 | 311,289 | 332,123 | 312,338 | 41,989,578 | 24,352,863 | 2,308,651 |
| Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping | — | — | 27,433 | 64,133 | 76,947 | 71,046 | 8,419,959 | 5,936,312 | 583,649 |
| Mining | 1,848,192 | 1,079 | 425,824 | 1,044,556 | 3,926,230 | 3,218,666 | 192,380,473 | 86,320,403 | 7,306,899 |
| Metal mining | *20,972 | — | 108,924 | 570,491 | 173,981 | 29,758 | 11,231,821 | 7,762,403 | 437,903 |
| Iron ores | 4,792 | — | — | 70 | 94,908 | 7,953 | 3,238,494 | 4,121,742 | 118,329 |
| Copper, lead and zinc, gold and silver ores | *5 | — | 270 | 7,557 | 58,124 | 1,525 | 6,154,076 | 2,651,540 | 202,131 |
| Other metal mining | 16,176 | — | *251 | *2,170 | 20,949 | 20,279 | 1,839,251 | 989,121 | 117,443 |
| Coal mining | 288 | — | 42,546 | 133,860 | 268,678 | 226,649 | 17,167,200 | 10,659,210 | 995,455 |
| Oil and gas extraction | 1,826,249 | 1,079 | 364,884 | 824,861 | 3,237,390 | 2,767,620 | 156,294,835 | 60,225,694 | 5,423,612 |
| Crude petroleum, natural gas, and natural gas liquids | 1,349,192 | — | 117,641 | 363,420 | 2,503,276 | 2,068,553 | 104,284,299 | 30,719,708 | 2,004,747 |
| Oil and gas field services | 477,057 | 1,079 | 247,244 | 461,441 | 734,114 | 699,067 | 52,010,537 | 29,505,986 | 3,418,865 |
| Nonmetallic minerals, except fuels | 682 | — | 17,872 | 76,038 | 246,181 | 194,439 | 7,686,617 | 7,673,103 | 449,930 |
| Dimension, crushed, and broken stone; sand and gravel | 126 | — | 12,385 | 44,803 | 140,834 | 135,034 | 4,045,594 | 3,944,854 | 286,675 |
| Other nonmetallic minerals, except fuels | 555 | — | 5,487 | 31,236 | 105,347 | 59,405 | 3,641,023 | 3,728,248 | 163,255 |
| Construction | 174,516 | 1,852 | 322,782 | 1,578,992 | 916,690 | 782,170 | 153,085,046 | 56,456,041 | 6,033,363 |
| General building contractors and operative builders | 54,103 | — | 108,924 | 570,491 | 375,220 | 308,850 | 80,480,112 | 17,940,392 | 1,822,429 |
| General building contractors | 54,079 | — | 106,337 | 530,481 | 356,107 | 301,540 | 74,117,637 | 16,808,910 | 1,745,033 |
| Operative builders | *24 | — | 2,587 | 40,010 | 19,113 | 7,310 | 6,362,474 | 1,131,482 | 77,396 |
| Heavy construction contractors | 118,249 | 1,295 | 110,022 | 452,147 | 250,237 | 219,862 | 30,467,556 | 20,375,905 | 1,834,129 |
| Special trade contractors | 2,164 | 557 | 103,836 | 556,354 | 291,234 | 253,458 | 42,137,378 | 18,139,744 | 2,376,805 |
| Plumbing, heating, and air conditioning | *48 | — | 18,585 | 100,808 | 46,580 | 42,771 | 10,055,622 | 3,192,562 | 479,516 |
| Electrical work | 265 | 556 | 15,130 | 109,450 | 62,084 | 54,376 | 8,223,409 | 2,160,974 | 365,229 |
| Other special trade contractors and contractors not allocable | *1,851 | 1 | 70,120 | 346,095 | 182,570 | 156,311 | 23,858,348 | 12,346,208 | 1,532,060 |
| Manufacturing | 14,791,200 | 1,890,760 | 6,724,483 | 21,616,529 | 43,912,134 | 38,396,707 | 2,060,710,683 | 1,013,344,737 | 88,945,659 |
| Food and kindred products | 793,086 | 97,550 | 775,649 | 2,392,299 | 3,555,319 | 2,387,881 | 161,575,208 | 73,740,058 | 7,370,746 |
| Meat products | 41,903 | 4,020 | 28,349 | 141,430 | 235,757 | 234,989 | 14,757,819 | 7,658,944 | 749,358 |
| Dairy products | 184,223 | 518 | 144,501 | 395,882 | 626,459 | 626,373 | 22,449,631 | 9,581,303 | 954,126 |
| Preserved fruits and vegetables | 52,868 | — | 79,544 | 270,216 | 255,056 | 237,805 | 18,369,727 | 6,614,410 | 775,440 |
| Grain mill products | 111,076 | 3,562 | 108,273 | 389,819 | 608,231 | 600,446 | 19,558,987 | 11,478,833 | 1,120,270 |
| Bakery products | *30,243 | 131 | 69,492 | 215,469 | 256,587 | 250,076 | 10,678,331 | 4,828,515 | 477,840 |
| Sugar and confectionery products | 46,847 | 6,176 | 46,289 | 189,396 | 147,955 | 146,149 | 8,783,509 | 4,958,535 | 380,231 |
| Malt liquors and malt | 850 | — | 74,327 | 68,997 | 110,143 | 102,920 | 8,103,253 | 6,708,264 | 593,844 |
| Alcoholic beverages, except malt liquors and malt | 4,723 | 20,806 | 26,829 | 241,109 | 261,387 | 260,587 | 18,348,756 | 2,546,005 | 162,043 |
| Bottled soft drinks, and flavorings | 238,865 | 46,930 | 69,294 | 261,075 | 709,848 | 510,659 | 18,717,580 | 8,955,560 | 1,172,483 |
| Other food and kindred products | 81,489 | 15,408 | 128,752 | 218,906 | 343,895 | 317,878 | 21,807,614 | 10,409,689 | 985,109 |
| Tobacco manufacturers | 91,852 | 13,240 | 155,132 | 857,593 | 1,018,912 | 1,018,912 | 44,152,405 | 12,667,005 | 1,009,263 |
| Textile mill products | 23,516 | 2,009 | 79,514 | 404,815 | 291,787 | 225,331 | 23,391,279 | 16,522,165 | 1,361,053 |
| Weaving mills and textile finishing | 5,911 | 14 | 38,674 | 115,434 | 122,280 | 97,217 | 8,940,041 | 7,564,916 | 606,967 |
| Knitting mills | 21 | — | 10,949 | 117,572 | 35,155 | 35,087 | 2,869,241 | 1,602,430 | 125,770 |
| Other textile mill products | 17,584 | 1,994 | 29,890 | 171,809 | 134,352 | 93,028 | 11,581,998 | 7,354,819 | 628,316 |
| Apparel and other textile finishing | 40,491 | 42,892 | 47,045 | 712,625 | 397,347 | 350,554 | 23,793,325 | 6,222,506 | 635,355 |
| Men's and boys' clothing | 32,359 | 9,215 | 21,475 | 283,239 | 184,479 | 170,936 | 9,098,534 | 2,421,514 | 244,726 |
| Women's and children's clothing | 7,353 | 23,612 | 13,063 | 295,687 | 133,498 | 102,238 | 8,761,430 | 2,127,013 | 234,434 |
| Other apparel and accessories | *170 | 2,281 | 3,834 | 62,297 | 33,645 | 33,364 | 2,266,378 | 571,156 | 56,323 |
| Miscellaneous fabricated textile products, textile products, not elsewhere classified | 609 | 7,785 | 8,672 | 71,403 | 45,727 | 44,015 | 3,666,984 | 1,102,823 | 99,872 |
| Lumber and wood products | 2,542 | 12 | 31,786 | 190,630 | 775,942 | 390,174 | 43,777,159 | 27,937,990 | 2,355,812 |
| Logging, sawmills, and planing mills | 2,340 | — | 14,241 | 45,673 | 437,326 | 323,674 | 19,442,668 | 12,914,564 | 996,762 |
| Millwork, plywood, and related products | 179 | — | 9,584 | 89,769 | 275,527 | 43,070 | 15,757,985 | 10,880,970 | 1,014,985 |
| Other wood products, including wood buildings and mobile homes | *24 | 12 | 7,961 | 55,188 | 63,090 | 23,430 | 8,576,505 | 4,142,456 | 344,065 |
| Furniture and fixtures | 3,518 | 285 | 34,848 | 313,292 | 176,885 | 133,336 | 10,989,836 | 5,430,859 | 442,036 |
| Paper and allied products | 235,914 | 6,080 | 295,079 | 662,458 | 1,416,327 | 1,213,596 | 53,605,668 | 40,788,420 | 3,138,894 |
| Pulp, paper, and board mills | 87,151 | — | 179,946 | 235,258 | 785,938 | 603,441 | 37,036,781 | 29,390,965 | 2,068,454 |
| Other paper products | 148,763 | 6,080 | 115,133 | 427,199 | 630,388 | 610,155 | 16,568,887 | 11,397,455 | 1,070,439 |
| Printing and publishing | 72,829 | 2,936 | 373,275 | 1,597,333 | 1,874,468 | 1,782,998 | 60,515,643 | 30,327,896 | 3,472,851 |
| Newspapers | 24,982 | — | 128,023 | 766,235 | 796,823 | 751,184 | 23,917,875 | 12,287,221 | 1,278,846 |
| Periodicals | 32,981 | — | 46,589 | 132,322 | 156,236 | 152,772 | 8,768,448 | 3,515,895 | 385,431 |
| Books, greeting cards, and miscellaneous publishing | 12,850 | 1,126 | 78,546 | 345,153 | 447,082 | 440,055 | 11,821,410 | 3,644,056 | 615,889 |
| Commercial and other printing and printing trade services | 2,016 | 1,810 | 120,118 | 353,623 | 474,326 | 438,987 | 16,007,910 | 10,880,723 | 1,192,684 |
| Chemicals and allied products | 1,806,969 | 1,029,332 | 491,034 | 2,319,037 | 7,586,626 | 6,706,011 | 216,836,244 | 120,584,215 | 9,381,272 |
| Industrial chemicals, plastics materials and synthetics | 792,806 | 42,854 | 182,617 | 311,687 | 2,514,951 | 1,939,712 | 121,516,471 | 79,207,351 | 5,804,813 |
| Drugs | 576,771 | 956,462 | 123,623 | 749,264 | 3,554,930 | 3,307,202 | 43,478,959 | 15,386,776 | 1,275,833 |
| Soap, cleaners, and toilet goods | 316,751 | 16,629 | 111,627 | 862,758 | 1,014,922 | 1,000,876 | 23,171,966 | 9,795,829 | 931,977 |
| Paints and allied products | 14,180 | 2,146 | 18,037 | 129,727 | 129,727 | 82,220 | 4,753,101 | 2,431,956 | 290,261 |
| Agriculture and other chemical products | 106,462 | 11,241 | 55,130 | 245,601 | 419,604 | 376,002 | 23,915,747 | 13,762,303 | 1,078,389 |
| Petroleum (including integrated) and coal products | 7,362,367 | 22,452 | 2,103,607 | 3,571,452 | 10,041,034 | 9,798,701 | 443,573,396 | 215,422,642 | 16,114,648 |
| Petroleum refining (including integrated) | 7,327,735 | 22,452 | 2,077,902 | 3,425,987 | 9,932,921 | 9,737,796 | 437,699,113 | 212,467,329 | 15,811,395 |
| Petroleum and coal products, not elsewhere classified | 34,631 | — | 25,704 | 145,465 | 108,112 | *60,905 | 5,874,283 | 2,955,313 | 303,253 |
| Rubber and miscellaneous plastics products | 147,069 | 7,104 | 85,267 | 397,985 | 309,424 | 297,892 | 27,040,647 | 18,091,953 | 1,151,442 |
| Rubber products; plastics footwear, hose and belting | 142,909 | 702 | 48,308 | 233,481 | 249,200 | 240,627 | 17,910,595 | 12,205,358 | 615,286 |
| Miscellaneous plastics products | 4,160 | 6,403 | 36,959 | 164,504 | 60,223 | 57,265 | 9,130,052 | 5,886,596 | 536,156 |
| Leather and leather products | 1,664 | 10,113 | 14,402 | 224,755 | 206,120 | 204,564 | 7,410,304 | 1,970,100 | 180,439 |
| Footwear, except rubber | 1,419 | 8,778 | 11,570 | 181,986 | 185,591 | 184,505 | 5,669,167 | 1,404,964 | 131,693 |
| Leather and leather products, not elsewhere classified | *246 | 1,334 | 2,831 | 42,768 | 20,529 | 20,059 | 1,741,138 | 565,136 | 48,746 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 1—Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Depreciable Assets, and Depreciation Deduction, by Minor Industry—Continued

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

| Minor industry | Foreign tax credit | U.S. possessions tax credit | Investment credit | Total income tax after credits ¹ | Distributions to stockholders except in own stock | | Total assets | Depreciable assets | Depreciation deduction |
|--|--------------------|-----------------------------|-------------------|---|---|-------------------------|--------------------|--------------------|------------------------|
| | | | | | All returns | Returns with net income | | | |
| | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) |
| Manufacturing—Continued | | | | | | | | | |
| Stone, clay, and glass products | 107,749 | 1,259 | 96,633 | 257,034 | 805,260 | 464,631 | 42,558,051 | 30,525,525 | 2,495,445 |
| Glass products | 77,546 | 894 | 37,728 | 63,382 | 366,465 | 198,319 | 16,515,046 | 11,075,183 | 901,976 |
| Cement, hydraulic | 18 | — | 9,529 | 6,637 | 90,091 | 15,698 | 7,586,097 | 5,641,628 | 353,498 |
| Concrete, gypsum, and plaster products | *3,516 | — | 21,311 | 118,015 | 220,743 | 135,964 | 10,552,251 | 8,147,763 | 743,860 |
| Other nonmetallic mineral products | 26,668 | 365 | 28,064 | 69,000 | 127,961 | 114,650 | 7,904,656 | 5,680,952 | 496,111 |
| Primary metal industries | 109,679 | 1,833 | 106,014 | 282,867 | 1,561,538 | 500,707 | 144,628,190 | 90,173,475 | 5,477,505 |
| Ferrous metal industries; miscellaneous primary metal products | 22,607 | 1,833 | 66,722 | 163,447 | 945,271 | 211,814 | 77,500,764 | 61,502,343 | 3,668,811 |
| Nonferrous metal industries | 87,073 | — | 39,292 | 119,421 | 616,267 | 288,893 | 67,127,426 | 28,671,132 | 1,808,695 |
| Fabricated metal products | 254,586 | 24,390 | 250,406 | 1,451,691 | 1,260,957 | 1,176,012 | 87,675,189 | 43,762,289 | 3,951,092 |
| Metal cans and shipping containers | 77,708 | 9,110 | 21,464 | 66,211 | 238,401 | 238,344 | 15,488,051 | 5,415,533 | 427,589 |
| Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products | 57,369 | 4,144 | 48,266 | 225,430 | 283,115 | 272,932 | 9,816,386 | 5,436,074 | 450,355 |
| Plumbing and heating, except electric and warm air | 10,815 | — | 12,645 | 87,999 | 41,718 | 40,764 | 3,548,799 | 1,510,625 | 135,421 |
| Fabricated structural metal products | 41,473 | 2,695 | 58,972 | 388,162 | 259,462 | 218,591 | 20,975,903 | 10,239,077 | 971,238 |
| Metal forgings and stampings | 588 | 255 | 20,412 | 120,536 | 55,303 | 50,678 | 4,832,718 | 4,632,816 | 426,986 |
| Coating, engraving, and allied services | 16 | — | 6,122 | 33,072 | 30,993 | 16,840 | 3,547,969 | 2,183,631 | 219,736 |
| Ordnance and accessories, except vehicles and guided missiles | 1 | — | 2,059 | 20,320 | *8,939 | 7,769 | 687,329 | 366,286 | 26,237 |
| Miscellaneous fabricated metal products | 66,615 | 8,185 | 80,466 | 509,960 | 343,026 | 330,094 | 26,357,034 | 13,781,245 | 1,293,529 |
| Machinery, except electrical | 1,597,400 | 28,902 | 623,324 | 2,499,399 | 4,439,239 | 3,713,116 | 182,716,360 | 83,021,255 | 9,280,691 |
| Farm machinery | *12,780 | — | 5,776 | 40,996 | 194,654 | 50,042 | 14,849,642 | 4,611,220 | 562,437 |
| Construction and related machinery | 147,508 | — | 100,319 | 396,323 | 706,692 | 358,684 | 35,427,815 | 17,574,506 | 1,876,056 |
| Metalworking machinery | 11,776 | 963 | 34,314 | 204,619 | 217,847 | 184,745 | 12,788,017 | 7,007,864 | 647,280 |
| Special industry machinery | 41,331 | 2,426 | 20,569 | 164,272 | 146,222 | 135,233 | 11,778,764 | 4,578,829 | 465,059 |
| General industrial machinery | 68,893 | 936 | 49,210 | 197,154 | 228,996 | 202,873 | 17,576,054 | 7,808,952 | 690,463 |
| Office, computing, and accounting machines | 1,306,423 | 12,295 | 376,760 | 1,353,552 | 2,826,637 | 2,698,673 | 77,444,875 | 35,497,177 | 4,466,919 |
| Other machinery, except electrical | 8,689 | 12,281 | 36,376 | 142,028 | 118,191 | 82,868 | 12,851,193 | 5,942,708 | 572,475 |
| Electrical and electronic equipment | 781,025 | 404,382 | 478,137 | 1,791,823 | 4,050,113 | 3,841,059 | 189,029,756 | 71,613,122 | 7,825,903 |
| Household appliances | 23,623 | — | 17,362 | 215,589 | 275,100 | 176,157 | 10,781,742 | 3,940,330 | 324,372 |
| Radio, television, and communication equipment | 203,810 | 40,222 | 93,573 | 175,152 | 1,383,775 | 1,366,077 | 59,431,231 | 15,444,974 | 1,929,728 |
| Electronic components and accessories | 219,310 | 144,209 | 176,645 | 799,284 | 555,732 | 497,206 | 50,804,169 | 18,866,395 | 1,920,728 |
| Other electrical equipment | 334,283 | 219,950 | 190,557 | 601,797 | 1,835,507 | 1,801,619 | 68,012,613 | 33,361,423 | 3,651,075 |
| Motor vehicles and equipment | 799,331 | 4,462 | 237,182 | 260,858 | 1,477,276 | 1,129,774 | 166,355,711 | 64,184,804 | 7,301,574 |
| Transportation equipment, except motor vehicles | 116,927 | 2,831 | 77,530 | 268,397 | 964,236 | 575,155 | 64,095,606 | 30,677,137 | 2,954,343 |
| Aircraft, guided missiles and parts | 115,214 | 389 | 66,933 | 185,471 | 879,174 | 522,574 | 53,168,413 | 25,469,103 | 2,508,813 |
| Ship and boat building and repairing | 348 | — | 6,090 | 44,930 | 46,734 | 18,303 | 6,548,024 | 2,391,395 | 238,652 |
| Other transportation equipment, except motor vehicles | 1,365 | 2,442 | 4,507 | 37,996 | 38,327 | 34,277 | 4,379,170 | 2,816,639 | 206,878 |
| Instruments and related products | 422,134 | 110,850 | 291,221 | 692,567 | 1,294,515 | 1,257,698 | 38,740,221 | 19,156,973 | 1,995,397 |
| Scientific instruments and measuring devices; watches and clocks | 161,304 | 19,966 | 68,554 | 252,573 | 248,750 | 239,740 | 13,024,353 | 5,555,335 | 586,344 |
| Optical, medical, and ophthalmic goods | 174,017 | 89,201 | 35,614 | 184,493 | 420,548 | 393,933 | 14,501,948 | 4,978,712 | 488,366 |
| Photographic equipment and supplies | *86,812 | 1,683 | 187,053 | 255,500 | 625,217 | *624,024 | 11,213,920 | 8,622,926 | 920,686 |
| Miscellaneous manufacturing and manufacturing not allocable | 20,551 | 77,847 | 77,399 | 467,619 | 408,808 | 328,603 | 28,250,485 | 10,321,346 | 1,049,899 |
| Transportation and public utilities | 254,502 | 33,814 | 6,287,196 | 4,925,936 | 21,438,500 | 18,702,182 | 919,861,069 | 839,757,341 | 49,929,857 |
| Transportation | 51,252 | — | 495,025 | 1,388,346 | 2,114,398 | 1,410,269 | 193,331,848 | 154,957,357 | 13,183,368 |
| Railroad transportation | 483 | — | 170,016 | 89,191 | 859,840 | 455,330 | 70,038,599 | 54,752,798 | 4,264,386 |
| Local and interurban passenger transit | (²) | — | 20,511 | 28,538 | 23,687 | 16,365 | 2,929,456 | 2,699,222 | 309,303 |
| Trucking and warehousing | 3,255 | — | 154,348 | 543,936 | 414,738 | 390,089 | 32,372,610 | 27,224,516 | 3,082,254 |
| Water transportation | 15,033 | — | 24,874 | 71,854 | 116,500 | 83,866 | 17,063,076 | 13,337,226 | 1,086,974 |
| Transportation by air | 24,052 | — | 67,106 | 49,921 | 180,599 | 72,130 | 45,362,123 | 39,605,778 | 2,914,010 |
| Pipelines, except natural gas | *4,198 | — | 33,615 | 516,290 | 274,779 | 274,779 | 11,655,706 | 8,517,334 | 608,938 |
| Transportation services, not elsewhere classified | 4,232 | — | 24,554 | 88,617 | 244,255 | 117,711 | 13,910,279 | 8,820,483 | 917,504 |
| Communication | 99,318 | 33,770 | 2,380,491 | 1,220,362 | 6,846,085 | 6,611,536 | 245,510,562 | 230,863,528 | 19,271,651 |
| Telephone, telegraph, and other communication services | 54,821 | 33,681 | 2,282,009 | 751,560 | 6,404,781 | 6,226,175 | 223,202,332 | 221,146,515 | 17,990,587 |
| Radio and television broadcasting | 44,498 | 89 | 98,482 | 468,802 | 441,303 | 385,361 | 22,308,230 | 9,717,013 | 1,281,065 |
| Electric, gas, and sanitary services | 103,933 | 44 | 3,411,680 | 2,317,227 | 12,478,018 | 10,680,377 | 481,018,659 | 453,936,456 | 17,474,837 |
| Electric services | 5,129 | — | 1,700,252 | 502,170 | 5,925,556 | 5,371,149 | 224,577,114 | 224,628,211 | 7,965,090 |
| Gas production and distribution | 89,736 | 44 | 482,566 | 674,429 | 2,255,938 | 1,755,613 | 128,992,330 | 96,569,925 | 4,774,563 |
| Combination utility services | 7,413 | — | 1,170,945 | 995,820 | 4,158,247 | 3,425,161 | 118,112,892 | 124,050,162 | 4,169,872 |
| Water supply and other sanitary services | 1,655 | — | 57,917 | 144,809 | 138,277 | 128,453 | 9,336,324 | 8,688,159 | 565,312 |
| Wholesale and retail trade | 393,077 | 91,928 | 1,574,988 | 9,379,328 | 12,069,015 | 11,238,257 | 753,351,132 | 234,287,114 | 24,948,631 |
| Wholesale trade | 155,681 | 89,866 | 558,731 | 4,619,633 | 8,036,458 | 7,544,842 | 394,794,405 | 93,719,684 | 10,289,821 |
| Groceries and related products | *529 | 10,427 | 83,855 | 485,569 | 458,867 | 447,236 | 28,533,018 | 11,118,019 | 1,193,050 |
| Machinery, equipment, and supplies | 28,608 | 64 | 108,488 | 656,692 | 2,425,780 | 3,322,534 | 65,500,271 | 14,925,113 | 1,937,012 |
| Miscellaneous wholesale trade | 126,544 | 79,376 | 366,388 | 3,477,372 | 5,151,811 | 4,775,072 | 300,761,115 | 67,676,551 | 7,159,759 |
| Motor vehicles and automotive equipment | 11,837 | — | 56,011 | 923,279 | 296,113 | 286,859 | 26,890,387 | 5,550,776 | 581,782 |
| Furniture and home furnishings | *257 | — | 4,666 | 43,860 | 48,397 | 34,602 | 3,481,612 | 690,386 | 90,739 |
| Lumber and construction materials | — | — | 17,196 | 133,892 | 102,111 | 86,801 | 10,567,299 | 3,391,562 | 352,540 |
| Sporting, recreational, photographic, and hobby goods, toys, and supplies | 103 | — | 7,439 | 78,418 | 186,876 | 186,080 | 5,224,459 | 749,482 | 89,563 |
| Metals and minerals, except petroleum and scrap | 12,507 | 5 | 14,686 | 146,754 | 282,943 | 184,697 | 60,166,150 | 5,387,608 | 514,443 |
| Electrical goods | 2,418 | 139 | 34,289 | 297,610 | 690,740 | 676,303 | 22,407,958 | 3,028,896 | 384,117 |
| Hardware, plumbing, and heating equipment and supplies | *730 | — | 13,464 | 165,592 | 89,659 | 84,250 | 12,556,753 | 2,791,091 | 329,657 |
| Other durable goods | 4,337 | 5 | 28,882 | 315,230 | 754,950 | 738,302 | 27,730,990 | 5,863,997 | 673,779 |
| Paper and paper products | 325 | — | 8,019 | 84,409 | 130,310 | 127,911 | 5,424,225 | 1,137,964 | 139,503 |
| Drugs, drug proprietaries, and druggists' sundries | 1,275 | 20,576 | 23,010 | 94,459 | 203,240 | 201,768 | 6,881,445 | 1,388,072 | 183,138 |
| Apparel, piece goods, and notions | 2,412 | 3,751 | 15,087 | 212,635 | 126,269 | 125,174 | 10,894,397 | 1,331,047 | 167,205 |
| Farm-product raw materials | 7,656 | 3 | 32,966 | 93,162 | 335,157 | 256,975 | 26,392,383 | 10,764,231 | 932,064 |
| Chemicals and allied products | *8,761 | 126 | 8,993 | 79,266 | 988,098 | 983,564 | 10,074,220 | 1,798,737 | 203,423 |
| Petroleum and petroleum products | *70,024 | 50,149 | 47,208 | 228,273 | 220,527 | 155,616 | 35,997,289 | 12,512,332 | 1,167,387 |
| Alcoholic beverages | *1,028 | — | 20,801 | 300,348 | 185,278 | 184,746 | 11,483,698 | 3,117,810 | 373,944 |
| Miscellaneous nondurable goods; wholesale trade not allocable | 2,876 | 4,622 | 33,671 | 290,184 | 511,142 | 461,423 | 24,587,850 | 8,172,762 | 976,476 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 1 — Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Total Income Tax, Selected Credits, Distributions to Stockholders, Total Assets, Depreciable Assets, and Depreciation Deduction, by Minor Industry — Continued

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

| Minor industry | Foreign tax credit | U.S. possessions tax credit | Investment credit | Total income tax after credits ¹ | Distributions to stockholders except in own stock | | Total assets | Depreciable assets | Depreciation deduction |
|--|--------------------|-----------------------------|-------------------|---|---|-------------------------|----------------------|--------------------|------------------------|
| | | | | | All returns | Returns with net income | | | |
| | (11) | (12) | (13) | (14) | (15) | (16) | (17) | (18) | (19) |
| Wholesale and retail trade — Continued | | | | | | | | | |
| Retail trade | 237,396 | 2,062 | 1,014,101 | 4,737,964 | 4,030,870 | 3,691,814 | 357,434,956 | 140,233,086 | 14,620,767 |
| Building materials, garden supplies, and mobile home dealers | 6 | — | 32,753 | 318,843 | 124,467 | 94,167 | 21,984,233 | 7,211,826 | 759,126 |
| Building materials dealers | *6 | — | 20,860 | 231,003 | 92,384 | 64,049 | 14,450,503 | 5,005,410 | 533,776 |
| Hardware stores | — | — | 4,720 | 58,111 | 22,724 | 21,965 | 3,984,414 | 1,053,502 | 111,368 |
| Garden supplies and mobile home dealers | — | — | 7,173 | 30,729 | 9,359 | 8,153 | 3,549,317 | 1,152,914 | 113,982 |
| General merchandise stores | 148,620 | 155 | 284,534 | 942,504 | 1,710,638 | 1,646,419 | 110,892,782 | 31,759,737 | 2,920,524 |
| Food stores | 54,310 | — | 217,681 | 793,159 | 496,210 | 455,346 | 41,114,946 | 26,097,330 | 2,628,029 |
| Grocery stores | 54,153 | — | 204,372 | 742,364 | 468,418 | 427,796 | 37,674,167 | 23,749,133 | 2,372,479 |
| Other food stores | 157 | — | 13,309 | 50,795 | 27,793 | 27,550 | 3,440,779 | 2,348,197 | 255,550 |
| Automotive dealers and service stations | *714 | — | 87,165 | 411,990 | 280,882 | 265,220 | 54,861,399 | 17,510,152 | 2,301,671 |
| Motor vehicle dealers | *688 | — | 51,672 | 244,846 | 186,998 | 179,502 | 38,678,457 | 10,968,997 | 1,530,179 |
| Gasoline service stations | 16 | — | 16,558 | 65,562 | 32,070 | 31,622 | 6,472,993 | 3,385,378 | 353,443 |
| Other automotive dealers | *10 | — | 18,936 | 101,581 | 61,814 | 54,096 | 9,709,949 | 3,155,777 | 418,049 |
| Apparel and accessory stores | *7,927 | 143 | 39,934 | 467,280 | 262,041 | 254,702 | 20,193,523 | 6,419,418 | 691,447 |
| Furniture and home furnishings stores | 518 | — | 26,705 | 348,230 | 86,307 | 77,243 | 14,956,172 | 5,593,038 | 395,329 |
| Eating and drinking places | 12,826 | 1,703 | 164,553 | 501,209 | 455,124 | 328,600 | 35,995,925 | 27,381,760 | 2,647,503 |
| Miscellaneous retail stores | 12,476 | 61 | 160,775 | 953,749 | 615,202 | 570,117 | 57,435,975 | 20,259,825 | 2,277,139 |
| Drug stores and proprietary stores | 3,991 | — | 49,220 | 311,422 | 164,139 | 161,467 | 10,960,307 | 4,268,472 | 432,689 |
| Liquor stores | — | — | 3,514 | 25,869 | 15,331 | 15,329 | 2,652,089 | 1,033,039 | 106,598 |
| Other retail stores | *8,485 | 61 | 108,041 | 616,458 | 435,732 | 393,321 | 43,823,579 | 14,958,314 | 1,737,852 |
| Wholesale and retail trade not allocable | — | — | 2,156 | 21,730 | 1,687 | *1,600 | 1,121,772 | 334,344 | 38,043 |
| Finance, insurance, and real estate | 1,458,076 | 3,578 | 811,911 | 5,497,997 | 46,504,963 | 41,197,644 | 4,987,466,401 | 180,555,387 | 15,887,956 |
| Banking | 1,172,672 | — | 379,249 | 1,167,035 | 5,350,559 | 3,940,702 | 2,536,526,661 | 50,168,634 | 6,396,236 |
| Mutual savings banks | 52 | — | 2,664 | 16,366 | — | — | 171,447,368 | 2,209,466 | 147,027 |
| Bank holding companies | 1,135,563 | — | 297,873 | 476,473 | 4,273,399 | 3,176,275 | 1,913,324,240 | 37,238,769 | 5,154,232 |
| Banks, except mutual savings banks and bank holding companies | 37,056 | — | 78,711 | 674,195 | 1,077,159 | 764,428 | 451,755,053 | 10,720,399 | 1,094,978 |
| Credit agencies other than banks | 2,014 | 1,762 | 28,769 | 289,291 | 680,762 | 359,359 | 863,132,231 | 16,108,415 | 1,210,038 |
| Savings and loan associations | 7 | 1,261 | 3,806 | 59,841 | 200,370 | 19,254 | 680,985,634 | 11,748,065 | 660,111 |
| Personal credit institutions | *25 | 249 | 13,471 | 44,137 | 209,160 | 111,463 | 29,299,702 | 1,160,131 | 268,388 |
| Business credit institutions | *1 | 114 | 1,845 | 19,157 | 28,104 | 6,306 | 18,479,905 | 337,387 | 109,125 |
| Other credit agencies; finance not allocable | *1,982 | 138 | 9,647 | 166,157 | 243,128 | 222,335 | 134,368,990 | 2,862,831 | 172,413 |
| Security, commodity brokers and services | 19,964 | 1,328 | 79,048 | 605,216 | 418,052 | 340,717 | 148,487,282 | 2,278,098 | 708,327 |
| Security brokers, dealers, and flotation companies | 19,926 | 1,328 | 72,887 | 529,288 | 245,569 | 224,334 | 139,678,630 | 1,641,632 | 630,810 |
| Commodity contracts brokers and dealers; security and commodity exchanges; and allied services | *39 | — | 6,160 | 75,928 | 172,483 | 116,383 | 8,808,652 | 636,466 | 77,517 |
| Insurance | 193,328 | — | 189,952 | 1,630,172 | 3,996,481 | 2,563,933 | 856,055,445 | 18,966,187 | 1,996,581 |
| Life insurance | — | — | — | *579 | — | — | 113,804 | *112 | *75 |
| Mutual insurance, except life or marine and certain fire or flood insurance companies | *7,557 | — | 22,999 | 138,066 | *241 | — | 63,302,717 | 814,856 | 237,966 |
| Other insurance companies | 116,967 | — | 65,625 | 303,703 | 2,437,030 | 1,309,275 | 270,151,714 | 9,985,154 | 973,128 |
| Insurance agents, brokers, and service | 23,764 | — | 41,136 | 209,522 | 441,370 | 385,852 | 20,863,963 | 3,324,708 | 582,232 |
| Real estate | 1,474 | 425 | 60,130 | 1,083,114 | 1,807,104 | 1,156,312 | 158,846,458 | 73,757,677 | 3,853,827 |
| Real estate operators and lessors of buildings | 1,088 | 71 | 30,006 | 689,330 | 1,094,722 | 637,133 | 67,458,612 | 49,355,614 | 2,482,286 |
| Lessors of mining, oil, and similar property | *82 | — | 3,007 | 63,372 | 107,286 | 107,286 | 1,412,857 | 536,555 | 27,124 |
| Lessors of railroad property, and of real property, not elsewhere classified | *302 | — | 1,523 | 21,544 | 43,066 | 41,613 | 1,973,296 | 939,989 | 68,795 |
| Condominium management and cooperative housing associations | — | — | 1,240 | 4,933 | *699 | *621 | 8,358,603 | 7,304,686 | 204,247 |
| Subdividers and developers | *1 | 354 | 9,086 | 149,619 | 225,336 | 192,799 | 46,953,184 | 6,516,465 | 392,990 |
| Other real estate | *1 | — | 15,268 | 154,315 | 335,995 | 176,859 | 32,689,906 | 9,104,668 | 678,385 |
| Holding and other investment companies, except bank holding companies | 44,861 | 62 | 33,628 | 513,647 | 33,810,635 | 32,450,768 | 403,554,361 | 15,951,668 | 1,140,714 |
| Regulated investment companies | — | — | *1 | 65 | 31,861,811 | 30,953,269 | 308,556,029 | 143,321 | 2,046 |
| Real estate investment trusts | — | — | (²) | 49 | 360,787 | 306,593 | 8,411,744 | 3,639,068 | 111,969 |
| Small business investment companies | — | — | *120 | 11,791 | 15,803 | 11,591 | 1,275,041 | 74,818 | 10,250 |
| Other holding and investment companies, except bank holding companies | 44,861 | 62 | 33,507 | 501,347 | 1,572,234 | 1,179,348 | 85,311,548 | 12,094,461 | 1,016,450 |
| Services | 215,733 | 3,969 | 1,041,329 | 2,617,390 | 3,269,285 | 2,806,973 | 327,876,895 | 141,106,305 | 17,117,669 |
| Hotels and other lodging places | 11,022 | 1,779 | 54,006 | 236,879 | 374,237 | 339,550 | 25,867,592 | 19,524,884 | 1,403,427 |
| Personal services | *6,066 | — | 58,949 | 147,191 | 123,989 | 119,867 | 9,306,238 | 7,148,023 | 775,616 |
| Business services | 65,563 | 1,433 | 289,728 | 897,092 | 1,045,287 | 873,741 | 76,652,861 | 35,274,763 | 5,090,503 |
| Advertising | 23,335 | 772 | 122,142 | 151,607 | 94,747 | 86,330 | 8,365,598 | 2,648,902 | 321,624 |
| Business services, except advertising | 42,228 | 662 | 267,586 | 745,484 | 950,540 | 787,411 | 68,287,263 | 32,625,861 | 4,768,879 |
| Auto repair; miscellaneous repair services | *298 | 34 | 95,220 | 152,172 | 165,449 | 123,917 | 22,813,345 | 10,117,223 | 3,285,953 |
| Auto repair and services | *297 | 34 | 84,332 | 94,088 | 126,522 | 85,792 | 18,891,436 | 17,942,944 | 2,993,190 |
| Miscellaneous repair services | *1 | — | 10,888 | 58,085 | 38,927 | 38,125 | 3,921,909 | 2,174,280 | 292,763 |
| Amusement and recreation services | 115,150 | 3 | 273,950 | 327,335 | 495,016 | 476,331 | 39,888,736 | 21,774,020 | 2,291,281 |
| Motion picture production, distribution, and services | 106,921 | 3 | 196,358 | 53,824 | 219,242 | 209,287 | 19,242,195 | 2,804,791 | 539,182 |
| Motion picture theaters | — | *2 | 16,938 | 64,305 | 113,794 | 111,961 | 3,087,869 | 2,341,718 | 191,833 |
| Amusement and recreation services, except motion pictures | *8,226 | — | 60,654 | 209,207 | 161,980 | 155,083 | 18,858,673 | 16,627,510 | 1,560,266 |
| Other services | 17,635 | 719 | 269,476 | 856,720 | 873,568 | 633,123 | 63,348,123 | 37,267,392 | 4,270,888 |
| Offices of physicians, including osteopathic physicians | — | — | 51,954 | 131,257 | 59,559 | 56,166 | 8,056,571 | 5,302,241 | 774,776 |
| Offices of dentists | *16 | — | 14,005 | 26,281 | 32,879 | 32,743 | 2,318,386 | 2,224,728 | 289,110 |
| Offices of other health practitioners | — | — | 6,029 | 14,450 | *12,597 | *12,597 | 555,279 | 437,991 | 70,973 |
| Nursing and personal care facilities | *132 | — | 13,276 | 76,040 | 138,214 | 137,088 | 7,545,817 | 5,430,679 | 380,685 |
| Hospitals | *3,011 | — | 51,626 | 140,307 | 119,484 | 118,290 | 11,413,784 | 6,899,484 | 586,749 |
| Medical laboratories | — | — | 2,789 | 5,779 | *17,281 | *15,438 | 976,139 | 559,313 | 64,372 |
| Other medical services | 354 | 248 | 11,417 | 66,678 | 70,917 | 52,752 | 3,626,110 | 1,697,482 | 203,211 |
| Legal services | — | — | 26,576 | 51,988 | 80,854 | 80,754 | 3,224,163 | 1,912,443 | 287,115 |
| Educational services | *4,384 | — | 12,438 | 30,927 | 63,143 | 50,066 | 2,285,522 | 1,272,178 | 166,566 |
| Social services | — | — | *13 | 2,081 | *752 | *3,678 | 337,540 | 266,635 | 29,534 |
| Membership organizations | *347 | — | 1,581 | 7,629 | *15,772 | *15,772 | 1,488,728 | 783,219 | 55,281 |
| Architectural and engineering services | 6,160 | — | 26,280 | 160,294 | 172,018 | 157,784 | 6,816,994 | 3,065,859 | 432,750 |
| Accounting, auditing, and bookkeeping services | — | 1 | 6,047 | 9,912 | 36,014 | 35,924 | 1,384,488 | 660,492 | 97,517 |
| Miscellaneous services (including veterinarians), not elsewhere classified | 3,231 | 471 | 44,944 | 133,097 | 242,810 | 116,526 | 13,318,602 | 6,754,647 | 832,250 |
| Nature of business not allocable | — | — | 5,695 | 35,760 | 32,525 | 32,346 | 2,643,568 | 943,816 | 116,825 |

¹Estimate should be used with caution because of the small number of sample returns on which it is based.

²Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits.

³Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry

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

| Item | Major industry | | | | | | |
|--|----------------------|------------------------------------|--------------------|-------------------|-------------------|------------------------|------------------------------------|
| | All industries | Agriculture, forestry, and fishing | Mining | | | | Nonmetallic minerals, except fuels |
| | | | Total | Metal mining | Coal mining | Oil and gas extraction | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| Number of returns, total | 2,925,933 | 91,320 | 36,676 | 1,748 | 3,543 | 27,876 | 3,509 |
| Total assets | 9,357,784,804 | 50,409,537 | 192,380,473 | 11,231,821 | 17,167,200 | 156,294,835 | 7,686,617 |
| Cash..... | 540,903,600 | 2,849,448 | 5,811,313 | 194,490 | 862,188 | 4,231,844 | 522,792 |
| Notes and accounts receivable..... | 2,420,475,398 | 4,294,042 | 29,143,349 | 658,515 | 1,885,143 | 25,508,311 | 1,091,379 |
| Less: Allowance for bad debts..... | 46,645,987 | 46,891 | 329,149 | 8,543 | 20,052 | 278,129 | 22,426 |
| Inventories..... | 581,241,455 | 4,971,985 | 8,852,449 | 950,975 | 950,220 | 6,234,176 | 717,078 |
| Investments in Government obligations..... | 605,513,662 | 233,348 | 988,003 | *30,057 | 175,974 | 747,208 | 34,763 |
| Other current assets..... | 436,507,859 | 1,663,722 | 8,080,059 | 742,183 | 1,230,670 | 5,911,166 | 196,041 |
| Loans to stockholders..... | 38,304,326 | 1,116,608 | 1,805,657 | *31,128 | 75,970 | 1,639,971 | 58,587 |
| Mortgage and real estate loans..... | 942,428,269 | 761,073 | 852,791 | 10,303 | 29,551 | 798,102 | 14,835 |
| Other investments..... | 1,604,730,616 | 4,406,546 | 53,424,024 | 3,641,032 | 3,144,694 | 46,252,396 | 385,902 |
| Depreciable assets..... | 2,583,060,326 | 30,289,176 | 86,320,409 | 7,762,403 | 10,659,210 | 60,225,694 | 7,673,103 |
| Less: Accumulated depreciation..... | 942,704,683 | 15,153,014 | 32,325,073 | 4,234,145 | 4,849,213 | 19,441,832 | 3,799,882 |
| Depletable assets..... | 94,637,768 | 505,793 | 22,310,913 | 865,148 | 1,632,504 | 19,425,012 | 368,249 |
| Less: Accumulated depletion..... | 29,442,570 | 94,416 | 6,608,942 | 211,622 | 180,301 | 6,118,147 | 98,872 |
| Land..... | 110,318,941 | 12,194,099 | 2,454,852 | 70,978 | 547,697 | 1,486,113 | 350,064 |
| Intangible assets (amortizable)..... | 81,178,989 | 148,670 | 6,536,300 | 76,534 | 208,923 | 6,233,397 | 17,445 |
| Less: Accumulated amortization..... | 24,869,273 | 51,403 | 2,266,197 | 8,608 | 2,226,534 | 2,226,534 | 4,618 |
| Other assets..... | 362,146,111 | 2,320,751 | 7,329,716 | 640,993 | 840,459 | 5,666,087 | 182,177 |
| Total liabilities | 9,357,784,804 | 50,409,537 | 192,380,473 | 11,231,821 | 17,167,200 | 156,294,835 | 7,686,617 |
| Accounts payable..... | 678,630,282 | 2,301,089 | 21,526,655 | 491,680 | 1,507,023 | 18,970,683 | 557,269 |
| Mortgages, notes, and bonds payable in less than one year..... | 667,060,956 | 9,547,893 | 12,456,470 | 670,573 | 1,168,291 | 10,202,225 | 415,381 |
| Other current liabilities..... | 3,220,923,530 | 2,125,858 | 10,106,813 | 507,243 | 1,240,561 | 8,063,816 | 295,193 |
| Loans from stockholders..... | 117,424,462 | 3,645,727 | 5,811,576 | 942,677 | 311,188 | 4,406,728 | 150,983 |
| Mortgages, notes, and bonds payable in one year or more..... | 1,224,277,725 | 16,640,904 | 48,020,816 | 2,522,087 | 4,121,998 | 39,329,117 | 2,047,614 |
| Other liabilities..... | 979,894,871 | 2,028,143 | 14,581,669 | 995,475 | 1,716,879 | 11,324,441 | 544,874 |
| Capital stock..... | 658,259,634 | 7,774,465 | 8,953,599 | 777,856 | 386,643 | 7,308,825 | 480,275 |
| Paid-in or capital surplus..... | 782,269,156 | 4,125,586 | 39,306,583 | 2,435,941 | 4,092,282 | 32,376,349 | 402,011 |
| Retained earnings, appropriated..... | 54,727,615 | 380,337 | 637,543 | 119,400 | *27,958 | 411,384 | 78,801 |
| Retained earnings, unappropriated..... | 1,173,094,293 | 2,419,806 | 32,274,779 | 1,847,258 | 2,708,789 | 24,890,270 | 2,828,462 |
| Less: Cost of treasury stock..... | 198,777,714 | 580,272 | 1,296,030 | 78,370 | 114,413 | 989,002 | 114,245 |
| Total receipts | 7,024,097,766 | 65,356,911 | 203,098,557 | 4,711,144 | 18,698,159 | 172,829,349 | 6,859,905 |
| Business receipts..... | 6,156,994,009 | 60,643,550 | 191,152,749 | 4,335,516 | 17,660,722 | 162,788,788 | 6,367,723 |
| Interest..... | 515,628,874 | 752,851 | 2,670,886 | 124,873 | 292,752 | 2,015,234 | 238,027 |
| Interest on Government obligations: | | | | | | | |
| State and local..... | 14,124,877 | 5,848 | 24,330 | 87 | 9,552 | 13,224 | 1,467 |
| Rents..... | 69,614,109 | 396,245 | 586,137 | 9,347 | 120,173 | 400,654 | 55,963 |
| Royalties..... | 13,437,404 | 157,594 | 1,564,252 | 17,164 | 37,179 | 1,474,071 | 35,837 |
| Net short-term capital gain reduced by net long-term capital loss..... | 2,882,207 | 15,970 | 63,017 | 2,128 | 2,566 | 57,314 | 1,010 |
| Net long-term capital gain reduced by net short-term capital loss..... | 26,318,184 | 702,280 | 1,346,548 | 90,169 | 160,450 | 1,046,574 | 49,356 |
| Net gain, noncapital assets..... | 20,992,023 | 213,813 | 746,199 | 8,067 | 58,154 | 655,115 | 24,864 |
| Dividends received from domestic corporations..... | 18,155,559 | 77,042 | 392,367 | 40,166 | 65,967 | 278,687 | 7,547 |
| Dividends received from foreign corporations..... | 13,950,906 | 9,296 | 663,053 | 13,995 | 2,418 | 646,498 | *142 |
| Other receipts..... | 171,999,616 | 2,382,423 | 3,889,019 | 69,634 | 288,225 | 3,453,191 | 77,969 |
| Total deductions | 6,869,267,462 | 65,442,003 | 203,045,736 | 5,503,344 | 18,680,742 | 171,919,730 | 6,941,920 |
| Cost of sales and operations..... | 4,270,850,310 | 43,222,379 | 151,521,066 | 3,109,556 | 12,829,052 | 131,491,870 | 4,090,589 |
| Compensation of officers..... | 129,481,025 | 1,371,209 | 1,623,918 | 38,430 | 173,479 | 1,255,582 | 156,426 |
| Repairs..... | 72,524,061 | 1,133,420 | 1,032,270 | 45,293 | 298,794 | 571,529 | 116,655 |
| Bad debts..... | 26,690,963 | 114,054 | 553,937 | 17,829 | 30,059 | 482,383 | 23,665 |
| Rent paid on business property..... | 94,917,540 | 1,428,756 | 1,245,032 | 56,766 | 191,423 | 929,674 | 67,169 |
| Taxes paid..... | 165,888,353 | 1,299,220 | 4,267,442 | 291,639 | 853,708 | 2,917,093 | 205,002 |
| Interest paid..... | 515,032,667 | 3,048,844 | 7,623,777 | 449,278 | 630,755 | 6,111,902 | 431,841 |
| Contributions or gifts..... | 2,906,476 | 20,260 | 48,346 | *70 | 7,842 | 36,920 | 3,514 |
| Amortization..... | 3,784,654 | 12,586 | 41,540 | 2,140 | 5,369 | 32,985 | 1,044 |
| Depreciation..... | 213,179,160 | 2,892,300 | 7,306,899 | 437,903 | 995,455 | 5,423,612 | 449,930 |
| Depletion..... | 7,021,176 | 33,994 | 1,862,192 | 136,969 | 392,861 | 1,152,763 | 179,599 |
| Advertising..... | 64,987,632 | 181,918 | 175,042 | 3,773 | 4,813 | 142,212 | 24,243 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 54,232,011 | 148,932 | 863,489 | 54,544 | 100,218 | 664,114 | 44,612 |
| Employee benefit programs..... | 51,838,884 | 224,920 | 786,541 | 42,139 | 228,177 | 444,366 | 71,858 |
| Net loss, noncapital assets..... | 10,367,020 | 70,814 | 180,333 | 4,811 | 10,579 | 163,265 | 1,677 |
| Other deductions..... | 1,185,565,538 | 10,238,396 | 23,913,912 | 812,202 | 1,928,156 | 20,099,459 | 1,074,095 |
| Total receipts less total deductions..... | 154,830,304 | -85,093 | 52,822 | -792,199 | 17,417 | 909,619 | -82,015 |
| Constructive taxable income from related foreign corporations..... | 13,628,716 | -7,423 | 515,087 | 6,858 | 5,142 | 502,859 | 228 |
| Net income (less deficit)..... | 154,334,143 | -86,418 | 543,578 | -785,428 | 13,007 | 1,399,253 | -83,254 |
| Income subject to tax..... | 205,175,407 | 1,604,445 | 7,319,883 | 61,931 | 350,625 | 6,704,821 | 202,306 |
| Income tax, total..... | 86,766,154 | 502,671 | 3,330,610 | 31,291 | 177,248 | 3,027,262 | 94,809 |
| Regular and alternative tax..... | 85,077,493 | 490,228 | 3,203,406 | 25,469 | 143,931 | 2,952,947 | 81,059 |
| Tax from recomputing prior-year investment credit..... | 1,181,074 | 10,547 | 45,429 | 245 | 3,858 | 40,099 | 1,227 |
| Additional tax for tax preferences..... | 478,457 | 1,266 | 81,151 | 5,578 | 29,435 | 33,615 | 12,523 |
| Foreign tax credit..... | 19,137,201 | *1,905 | 1,848,192 | *20,972 | 288 | 1,826,249 | 682 |
| U.S. possessions tax credit..... | 2,026,980 | — | 1,079 | — | — | 1,079 | — |
| Investment credit..... | 17,312,702 | 118,494 | 425,824 | *522 | 42,546 | 364,884 | 17,872 |
| Work incentive (WIN) credit..... | 29,020 | *558 | *99 | — | — | *52 | *47 |
| Jobs credit..... | 327,285 | 4,316 | 2,406 | — | *235 | 2,123 | *48 |
| Nonconventional source fuel credit..... | 6,787 | — | 3 | — | — | 3 | — |
| Alcohol fuel credit..... | 600 | — | — | — | — | — | — |
| Research activities credit..... | 839,220 | 1,971 | 8,437 | — | 319 | 7,997 | *122 |
| Employee stock ownership credit..... | 14,450 | *7 | 14 | — | — | 14 | — |
| Distributions to stockholders: | | | | | | | |
| Cash and property except in own stock..... | 132,478,411 | 409,070 | 3,926,230 | 173,981 | 268,678 | 3,237,390 | 246,181 |
| Corporation's own stock..... | 3,642,024 | *19,058 | 64,348 | 2,092 | 12,270 | 49,187 | 799 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | | |
|--|----------------------------|---|--------------------------------|---------------------------|---------------|---------------------------|----------------------|-----------------------|------------------------------------|--|
| | Construction | | | | Manufacturing | | | | | |
| | Total | General building contractors and operative builders | Heavy construction contractors | Special trade contractors | Total | Food and kindred products | Tobacco manufactures | Textile mill products | Apparel and other textile products | |
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | | |
| Number of returns, total | 282,345 | 113,656 | 18,341 | 150,348 | 259,106 | 15,411 | 96 | 5,075 | 15,957 | |
| Total assets | 153,085,046 | 80,480,112 | 30,467,556 | 42,137,378 | 2,060,710,683 | 161,575,208 | 44,152,405 | 23,391,279 | 23,793,325 | |
| Cash..... | 15,150,303 | 6,846,062 | 2,988,254 | 5,315,987 | 54,468,342 | 5,138,241 | 118,538 | 1,088,370 | 1,779,409 | |
| Notes and accounts receivable..... | 39,631,180 | 18,177,505 | 7,554,408 | 13,899,267 | 450,206,497 | 28,610,817 | 9,888,995 | 5,694,701 | 6,764,923 | |
| Less: Allowance for bad debts..... | 354,826 | 76,563 | 79,492 | 198,771 | 10,905,671 | 569,662 | 71,463 | 108,451 | 169,629 | |
| Inventories..... | 22,865,508 | 15,672,114 | 1,882,211 | 5,311,182 | 274,567,278 | 23,896,881 | 6,975,515 | 5,414,840 | 7,815,114 | |
| Investments in Government obligations..... | 1,278,003 | 643,218 | 387,564 | 247,221 | 14,798,522 | 1,555,815 | — | 129,990 | 169,635 | |
| Other current assets..... | 15,972,379 | 9,782,749 | 2,407,046 | 3,782,583 | 90,886,070 | 6,570,769 | 626,880 | 1,014,692 | 1,039,025 | |
| Loans to stockholders..... | 2,827,277 | 1,338,299 | 287,325 | 1,201,652 | 10,042,241 | 1,113,089 | *175,055 | 146,922 | 179,055 | |
| Mortgage and real estate loans..... | 2,973,358 | 2,654,393 | 162,266 | 156,699 | 11,086,149 | 472,337 | 509 | 18,926 | 20,952 | |
| Other investments..... | 12,581,813 | 6,125,754 | 4,059,830 | 2,396,229 | 403,333,242 | 40,514,671 | 14,927,347 | 1,884,893 | 2,257,818 | |
| Depreciable assets..... | 56,456,041 | 17,940,392 | 20,375,905 | 18,139,744 | 1,013,344,737 | 73,740,058 | 12,867,005 | 16,522,165 | 6,222,506 | |
| Less: Accumulated depreciation..... | 30,214,182 | 7,844,036 | 12,018,024 | 10,352,122 | 441,030,221 | 30,789,303 | 3,908,623 | 9,226,041 | 3,123,218 | |
| Depletable assets..... | 654,247 | 479,579 | 135,012 | 39,656 | 60,772,569 | 146,026 | 706,269 | *229,761 | *4,598 | |
| Less: Accumulated depletion..... | 213,175 | 162,486 | 30,977 | 19,712 | 19,679,749 | 18,188 | 287,722 | 73,292 | *1,236 | |
| Land..... | 5,018,001 | 3,319,197 | 798,497 | 900,308 | 26,643,533 | 2,581,365 | 484,103 | 164,908 | 161,386 | |
| Intangible assets (amortizable)..... | 892,253 | 633,347 | 103,279 | 155,628 | 43,562,401 | 1,985,332 | *1,172,699 | 100,160 | 132,127 | |
| Less: Accumulated amortization..... | 299,812 | 215,246 | 27,111 | 57,456 | 14,088,603 | 278,365 | *132,818 | 31,973 | 47,807 | |
| Other assets..... | 7,866,678 | 5,165,833 | 1,481,563 | 1,219,282 | 92,703,349 | 6,905,324 | 610,116 | 420,709 | 588,668 | |
| Total liabilities | 153,085,046 | 80,480,112 | 30,467,556 | 42,137,378 | 2,060,710,683 | 161,575,208 | 44,152,405 | 23,391,279 | 23,793,325 | |
| Accounts payable..... | 32,010,663 | 18,604,160 | 5,023,238 | 8,383,265 | 260,621,508 | 19,026,370 | 3,117,508 | 2,873,035 | 3,990,318 | |
| Mortgages, notes, and bonds payable in less than one year..... | 18,664,679 | 11,620,611 | 2,817,249 | 4,226,819 | 152,099,034 | 11,278,448 | 6,222,095 | 1,651,339 | 2,568,791 | |
| Other current liabilities..... | 23,547,157 | 11,665,892 | 4,239,541 | 7,641,734 | 172,970,669 | 13,032,809 | 2,898,013 | 1,999,207 | 2,460,338 | |
| Loans from stockholders..... | 5,239,068 | 3,054,018 | 459,870 | 1,725,179 | 22,696,835 | 1,370,389 | 227,506 | 521,172 | 542,495 | |
| Mortgages, notes, and bonds payable in one year or more..... | 23,362,735 | 14,247,574 | 4,423,239 | 4,691,923 | 371,551,511 | 28,467,283 | 8,718,991 | 3,667,793 | 2,709,432 | |
| Other liabilities..... | 11,326,247 | 6,680,161 | 2,023,965 | 2,622,121 | 183,899,981 | 10,793,979 | 2,820,296 | 1,036,491 | 502,007 | |
| Capital stock..... | 7,331,352 | 2,888,151 | 1,993,244 | 2,449,957 | 111,859,814 | 8,774,877 | 1,904,581 | 1,662,344 | 1,506,911 | |
| Paid-in or capital surplus..... | 6,522,051 | 3,000,986 | 2,257,428 | 1,263,637 | 249,712,968 | 23,605,541 | 9,247,822 | 1,602,167 | 1,861,341 | |
| Retained earnings, appropriated..... | 632,288 | 216,682 | 249,676 | 165,731 | 6,392,326 | 1,174,564 | *1,328 | 58,285 | 46,173 | |
| Retained earnings, unappropriated..... | 27,057,444 | 9,403,917 | 7,610,246 | 10,043,281 | 550,030,689 | 45,792,112 | 9,100,103 | 8,722,853 | 8,133,209 | |
| Less: Cost of treasury stock..... | 2,608,639 | 902,032 | 630,339 | 1,076,268 | 21,124,653 | 1,741,165 | 105,838 | 403,406 | 527,691 | |
| Total receipts | 281,747,868 | 119,980,764 | 56,162,591 | 105,604,513 | 248,833,195 | 291,582,477 | 33,212,393 | 40,202,815 | 51,274,573 | |
| Business receipts..... | 271,633,721 | 114,052,864 | 53,704,603 | 103,876,254 | 2,357,973,059 | 283,085,497 | 31,345,213 | 39,439,712 | 50,142,197 | |
| Interest..... | 3,089,967 | 1,817,708 | 628,184 | 644,075 | 37,590,607 | 2,410,417 | 514,740 | 226,531 | 279,846 | |
| Interest on Government obligations: | | | | | | | | | | |
| State and local..... | 47,632 | 23,715 | 14,988 | 8,929 | 543,873 | 30,796 | 9 | 5,515 | 4,018 | |
| Rents..... | 1,438,969 | 909,044 | 314,172 | 215,753 | 24,063,241 | 1,058,003 | 326,843 | 36,952 | 93,650 | |
| Royalties..... | 27,970 | 10,182 | 15,149 | 2,638 | 8,829,272 | 455,388 | 162,990 | 15,691 | 91,285 | |
| Net short-term capital gain reduced by net long-term capital loss..... | 35,170 | 19,084 | 4,988 | 11,097 | 377,338 | 16,471 | 4,908 | 3,857 | 928 | |
| Net long-term capital gain reduced by net short-term capital loss..... | 604,870 | 360,527 | 125,387 | 118,955 | 8,583,858 | 562,022 | 183,852 | 51,864 | 32,479 | |
| Net gain, noncapital assets..... | 1,455,105 | 1,093,270 | 127,400 | 144,435 | 3,820,847 | 480,026 | 100,200 | 28,695 | 26,629 | |
| Dividends received from domestic corporations..... | 135,018 | 55,480 | 53,769 | 25,769 | 9,002,620 | 561,921 | 223,587 | 50,548 | 29,391 | |
| Dividends received from foreign corporations..... | 187,235 | 59,695 | 117,022 | 10,518 | 11,169,520 | 787,681 | 42,452 | 36,985 | 41,070 | |
| Other receipts..... | 3,092,212 | 1,579,194 | 966,928 | 546,090 | 26,377,680 | 2,154,253 | 277,699 | 306,467 | 533,079 | |
| Total deductions | 279,555,128 | 119,665,086 | 55,140,792 | 104,749,250 | 2,423,254,936 | 283,670,244 | 30,616,749 | 39,519,698 | 49,600,296 | |
| Cost of sales and operations..... | 212,698,363 | 96,181,801 | 42,098,777 | 74,417,785 | 1,660,537,092 | 207,385,752 | 18,043,576 | 30,057,481 | 35,575,924 | |
| Compensation of officers..... | 9,868,831 | 3,413,263 | 1,141,707 | 1,141,707 | 5,313,861 | 1,719,270 | 80,995 | 519,803 | 1,316,158 | |
| Repairs..... | 1,437,653 | 372,037 | 485,824 | 579,703 | 28,031,770 | 2,253,187 | 286,914 | 321,375 | 126,405 | |
| Bad debts..... | 830,172 | 194,271 | 117,049 | 318,851 | 6,671,790 | 428,221 | 44,472 | 93,776 | 170,144 | |
| Rent paid on business property..... | 2,355,125 | 665,592 | 603,481 | 1,086,052 | 23,730,357 | 2,154,193 | 234,781 | 326,950 | 674,710 | |
| Taxes paid..... | 5,627,719 | 1,742,887 | 1,036,649 | 2,848,183 | 73,116,206 | 6,252,047 | 1,354,445 | 1,031,641 | 1,206,345 | |
| Interest paid..... | 5,455,056 | 3,131,677 | 1,060,851 | 1,262,529 | 79,322,435 | 5,869,892 | 1,569,577 | 847,464 | 957,270 | |
| Contributions or gifts..... | 105,502 | 45,517 | 21,727 | 38,258 | 1,454,001 | 186,469 | 32,749 | 27,657 | 38,604 | |
| Amortization..... | 40,104 | 15,127 | 7,608 | 17,369 | 1,201,121 | 85,660 | 43,273 | 7,789 | 15,117 | |
| Depreciation..... | 6,033,363 | 1,822,429 | 1,834,129 | 2,376,805 | 88,945,659 | 7,370,746 | 1,009,263 | 1,361,053 | 635,355 | |
| Depletion..... | 71,278 | 41,709 | 24,797 | 4,772 | 4,047,433 | 11,795 | 48,731 | 10,154 | 660 | |
| Advertising..... | 791,378 | 355,196 | 57,008 | 379,174 | 31,500,142 | 8,164,871 | 2,358,251 | 205,909 | 579,700 | |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 1,490,286 | 515,662 | 314,779 | 659,846 | 23,540,732 | 1,562,530 | 310,202 | 273,081 | 306,339 | |
| Employee benefit programs..... | 1,404,675 | 365,489 | 297,685 | 741,501 | 28,657,767 | 2,180,118 | 401,412 | 379,368 | 303,271 | |
| Net loss, noncapital assets..... | 136,802 | 75,842 | 30,363 | 30,597 | 1,425,440 | 121,481 | 3,541 | 34,080 | 15,918 | |
| Other deductions..... | 31,408,912 | 10,726,587 | 6,008,359 | 14,673,966 | 349,152,114 | 37,923,560 | 4,794,788 | 4,022,114 | 7,678,375 | |
| Total receipts less total deductions..... | 2,192,739 | 315,678 | 1,021,798 | 855,263 | 65,076,979 | 7,912,233 | 2,595,643 | 683,117 | 1,674,278 | |
| Constructive taxable income from related foreign corporations..... | 178,845 | 92,719 | 83,179 | 2,947 | 11,258,158 | 753,081 | 65,283 | 29,115 | 32,485 | |
| Net income (less deficit)..... | 2,323,952 | 384,682 | 1,089,989 | 849,281 | 75,781,264 | 8,634,518 | 2,660,917 | 708,717 | 1,702,745 | |
| Income subject to tax..... | 5,973,416 | 2,090,307 | 1,635,653 | 2,247,455 | 102,157,505 | 9,162,273 | 2,503,589 | 1,176,129 | 2,001,433 | |
| Income tax, total..... | 2,114,820 | 747,189 | 689,247 | 678,384 | 45,760,800 | 4,099,545 | 1,123,551 | 517,417 | 856,218 | |
| Regular and alternative tax..... | 2,069,718 | 726,120 | 676,812 | 666,786 | 45,015,096 | 4,041,630 | 1,118,473 | 510,362 | 852,963 | |
| Tax from recomputing prior-year investment credit..... | 37,030 | 15,343 | 10,398 | 11,289 | 535,415 | 50,621 | 5,078 | 5,646 | 3,229 | |
| Additional tax for tax preferences..... | 8,040 | 5,726 | 2,012 | 302 | 209,959 | 7,294 | — | 1,409 | 26 | |
| Foreign tax credit..... | 174,516 | 54,103 | 118,249 | 2,164 | 14,791,200 | 793,086 | 91,852 | 23,516 | 40,491 | |
| U.S. possessions tax credit..... | 1,852 | — | 1,295 | 557 | 1,890,760 | 97,550 | 13,240 | 2,009 | 42,892 | |
| Investment credit..... | 322,782 | 108,924 | 110,022 | 103,836 | 6,724,483 | 775,649 | 155,132 | 79,514 | 47,045 | |
| Work incentive (WIN) credit..... | 4,103 | 1,009 | *2,102 | 991 | 9,705 | 1,156 | 3 | 523 | 734 | |
| Jobs credit..... | 28,461 | 11,523 | 3,675 | 13,263 | 90,387 | 14,466 | 1,288 | 4,822 | 10,266 | |
| Nonconventional source fuel credit..... | — | — | — | — | 6,740 | 2,132 | — | — | — | |
| Alcohol fuel credit..... | — | — | — | — | *99 | *26 | — | — | — | |
| Research activities credit..... | 4,114 | 1,139 | 1,757 | 1,219 | 623,263 | 19,835 | 4,445 | 2,177 | 1,689 | |
| Employee stock ownership credit..... | — | — | — | — | 7,633 | 3,346 | — | 41 | 475 | |
| Distributions to stockholders: | | | | | | | | | | |
| Cash and property except in own stock..... | 916,690 | 375,220 | 250,237 | 291,234 | 43,912,134 | 3,555,319 | 1,018,912 | 291,787 | 397,347 | |
| Corporation's own stock..... | 75,999 | *10,545 | 50,823 | 14,630 | 961,583 | 157,586 | 8,321 | *6,710 | 30,577 | |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | |
|--|----------------------------|------------------------|---------------------------|-------------------------|-------------------------------|--|--|------------------------------|---------------------------------|
| | Manufacturing — Continued | | | | | | | | |
| | Lumber and wood products | Furniture and fixtures | Paper and allied products | Printing and publishing | Chemicals and allied products | Petroleum (including integrated) and coal products | Rubber and miscellaneous plastics products | Leather and leather products | Stone, clay, and glass products |
| (17) | (18) | (19) | (20) | (21) | (22) | (23) | (24) | (25) | |
| Number of returns, total | 14,203 | 8,523 | 3,942 | 37,904 | 10,145 | 2,106 | 10,713 | 2,273 | 9,975 |
| Total assets | 43,777,159 | 10,889,836 | 53,605,668 | 60,515,643 | 216,836,244 | 443,573,396 | 27,040,647 | 7,410,304 | 42,558,051 |
| Cash..... | 1,326,289 | 697,957 | 1,182,331 | 3,344,253 | 4,155,462 | 3,334,869 | 1,038,506 | 505,747 | 1,367,591 |
| Notes and accounts receivable..... | 5,930,532 | 2,721,367 | 7,255,559 | 12,884,144 | 34,377,940 | 79,296,647 | 6,507,080 | 1,971,861 | 7,290,720 |
| Less: Allowance for bad debts..... | 124,030 | 69,856 | 710,476 | 791,703 | 913,610 | 762,045 | 170,774 | 49,764 | 217,394 |
| Inventories..... | 5,681,610 | 2,869,583 | 6,677,253 | 5,350,527 | 27,239,459 | 20,496,361 | 4,826,398 | 2,147,690 | 5,510,608 |
| Investments in Government obligations..... | 201,254 | 108,757 | 801,738 | 710,916 | 1,375,647 | 1,874,812 | 229,425 | 170,774 | 252,955 |
| Other current assets..... | 1,441,742 | 440,724 | 2,262,085 | 4,088,746 | 9,384,187 | 13,471,986 | 651,116 | 342,084 | 1,638,144 |
| Loans to stockholders..... | 185,180 | 83,251 | 51,955 | 580,430 | 2,934,769 | 819,200 | 153,451 | 19,363 | 171,851 |
| Mortgage and real estate loans..... | 1,802,259 | 22,970 | 459,313 | 232,535 | 93,848 | 137,379 | 64,270 | 550 | 115,326 |
| Other investments..... | 5,890,102 | 713,356 | 6,685,575 | 7,219,582 | 52,151,077 | 118,119,770 | 3,938,399 | 1,229,007 | 6,988,943 |
| Depreciable assets..... | 27,937,990 | 5,430,859 | 40,788,420 | 30,327,896 | 120,584,219 | 215,422,642 | 18,091,953 | 1,970,100 | 30,525,525 |
| Less: Accumulated depreciation..... | 12,992,610 | 2,575,165 | 17,377,904 | 13,102,363 | 53,235,012 | 78,092,429 | 9,251,600 | 915,442 | 14,149,541 |
| Depletable assets..... | 4,126,663 | 5,237 | 2,497,334 | 513,635 | 2,991,338 | 43,858,533 | 33,554 | — | 1,212,106 |
| Less: Accumulated depletion..... | 69,791 | 821 | 397,155 | 62,222 | 919,509 | 16,590,497 | 8,221 | — | 205,992 |
| Land..... | 819,470 | 189,997 | 1,390,667 | 1,020,389 | 2,240,093 | 8,321,763 | 288,699 | 50,171 | 886,213 |
| Intangible assets (amortizable)..... | 38,973 | 55,686 | 214,972 | 3,414,554 | 3,794,832 | 24,977,138 | 103,295 | 25,455 | 278,693 |
| Less: Accumulated amortization..... | 12,200 | 11,598 | 70,296 | 480,999 | 784,246 | 10,295,863 | 26,769 | 7,322 | 59,160 |
| Other assets..... | 1,593,727 | 307,531 | 1,894,296 | 5,265,322 | 11,365,753 | 19,183,128 | 571,864 | 74,564 | 951,462 |
| Total liabilities | 43,777,159 | 10,889,836 | 53,605,668 | 60,515,643 | 216,836,244 | 443,573,396 | 27,040,647 | 7,410,304 | 42,558,051 |
| Accounts payable..... | 4,124,476 | 1,370,650 | 4,164,744 | 5,795,761 | 24,642,197 | 72,595,267 | 3,648,339 | 951,169 | 4,350,111 |
| Mortgages, notes, and bonds payable in less than one year..... | 3,862,058 | 743,744 | 2,068,679 | 3,207,628 | 8,571,189 | 14,686,747 | 1,263,999 | 880,358 | 2,219,377 |
| Other current liabilities..... | 3,346,788 | 1,051,434 | 3,938,066 | 6,825,583 | 16,338,495 | 21,288,709 | 3,373,544 | 702,984 | 3,007,535 |
| Loans from stockholders..... | 532,395 | 228,155 | 165,206 | 1,699,920 | 2,810,167 | 1,223,761 | 512,665 | 29,589 | 476,518 |
| Mortgages, notes, and bonds payable in one year or more..... | 10,520,697 | 1,759,633 | 12,106,051 | 11,619,352 | 37,653,869 | 60,655,779 | 4,742,021 | 1,213,510 | 8,532,116 |
| Other liabilities..... | 2,263,694 | 280,035 | 3,924,369 | 5,581,506 | 16,211,548 | 63,185,140 | 1,078,835 | 143,741 | 3,286,841 |
| Capital stock..... | 2,842,895 | 740,420 | 3,829,979 | 3,015,732 | 13,336,123 | 16,359,106 | 1,504,057 | 563,792 | 2,886,154 |
| Paid-in or capital surplus..... | 5,252,274 | 866,924 | 5,487,889 | 3,899,384 | 40,312,677 | 59,237,664 | 2,403,669 | 739,451 | 5,993,567 |
| Retained earnings, appropriated..... | 80,472 | 32,293 | 145,859 | 114,253 | 239,779 | 530,559 | 218,956 | 67,025 | 261,125 |
| Retained earnings, unappropriated..... | 11,390,893 | 4,114,912 | 18,262,431 | 19,890,010 | 58,165,771 | 138,636,228 | 8,836,482 | 2,307,073 | 12,279,155 |
| Less: Cost of treasury stock..... | 439,483 | 198,364 | 487,605 | 1,133,486 | 1,445,571 | 4,825,564 | 541,920 | 188,389 | 734,448 |
| Total receipts | 49,407,935 | 20,581,885 | 65,705,171 | 86,922,304 | 227,449,176 | 584,137,738 | 42,356,156 | 12,843,678 | 46,311,499 |
| Business receipts..... | 46,525,373 | 20,117,563 | 62,618,126 | 83,699,912 | 215,944,366 | 560,780,496 | 41,102,997 | 12,623,603 | 44,233,718 |
| Interest..... | 784,224 | 143,060 | 620,908 | 955,141 | 3,015,044 | 7,664,507 | 320,988 | 93,055 | 626,026 |
| Interest on Government obligations: | | | | | | | | | |
| State and local..... | 3,292 | 2,177 | 3,363 | 15,420 | 21,740 | 3,550 | 1,014 | 2,809 | 4,573 |
| Rents..... | 148,304 | 55,300 | 103,833 | 425,358 | 712,291 | 1,930,389 | 94,984 | 9,913 | 187,148 |
| Royalties..... | 51,010 | 16,136 | 254,605 | 200,513 | 1,167,277 | 2,016,094 | 56,572 | 7,345 | 133,439 |
| Net short-term capital gain reduced by net long-term capital loss..... | 22,553 | *343 | 5,711 | 8,369 | 36,329 | 68,454 | 2,429 | *209 | 5,771 |
| Net long-term capital gain reduced by net short-term capital loss..... | 1,198,600 | 26,887 | 1,155,154 | 290,017 | 618,051 | 1,048,141 | 72,158 | 3,516 | 225,863 |
| Net gain, noncapital assets..... | 69,703 | 13,869 | 101,754 | 133,965 | 563,114 | 549,265 | 52,821 | 14,221 | 212,672 |
| Dividends received from domestic corporations..... | 88,691 | 18,378 | 199,097 | 134,265 | 1,078,167 | 798,161 | 83,284 | 14,761 | 105,088 |
| Dividends received from foreign corporations..... | 45,071 | *3,476 | 292,645 | 87,900 | 1,359,841 | 3,303,504 | 190,908 | 3,748 | 127,808 |
| Other receipts..... | 471,114 | 184,696 | 349,474 | 971,445 | 2,932,956 | 5,975,177 | 378,002 | 70,498 | 449,394 |
| Total deductions | 49,917,554 | 19,906,328 | 63,590,630 | 82,702,334 | 218,429,068 | 560,728,426 | 41,266,295 | 12,266,448 | 46,469,230 |
| Cost of sales and operations..... | 35,176,243 | 13,943,162 | 43,630,107 | 43,138,961 | 135,656,095 | 434,046,123 | 28,105,588 | 8,647,355 | 30,306,568 |
| Compensation of officers..... | 699,291 | 522,524 | 569,088 | 2,375,063 | 1,371,638 | 507,758 | 763,548 | 203,414 | 667,467 |
| Repairs..... | 1,027,039 | 83,278 | 1,543,821 | 570,943 | 3,889,887 | 5,584,496 | 612,743 | 43,067 | 957,378 |
| Bad debts..... | 146,863 | 88,000 | 138,251 | 587,449 | 420,450 | 701,854 | 152,293 | 42,954 | 169,350 |
| Rent paid on business property..... | 540,528 | 261,896 | 573,532 | 1,329,509 | 2,614,375 | 3,906,039 | 449,689 | 291,542 | 529,562 |
| Taxes paid..... | 1,218,435 | 532,401 | 1,476,622 | 2,488,149 | 4,639,508 | 24,926,523 | 909,877 | 288,714 | 1,223,040 |
| Interest paid..... | 1,827,581 | 1,567,921 | 2,102,972 | 6,946,383 | 12,952,802 | 12,952,802 | 969,508 | 273,668 | 1,642,797 |
| Contributions or gifts..... | 10,242 | 13,849 | 45,337 | 114,650 | 181,225 | 283,930 | 16,895 | 15,483 | 14,751 |
| Amortization..... | 30,441 | 3,754 | 21,629 | 158,677 | 123,163 | 109,770 | 9,997 | 3,103 | 8,964 |
| Depreciation..... | 2,355,812 | 442,036 | 3,138,894 | 3,472,851 | 9,381,272 | 16,114,648 | 1,151,442 | 180,439 | 2,495,445 |
| Depletion..... | 520,120 | 1,862 | 328,268 | 32,220 | 476,408 | 1,847,834 | 3,078 | — | 104,900 |
| Advertising..... | 223,569 | 252,120 | 657,331 | 1,204,455 | 6,165,705 | 1,423,062 | 438,034 | 247,132 | 289,195 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 272,299 | 145,955 | 571,207 | 957,280 | 2,475,479 | 2,303,101 | 417,391 | 65,556 | 518,211 |
| Employee benefit programs..... | 489,848 | 172,448 | 641,703 | 1,000,076 | 2,390,035 | 1,736,877 | 558,272 | 72,652 | 685,885 |
| Net loss, noncapital assets..... | 23,987 | 9,539 | 8,957 | 22,756 | 92,933 | 279,841 | 10,533 | 4,135 | 33,711 |
| Other deductions..... | 5,355,236 | 3,070,006 | 8,677,961 | 23,146,324 | 41,604,512 | 54,003,769 | 6,697,405 | 1,887,435 | 6,822,006 |
| Total receipts less total deductions..... | - 509,619 | 675,558 | 2,114,541 | 4,219,970 | 9,020,108 | 23,409,312 | 1,089,862 | 577,031 | - 157,731 |
| Constructive taxable income from related foreign corporations..... | 27,976 | 3,560 | 210,094 | 54,828 | 2,002,634 | 4,115,972 | 132,767 | 966 | 124,404 |
| Net income (less deficit)..... | - 484,936 | 676,940 | 2,321,272 | 4,259,378 | 11,001,002 | 27,521,734 | 1,221,615 | 575,188 | - 37,900 |
| Income subject to tax..... | 587,346 | 837,952 | 2,997,424 | 4,768,254 | 12,521,541 | 28,587,718 | 1,513,925 | 578,600 | 1,059,625 |
| Income tax, total..... | 227,135 | 358,906 | 1,223,477 | 2,057,917 | 5,736,917 | 13,116,503 | 651,871 | 255,112 | 469,308 |
| Regular and alternative tax..... | 207,170 | 357,345 | 1,189,181 | 2,039,378 | 5,630,337 | 12,986,847 | 643,963 | 253,663 | 428,063 |
| Tax from recomputing prior-year investment credit..... | 15,481 | 1,471 | 15,704 | 16,608 | 51,465 | 91,474 | 6,171 | 1,416 | 29,576 |
| Additional tax for tax preferences..... | 4,484 | 88 | 18,469 | 1,916 | 55,107 | 38,182 | 1,733 | 33 | 11,670 |
| Foreign tax credit..... | 2,542 | 3,518 | 235,914 | 72,829 | 1,806,969 | 7,362,367 | 147,069 | 1,664 | 107,749 |
| U.S. possessions tax credit..... | 12 | 285 | 6,080 | 2,936 | 1,029,332 | 22,452 | 7,104 | 10,113 | 1,259 |
| Investment credit..... | 31,786 | 34,848 | 295,079 | 373,275 | 491,034 | 2,103,607 | 85,267 | 14,402 | 96,633 |
| Work incentive (WIN) credit..... | *207 | 543 | 391 | 451 | 726 | 11 | 996 | *42 | *372 |
| Jobs credit..... | 1,308 | 4,158 | 1,617 | 3,806 | 4,487 | 615 | 3,797 | 2,918 | 2,865 |
| Nonconventional source fuel credit..... | — | 265 | — | — | 4 | 3,995 | — | — | (¹) |
| Alcohol fuel credit..... | — | — | — | (¹) | — | 73 | — | — | — |
| Research activities credit..... | 651 | 1,882 | 21,606 | 7,247 | 84,597 | 51,932 | 9,654 | 1,218 | 3,277 |
| Employee stock ownership credit..... | — | 115 | 332 | 39 | *731 | — | — | — | 120 |
| Distributions to stockholders: | | | | | | | | | |
| Cash, and property except in own stock..... | 775,942 | 176,885 | 1,416,327 | 1,874,468 | 7,586,626 | 10,041,034 | 309,424 | 206,120 | 805,260 |
| Corporation's own stock..... | 17,748 | 1,080 | *18,584 | *39,371 | 54,234 | 16,859 | *61,839 | *12,103 | 21,348 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | |
|---|----------------------------|---------------------------|------------------------------|-------------------------------------|------------------------------|---|----------------------------------|---|
| | Manufacturing — Continued | | | | | | | |
| | Primary metal industries | Fabricated metal products | Machinery, except electrical | Electrical and electronic equipment | Motor vehicles and equipment | Transportation equipment, except motor vehicles | Instruments and related products | Miscellaneous manufacturing and manufacturing not allocable |
| (26) | (27) | (28) | (29) | (30) | (31) | (32) | (33) | |
| Number of returns, total | 4,237 | 42,325 | 26,708 | 17,105 | 2,991 | 4,179 | 6,174 | 19,063 |
| Total assets | 144,628,190 | 87,675,189 | 182,716,360 | 189,029,756 | 166,355,711 | 64,095,606 | 38,740,221 | 28,250,485 |
| Cash | 2,808,135 | 4,798,585 | 6,290,689 | 7,727,629 | 2,478,582 | 2,301,488 | 1,401,202 | 1,584,469 |
| Notes and accounts receivable | 21,051,287 | 17,362,356 | 47,973,373 | 49,866,373 | 77,718,847 | 10,651,523 | 9,329,465 | 7,057,985 |
| Less: Allowance for bad debts | 548,964 | 431,506 | 2,155,775 | 1,373,204 | 1,104,394 | 131,137 | 145,957 | 285,880 |
| Inventories | 17,878,746 | 16,310,254 | 37,453,593 | 29,435,433 | 14,311,742 | 19,448,794 | 8,452,882 | 6,373,997 |
| Investments in Government obligations | 1,453,339 | 555,081 | 847,475 | 966,749 | 2,445,733 | 318,228 | 645,517 | 109,214 |
| Other current assets | 5,929,259 | 4,985,337 | 9,233,546 | 17,556,701 | 3,052,045 | 3,375,394 | 2,565,203 | 1,216,405 |
| Loans to stockholders | 202,380 | 574,124 | 951,251 | 1,002,752 | 463,791 | 30,662 | 83,887 | 119,824 |
| Mortgage and real estate loans | 6,089,477 | 172,635 | 89,833 | 272,004 | 819,250 | 14,505 | 71,158 | 116,111 |
| Other investments | 23,789,881 | 15,687,797 | 29,854,039 | 28,426,996 | 28,041,939 | 7,501,646 | 3,527,235 | 3,983,167 |
| Depreciable assets | 90,173,475 | 43,765,289 | 83,021,255 | 71,613,122 | 64,184,804 | 30,677,137 | 19,156,973 | 10,321,346 |
| Less: Accumulated depreciation | 41,837,535 | 20,690,982 | 37,411,405 | 32,693,391 | 33,546,708 | 13,396,567 | 8,333,562 | 4,380,819 |
| Depletable assets | 1,981,715 | 384,294 | 536,342 | 1,376,671 | *20,351 | *108,143 | *11,143 | 26,556 |
| Less: Accumulated depletion | 496,442 | 107,653 | 104,313 | 304,200 | *6,087 | *17,970 | *3,106 | 5,833 |
| Land | 1,608,527 | 1,198,337 | 1,500,355 | 1,440,201 | 866,924 | 548,131 | 494,881 | 386,951 |
| Intangible assets (amortizable) | 762,201 | 1,153,318 | 1,539,025 | 2,141,632 | 378,889 | 422,760 | 477,330 | 393,331 |
| Less: Accumulated amortization | 223,271 | 220,724 | 443,332 | 617,104 | 118,996 | 35,295 | 107,441 | 83,023 |
| Other assets | 14,005,979 | 2,178,648 | 3,538,410 | 12,191,392 | 6,348,998 | 2,278,162 | 1,113,412 | 1,315,883 |
| Total liabilities | 144,628,190 | 87,675,189 | 182,716,360 | 189,029,756 | 166,355,711 | 64,095,606 | 38,740,221 | 28,250,485 |
| Accounts payable | 12,130,727 | 10,158,215 | 22,582,369 | 24,754,784 | 18,367,931 | 13,220,146 | 4,495,977 | 4,261,413 |
| Mortgages, notes, and bonds payable in less than one year | 12,285,859 | 5,434,844 | 13,490,218 | 17,184,264 | 35,024,098 | 4,160,530 | 2,513,025 | 2,781,742 |
| Other current liabilities | 14,875,384 | 8,633,050 | 17,131,069 | 20,563,084 | 13,269,290 | 11,220,686 | 4,573,976 | 2,440,623 |
| Loans from stockholders | 1,303,257 | 1,549,948 | 4,368,481 | 2,161,577 | 1,329,569 | 585,206 | 370,497 | 688,361 |
| Mortgages, notes, and bonds payable in one year or more | 36,158,422 | 15,629,616 | 36,458,371 | 28,262,919 | 43,265,320 | 10,923,946 | 4,006,638 | 4,479,753 |
| Other liabilities | 15,552,790 | 5,391,549 | 9,928,570 | 24,975,909 | 9,089,724 | 4,262,724 | 2,123,596 | 1,466,637 |
| Capital stock | 9,907,674 | 5,380,599 | 13,519,515 | 9,029,788 | 6,620,509 | 4,257,033 | 2,361,040 | 1,856,686 |
| Paid-in or capital surplus | 14,282,569 | 9,817,741 | 20,892,228 | 19,001,710 | 12,917,254 | 3,735,826 | 5,224,250 | 3,331,021 |
| Retained earnings, appropriated | 573,066 | 523,611 | 415,361 | 432,197 | 1,114,362 | 58,169 | 178,405 | 126,485 |
| Retained earnings, unappropriated | 28,799,670 | 26,830,527 | 45,359,142 | 44,303,022 | 25,562,288 | 13,130,080 | 13,224,420 | 7,190,307 |
| Less: Cost of treasury stock | 1,241,229 | 1,674,510 | 1,428,965 | 1,639,498 | 204,635 | 1,458,741 | 331,603 | 372,543 |
| Total receipts | 128,808,336 | 117,526,669 | 184,131,098 | 188,187,778 | 152,803,403 | 74,664,415 | 49,079,562 | 41,142,854 |
| Business receipts | 120,975,962 | 113,161,837 | 157,541,494 | 174,472,852 | 143,126,094 | 70,586,584 | 46,652,527 | 39,797,135 |
| Interest | 3,334,032 | 1,270,056 | 3,889,712 | 4,323,412 | 4,983,322 | 1,084,964 | 496,847 | 553,776 |
| Interest on Government obligations: | | | | | | | | |
| State and local | 50,204 | 23,500 | 85,624 | 228,321 | 47,684 | 1,650 | 4,435 | 4,177 |
| Rents | 460,694 | 458,988 | 14,170,502 | 2,106,017 | 918,385 | 369,052 | 268,648 | 127,988 |
| Royalties | 92,758 | 135,656 | 2,647,450 | 649,880 | 231,452 | 144,090 | 204,280 | 95,360 |
| Net short-term capital gain reduced by net long-term capital loss | 46,593 | 24,564 | 26,637 | 49,854 | 26,638 | 6,051 | 13,011 | 7,659 |
| Net long-term capital gain reduced by net short-term capital loss | 836,666 | 477,841 | 480,660 | 747,520 | 302,167 | 111,173 | 116,702 | 42,526 |
| Net gain, noncapital assets | 219,834 | 329,325 | 273,202 | 360,545 | 75,852 | 60,736 | 74,385 | 50,134 |
| Dividends received from domestic corporations | 527,757 | 265,368 | 1,181,460 | 1,301,278 | 622,612 | 1,155,128 | 490,962 | 72,716 |
| Dividends received from foreign corporations | 324,096 | 319,502 | 1,402,025 | 890,315 | 1,435,242 | 110,409 | 351,062 | 33,780 |
| Other receipts | 1,939,739 | 1,060,232 | 2,432,332 | 3,057,784 | 1,033,956 | 1,034,578 | 406,703 | 357,603 |
| Total deductions | 134,336,425 | 114,757,358 | 178,210,369 | 182,279,287 | 151,721,226 | 76,441,278 | 46,465,299 | 40,360,195 |
| Cost of sales and operations | 94,685,902 | 79,299,340 | 100,042,497 | 113,791,559 | 102,492,548 | 52,493,176 | 27,401,176 | 26,617,869 |
| Compensation of officers | 705,867 | 3,143,399 | 2,478,726 | 1,821,315 | 424,608 | 489,427 | 567,589 | 973,566 |
| Repairs | 4,423,264 | 902,824 | 1,291,511 | 1,109,708 | 1,198,395 | 637,837 | 930,429 | 237,270 |
| Bad debts | 346,881 | 409,127 | 638,888 | 716,351 | 666,947 | 215,711 | 99,234 | 194,554 |
| Rent paid on business property | 1,130,742 | 1,304,730 | 2,375,432 | 2,135,229 | 1,122,617 | 774,694 | 536,812 | 462,795 |
| Taxes paid | 4,200,296 | 2,992,581 | 5,230,861 | 4,777,260 | 3,909,755 | 2,337,014 | 1,327,368 | 983,322 |
| Interest paid | 7,237,179 | 3,224,962 | 7,675,996 | 8,382,816 | 10,245,251 | 2,278,194 | 1,047,316 | 1,339,609 |
| Contributions or gifts | 12,561 | 59,417 | 124,867 | 88,869 | 94,903 | 21,616 | 48,475 | 21,451 |
| Amortization | 34,484 | 92,588 | 140,195 | 181,673 | 27,270 | 16,332 | 20,955 | 66,286 |
| Depreciation | 5,477,505 | 3,951,092 | 9,280,691 | 7,825,903 | 7,301,574 | 2,954,343 | 1,995,397 | 1,049,899 |
| Depletion | 398,399 | 42,036 | 40,026 | 120,565 | 13,449 | 27,208 | *1,354 | 18,364 |
| Advertising | 399,903 | 942,885 | 1,517,213 | 2,400,672 | 1,590,104 | 302,240 | 1,172,689 | 965,100 |
| Pension, profit-sharing, stock bonus, and annuity plans | 1,683,587 | 1,035,916 | 2,511,319 | 2,513,557 | 2,996,405 | 1,622,997 | 750,736 | 247,584 |
| Employee benefit programs | 2,242,202 | 1,506,406 | 3,025,132 | 3,185,569 | 5,121,211 | 1,321,225 | 785,641 | 458,417 |
| Net loss, noncapital assets | 317,161 | 31,999 | 93,704 | 132,455 | 123,262 | 16,191 | 15,820 | 33,435 |
| Other deductions | 11,040,493 | 15,818,056 | 41,543,310 | 33,095,785 | 14,392,926 | 10,933,071 | 9,954,311 | 6,690,673 |
| Total receipts less total deductions | -5,528,089 | 2,769,311 | 5,920,728 | 5,908,491 | 1,082,178 | -1,776,863 | 2,614,263 | 782,659 |
| Constructive taxable income from related foreign corporations | 133,205 | 281,493 | 1,476,990 | 704,482 | 446,824 | 152,133 | 473,176 | 36,690 |
| Net income (less deficit) | -5,445,088 | 3,027,303 | 7,312,094 | 6,384,651 | 1,481,318 | -1,626,379 | 3,083,005 | 815,171 |
| Income subject to tax | 1,151,252 | 4,771,512 | 10,880,580 | 8,045,807 | 2,857,029 | 1,108,109 | 3,493,906 | 1,553,500 |
| Income tax, total | 510,911 | 2,008,362 | 4,925,892 | 3,562,852 | 1,319,151 | 498,385 | 1,585,239 | 666,130 |
| Regular and alternative tax | 476,184 | 1,955,870 | 4,838,379 | 3,504,563 | 1,280,249 | 485,328 | 1,566,949 | 648,201 |
| Tax from recomputing prior-year investment credit | 13,872 | 49,902 | 76,016 | 41,723 | 31,500 | 8,389 | 13,095 | 6,977 |
| Additional tax for tax preferences | 20,786 | 2,587 | 11,497 | 16,556 | 7,396 | 4,578 | 5,196 | *951 |
| Foreign tax credit | 109,679 | 254,586 | 1,597,400 | 781,025 | 799,331 | 116,927 | 422,134 | 20,551 |
| U.S. possessions tax credit | 1,833 | 24,390 | 28,902 | 404,382 | 4,462 | 2,831 | 110,850 | 77,847 |
| Investment credit | 106,014 | 250,406 | 623,324 | 478,137 | 237,182 | 77,530 | 291,221 | 77,399 |
| Work incentive (WIN) credit | *88 | 553 | 774 | 815 | 82 | 109 | 249 | 881 |
| Jobs credit | 1,427 | 8,457 | 6,555 | 7,933 | 1,519 | 2,776 | 2,117 | 3,191 |
| Nonconventional source fuel credit | — | *135 | 9 | — | — | — | 200 | — |
| Alcohol fuel credit | — | — | — | — | — | — | — | — |
| Research activities credit | 8,763 | 18,085 | 168,799 | 98,385 | 15,654 | 29,293 | 65,619 | 8,455 |
| Employee stock ownership credit | 240 | 62 | 731 | 352 | 62 | 520 | 281 | 186 |
| Distributions to stockholders: | | | | | | | | |
| Cash and property except in own stock | 1,561,538 | 1,260,957 | 4,439,239 | 4,050,113 | 1,477,276 | 964,236 | 1,294,515 | 408,808 |
| Corporation's own stock | 22,874 | 65,784 | 267,369 | 36,024 | *65,131 | *18,135 | 6,385 | *33,518 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | |
|--|-------------------------------------|--------------------|--------------------|--------------------------------------|----------------------------|----------------------|--------------------|------------------------------------|-------------------------------|
| | Transportation and public utilities | | | | Wholesale and retail trade | | | | |
| | Total | Transportation | Communication | Electric, gas, and sanitary services | Total | Wholesale trade | | Machinery, equipment, and supplies | Miscellaneous wholesale trade |
| (34) | (35) | (36) | (37) | (38) | (39) | (40) | (41) | (42) | |
| Number of returns, total | 115,470 | 91,856 | 12,634 | 10,980 | 839,547 | 285,615 | 24,065 | 52,653 | 208,897 |
| Total assets | 919,861,069 | 193,331,848 | 245,510,562 | 481,018,659 | 753,351,132 | 394,794,405 | 28,533,018 | 65,500,271 | 300,761,115 |
| Cash..... | 14,175,410 | 9,054,773 | 2,151,738 | 2,968,899 | 43,455,917 | 22,058,847 | 1,998,656 | 3,489,350 | 16,570,841 |
| Notes and accounts receivable..... | 83,847,926 | 25,820,851 | 17,730,356 | 40,296,719 | 179,295,183 | 109,297,093 | 8,182,146 | 19,162,485 | 81,952,462 |
| Less: Allowance for bad debts..... | 1,206,848 | 411,082 | 298,349 | 497,417 | 4,053,447 | 2,380,245 | 204,672 | 454,775 | 1,720,799 |
| Inventories..... | 30,487,943 | 5,555,597 | 6,257,498 | 18,674,848 | 214,824,922 | 107,160,890 | 7,441,172 | 20,052,006 | 79,667,513 |
| Investments in Government obligations..... | 7,303,612 | 2,116,256 | 3,085,659 | 2,101,697 | 13,822,660 | 7,690,840 | 82,966 | 114,235 | 7,493,639 |
| Other current assets..... | 33,181,975 | 9,820,241 | 5,967,607 | 17,394,128 | 43,837,273 | 31,967,557 | 1,052,532 | 3,258,094 | 27,656,931 |
| Loans to stockholders..... | 2,011,434 | 1,067,321 | 772,731 | 1,71,382 | 6,810,219 | 3,101,568 | 366,550 | 584,617 | 2,150,401 |
| Mortgage and real estate loans..... | 2,858,957 | 444,300 | 109,153 | 2,305,505 | 5,691,285 | 1,236,792 | 159,179 | 151,077 | 926,536 |
| Other investments..... | 83,816,962 | 25,383,586 | 22,903,430 | 35,529,946 | 71,707,127 | 41,704,711 | 1,732,841 | 7,456,167 | 32,515,703 |
| Depreciable assets..... | 839,757,341 | 154,957,357 | 230,863,528 | 453,936,456 | 234,287,114 | 93,719,684 | 11,118,019 | 14,925,113 | 67,676,551 |
| Less: Accumulated depreciation..... | 212,745,125 | 51,416,223 | 51,684,959 | 109,643,943 | 99,526,467 | 40,202,797 | 4,963,678 | 6,560,827 | 28,677,992 |
| Depletable assets..... | 4,621,802 | 577,283 | *25,273 | 4,019,246 | 3,235,905 | 2,870,020 | *8,815 | 89,472 | 2,771,733 |
| Less: Accumulated depletion..... | 1,218,043 | 181,843 | *2,060 | 1,034,140 | 1,149,488 | 1,009,363 | *3,145 | 27,839 | 978,379 |
| Land..... | 5,455,717 | 2,468,038 | 792,934 | 2,194,845 | 14,953,312 | 5,341,252 | 456,436 | 719,148 | 4,615,668 |
| Intangible assets (amortizable)..... | 7,733,798 | 3,408,899 | 2,643,118 | 1,681,782 | 6,862,272 | 2,586,976 | 293,419 | 378,452 | 1,914,104 |
| Less: Accumulated amortization..... | 2,254,773 | 1,300,700 | 521,518 | 432,554 | 1,995,511 | 666,081 | 108,073 | 96,066 | 461,943 |
| Other assets..... | 22,032,983 | 5,967,197 | 4,714,525 | 11,351,260 | 21,192,857 | 10,316,860 | 920,153 | 2,258,561 | 7,138,146 |
| Total liabilities | 919,861,069 | 193,331,848 | 245,510,562 | 481,018,659 | 753,351,132 | 394,794,405 | 28,533,018 | 65,500,271 | 300,761,115 |
| Accounts payable..... | 62,116,389 | 19,670,022 | 9,131,635 | 33,314,733 | 127,944,750 | 77,165,143 | 7,317,700 | 11,368,213 | 58,479,229 |
| Mortgages, notes, and bonds payable in less than one year..... | 35,985,184 | 11,285,032 | 6,717,964 | 17,982,188 | 119,399,248 | 68,587,610 | 2,672,684 | 10,667,266 | 55,247,660 |
| Other current liabilities..... | 81,005,176 | 19,290,786 | 30,588,043 | 31,126,347 | 90,424,038 | 47,625,986 | 2,432,080 | -4,591,441 | 40,802,466 |
| Loans from stockholders..... | 6,632,399 | 2,970,669 | 1,611,094 | 2,050,636 | 24,492,965 | 9,176,386 | 908,012 | 1,454,455 | 6,813,919 |
| Mortgages, notes, and bonds payable in one year or more..... | 296,998,401 | 52,978,038 | 73,459,470 | 170,560,894 | 114,283,891 | 48,072,371 | 4,304,394 | 8,303,172 | 35,464,804 |
| Other liabilities..... | 84,242,894 | 19,690,629 | 18,343,477 | 46,208,789 | 25,389,144 | 10,359,779 | 1,009,608 | 2,293,260 | 7,056,910 |
| Capital stock..... | 123,501,628 | 13,080,272 | 25,880,482 | 84,540,874 | 44,451,055 | 22,610,026 | 1,602,527 | 3,170,249 | 17,837,249 |
| Paid-in or capital surplus..... | 96,993,922 | 22,206,027 | 34,827,866 | 39,960,029 | 38,654,623 | 17,427,733 | 1,153,277 | 3,187,912 | 13,086,544 |
| Retained earnings, appropriated..... | 2,409,491 | 618,571 | 350,585 | 1,440,335 | 3,129,808 | 1,841,633 | 181,138 | 239,177 | 1,421,318 |
| Retained earnings, unappropriated..... | 133,059,934 | 33,334,080 | 45,557,332 | 54,168,521 | 174,380,547 | 96,495,737 | 7,398,412 | 21,106,216 | 67,991,110 |
| Less: Cost of treasury stock..... | 3,084,350 | 1,792,278 | 957,387 | 334,686 | 9,198,935 | 4,567,998 | 446,814 | 881,090 | 3,240,094 |
| Total receipts | 632,294,442 | 224,493,312 | 130,440,430 | 277,360,701 | 2,017,701,364 | 1,069,342,142 | 157,775,585 | 111,362,997 | 800,203,561 |
| Business receipts..... | 606,039,657 | 211,228,536 | 126,762,052 | 268,049,068 | 1,972,305,356 | 1,047,583,638 | 155,852,434 | 107,145,162 | 784,586,041 |
| Interest..... | 9,102,778 | 3,754,141 | 1,212,174 | 4,136,463 | 14,278,434 | 8,014,398 | 434,666 | 1,723,448 | 5,856,285 |
| Interest on Government obligations: | | | | | | | | | |
| State and local..... | 36,114 | 24,332 | 4,659 | 7,123 | 95,155 | 56,316 | 2,063 | 9,196 | 45,057 |
| Rents..... | 4,283,466 | 2,581,714 | 759,459 | 942,294 | 6,841,460 | 2,168,563 | 214,320 | 715,574 | 1,238,669 |
| Royalties..... | 375,923 | 218,167 | 56,504 | 101,253 | 561,605 | 208,800 | 5,847 | 51,734 | 151,220 |
| Net short-term capital gain reduced by net long-term capital loss..... | 67,077 | 37,649 | 13,243 | 16,184 | 159,746 | 118,931 | 16,404 | 12,606 | 89,922 |
| Net long-term capital gain reduced by net short-term capital loss..... | 2,916,563 | 1,481,525 | 525,635 | 909,403 | 2,443,019 | 1,188,142 | 46,792 | 121,427 | 1,019,922 |
| Net gain, noncapital assets..... | 1,251,951 | 923,207 | 180,129 | 148,615 | 1,364,387 | 595,702 | 37,564 | 167,307 | 390,831 |
| Dividends received from domestic corporations..... | 452,860 | 134,126 | 180,446 | 138,289 | 1,195,416 | 793,254 | 73,134 | 116,814 | 603,307 |
| Dividends received from foreign corporations..... | 229,053 | 82,587 | 76,622 | 69,843 | 675,957 | 249,140 | *2,286 | 24,773 | 222,081 |
| Other receipts..... | 7,539,001 | 4,027,328 | 669,507 | 2,842,166 | 17,780,829 | 8,365,259 | 1,090,075 | 1,274,956 | 6,000,228 |
| Total deductions | 614,397,320 | 225,104,834 | 123,115,993 | 266,176,592 | 1,989,739,286 | 1,052,946,356 | 156,125,531 | 107,306,615 | 789,514,210 |
| Cost of sales and operations..... | 338,796,961 | 119,663,909 | 43,827,087 | 175,305,965 | 1,556,263,179 | 887,794,832 | 136,185,312 | 79,678,540 | 671,930,980 |
| Compensation of officers..... | 4,327,315 | 3,000,121 | 646,511 | 680,682 | 29,910,261 | 14,691,902 | 1,525,597 | 2,694,670 | 10,471,635 |
| Repairs..... | 26,820,778 | 4,065,353 | 15,827,940 | 6,927,486 | 7,342,300 | 2,629,883 | 470,294 | 347,229 | 1,812,360 |
| Bad debts..... | 2,485,257 | 518,031 | 1,228,904 | 740,323 | 4,871,779 | 2,815,937 | 213,562 | 588,572 | 2,013,803 |
| Rent paid on business property..... | 12,093,901 | 8,440,485 | 2,161,143 | 1,492,273 | 28,615,468 | 6,972,757 | 926,663 | 1,075,190 | 4,970,904 |
| Taxes paid..... | 27,599,358 | 6,758,182 | 7,605,406 | 13,235,770 | 26,375,395 | 9,943,321 | 1,116,755 | 1,334,043 | 7,492,523 |
| Interest paid..... | 36,839,460 | 7,485,207 | 8,138,482 | 21,215,772 | 30,429,310 | 14,690,857 | 912,320 | 2,672,564 | 11,105,973 |
| Contributions or gifts..... | 254,473 | 45,279 | 93,285 | 115,909 | 500,887 | 207,928 | 23,760 | 30,298 | 153,870 |
| Amortization..... | 467,095 | 184,706 | 100,579 | 181,810 | 438,301 | 127,891 | 10,222 | 20,534 | 97,135 |
| Depreciation..... | 49,929,857 | 13,183,368 | 19,271,651 | 17,474,837 | 24,948,631 | 10,289,821 | 1,193,050 | 1,937,012 | 7,159,759 |
| Depletion..... | 523,676 | 117,446 | 1,380 | 404,851 | 233,359 | 193,093 | 2,768 | 6,725 | 183,600 |
| Advertising..... | 2,631,907 | 1,326,625 | 1,100,320 | 204,962 | 20,096,504 | 5,067,910 | 499,345 | 627,539 | 3,941,026 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 8,502,834 | 2,074,306 | 4,281,052 | 2,147,477 | 5,874,751 | 2,903,205 | 387,333 | 431,993 | 2,083,880 |
| Employee benefit programs..... | 6,501,687 | 2,523,420 | 2,588,815 | 1,389,452 | 7,001,152 | 2,521,277 | 373,537 | 473,691 | 1,674,049 |
| Net loss, noncapital assets..... | 778,798 | 144,213 | 344,313 | 290,272 | 515,430 | 230,368 | 17,211 | 29,570 | 183,587 |
| Other deductions..... | 95,843,960 | 55,576,183 | 15,899,025 | 24,368,752 | 246,322,583 | 91,865,374 | 12,267,803 | 15,358,444 | 64,239,126 |
| Total receipts less total deductions..... | 17,897,123 | -611,522 | 7,324,537 | 11,184,108 | 27,962,078 | 16,395,787 | 1,650,053 | 4,056,382 | 10,689,351 |
| Constructive taxable income from related foreign corporations..... | 474,951 | 104,778 | 177,925 | 192,249 | 575,756 | 280,298 | 6,014 | 26,885 | 247,398 |
| Net income (less deficit)..... | 18,335,959 | -531,077 | 7,497,802 | 11,369,233 | 28,442,678 | 16,619,769 | 1,654,005 | 4,074,071 | 10,891,693 |
| Income subject to tax..... | 25,955,866 | 4,777,679 | 8,241,239 | 12,936,967 | 30,107,072 | 13,987,182 | 1,471,111 | 2,118,727 | 10,397,345 |
| Income tax, total..... | 11,638,542 | 1,945,414 | 3,840,859 | 5,852,269 | 11,584,691 | 5,455,600 | 584,541 | 800,295 | 4,070,764 |
| Regular and alternative tax..... | 11,356,073 | 1,892,604 | 3,675,319 | 5,788,150 | 11,372,087 | 5,348,274 | 577,296 | 778,275 | 3,992,703 |
| Tax from recomputing prior-year investment credit..... | 227,910 | 30,351 | 163,481 | 34,078 | 34,078 | 92,572 | 7,021 | 21,194 | 64,356 |
| Additional tax for tax preferences..... | 46,619 | 14,525 | 2,059 | 30,036 | 39,389 | 13,583 | 224 | 826 | 12,533 |
| Foreign tax credit..... | 254,502 | 51,252 | 99,318 | 103,933 | 393,077 | 155,681 | *529 | 28,608 | 126,544 |
| U.S. possessions tax credit..... | 33,814 | — | 33,770 | 44 | 91,928 | 89,666 | 10,427 | 64 | 79,376 |
| Investment credit..... | 6,287,196 | 495,025 | 2,380,491 | 3,411,680 | 1,574,988 | 558,731 | 83,855 | 108,488 | 366,388 |
| Work incentive (WIN) credit..... | 684 | 551 | *56 | *76 | 8,016 | 2,462 | *344 | 247 | 1,871 |
| Jobs credit..... | 10,328 | 7,010 | 1,622 | 1,697 | 107,419 | 13,616 | 2,881 | 2,065 | 8,670 |
| Nonconventional source fuel credit..... | (¹) | — | (¹) | — | *41 | 32 | — | — | 32 |
| Alcohol fuel credit..... | 175 | — | — | 175 | *325 | *1 | — | (¹) | *1 |
| Research activities credit..... | 125,062 | 2,555 | 105,182 | 17,326 | 25,755 | 15,184 | 825 | 4,027 | 10,332 |
| Employee stock ownership credit..... | 844 | 675 | 58 | 110 | 3,815 | 394 | 112 | 103 | 178 |
| Distributions to stockholders: | | | | | | | | | |
| Cash and property except in own stock..... | 21,438,500 | 2,114,398 | 6,846,085 | 12,478,018 | 12,069,015 | 8,036,458 | 458,867 | 2,425,780 | 5,151,811 |
| Corporation's own stock..... | 194,618 | 71,896 | 37,399 | 85,323 | 501,349 | 254,672 | 25,462 | 15,823 | 213,387 |

Footnotes at end of table.

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | | |
|---|--|----------------------------|-------------|---|------------------------------|---------------------------------------|----------------------------|-----------------------------|-------------|--|
| | Wholesale and retail trade — Continued | | | | | | | | | |
| | Total | Retail trade | | | | | | | | Wholesale and retail trade not allocable |
| Building materials, garden supplies, and mobile home dealers | | General merchandise stores | Food stores | Automotive dealers and service stations | Apparel and accessory stores | Furniture and home furnishings stores | Eating and drinking places | Miscellaneous retail stores | | |
| | (43) | (44) | (45) | (46) | (47) | (48) | (49) | (50) | (51) | (52) |
| Number of returns, total | 549,127 | 40,527 | 9,958 | 44,583 | 82,634 | 45,326 | 36,118 | 114,846 | 175,135 | 4,805 |
| Total assets | 357,434,956 | 21,984,233 | 110,892,782 | 41,114,946 | 54,861,399 | 20,193,523 | 14,956,172 | 35,995,925 | 57,435,975 | 1,121,772 |
| Cash | 21,279,508 | 1,745,413 | 2,911,750 | 3,192,347 | 3,557,543 | 1,633,937 | 1,215,840 | 2,430,839 | 4,591,837 | 117,562 |
| Notes and accounts receivable | 69,680,173 | 4,500,860 | 36,280,419 | 3,273,215 | 7,653,618 | 3,299,351 | 3,601,148 | 2,002,530 | 9,069,086 | 317,917 |
| Less: Allowance for bad debts | 1,665,153 | 301,681 | 484,698 | 42,186 | 186,354 | 89,759 | 129,247 | 85,194 | 346,033 | 8,049 |
| Inventories | 107,374,664 | 8,510,491 | 22,401,820 | 11,447,691 | 27,278,761 | 7,943,000 | 5,963,782 | 1,627,044 | 22,202,075 | 289,568 |
| Investments in Government obligations | 6,125,409 | 47,985 | 5,243,799 | 368,727 | 77,289 | 96,220 | 73,168 | 51,950 | 166,271 | *6,411 |
| Other current assets | 11,840,885 | 869,944 | 3,080,441 | 1,375,968 | 1,727,427 | 789,322 | 512,392 | 1,424,469 | 2,060,922 | 28,830 |
| Loans to stockholders | 3,699,497 | 231,088 | 282,213 | 256,561 | 680,892 | 263,992 | 205,293 | 898,669 | 880,790 | 9,153 |
| Mortgage and real estate loans | 4,438,543 | 153,937 | 3,351,757 | 156,397 | 235,016 | 24,728 | 29,453 | 299,192 | 188,064 | *15,950 |
| Other investments | 29,925,053 | 1,183,816 | 13,015,300 | 2,875,494 | 1,833,687 | 1,494,537 | 967,820 | 4,591,382 | 3,963,018 | 77,363 |
| Depreciable assets | 140,233,086 | 7,211,826 | 31,759,737 | 26,097,330 | 17,510,152 | 6,419,148 | 3,593,038 | 27,381,760 | 20,259,825 | 334,344 |
| Less: Accumulated depreciation | 59,160,537 | 3,605,607 | 11,543,133 | 11,178,669 | 8,463,984 | 2,924,160 | 1,680,272 | 10,430,243 | 9,334,468 | 163,134 |
| Depletable assets | 365,885 | 37,534 | *91,306 | *4,836 | 77,313 | *9,377 | 11,709 | 72,059 | 61,751 | — |
| Less: Accumulated depletion | 140,125 | 8,233 | *59,227 | *2,165 | 27,575 | *5,138 | *9,513 | 22,494 | — | — |
| Land | 9,580,292 | 760,671 | 1,969,291 | 1,330,642 | 1,602,432 | 249,969 | 255,007 | 2,372,779 | 1,039,503 | 31,767 |
| Intangible assets (amortizable) | 4,364,838 | 227,250 | 634,638 | 839,174 | 223,961 | 201,954 | 46,552 | 1,301,787 | 889,524 | 10,458 |
| Less: Accumulated amortization | 1,325,771 | 85,544 | 87,240 | 266,586 | 83,094 | 64,122 | 14,223 | 412,601 | 312,361 | 3,659 |
| Other assets | 10,818,706 | 504,535 | 2,044,607 | 1,386,175 | 1,164,315 | 850,899 | 310,493 | 2,479,017 | 2,078,666 | 57,290 |
| Total liabilities | 357,434,956 | 21,984,233 | 110,892,782 | 41,114,946 | 54,861,399 | 20,193,523 | 14,956,172 | 35,995,925 | 57,435,975 | 1,121,772 |
| Accounts payable | 50,517,622 | 3,265,998 | 10,312,058 | 9,344,584 | 6,138,246 | 3,775,140 | 2,685,835 | 3,273,226 | 11,722,536 | 261,986 |
| Mortgages, notes, and bonds payable in less than one year | 50,721,324 | 2,920,700 | 15,084,288 | 1,634,393 | 20,256,817 | 1,473,906 | 1,553,553 | 2,380,951 | 5,416,716 | 90,314 |
| Other current liabilities | 42,712,106 | 1,517,139 | 22,695,228 | 3,985,271 | 3,845,686 | 1,829,153 | 1,388,297 | 2,866,230 | 4,583,101 | 85,945 |
| Loans from stockholders | 15,274,041 | 1,102,299 | 1,000,096 | 1,157,978 | 2,585,254 | 1,025,160 | 916,484 | 3,543,851 | 3,942,921 | 42,537 |
| Mortgages, notes, and bonds payable in one year or more | 66,012,363 | 3,752,420 | 21,016,038 | 9,332,057 | 7,400,411 | 2,805,631 | 1,771,225 | 10,583,286 | 9,351,295 | 199,157 |
| Other liabilities | 14,988,997 | 509,027 | 5,337,301 | 1,558,815 | 1,046,488 | 918,783 | 676,624 | 2,572,414 | 2,369,544 | 40,368 |
| Capital stock | 21,765,825 | 1,783,350 | 3,904,985 | 2,242,182 | 4,100,103 | 1,785,416 | 1,240,645 | 2,451,758 | 4,257,385 | 75,205 |
| Paid-in or capital surplus | 21,153,072 | 865,173 | 7,474,015 | 2,189,526 | 1,393,238 | 1,161,483 | 644,051 | 3,744,486 | 3,681,100 | 73,817 |
| Retained earnings, appropriated | 1,288,162 | 124,146 | 370,114 | 56,368 | 144,785 | 98,075 | 194,891 | 94,135 | 205,650 | *14 |
| Retained earnings, unappropriated | 77,598,218 | 6,569,790 | 24,109,565 | 10,228,379 | 8,840,529 | 5,620,193 | 4,166,912 | 5,265,033 | 12,797,818 | 286,592 |
| Less: Cost of treasury stock | 4,596,774 | 425,808 | 410,908 | 614,604 | 890,156 | 299,418 | 282,343 | 381,445 | 892,092 | 34,163 |
| Total receipts | 945,667,059 | 49,891,941 | 150,460,117 | 208,582,590 | 235,395,386 | 44,485,320 | 30,680,799 | 74,923,584 | 151,247,322 | 2,692,163 |
| Business receipts | 922,135,862 | 48,537,499 | 143,413,511 | 205,917,557 | 231,139,213 | 43,358,480 | 29,674,193 | 71,896,588 | 148,198,621 | 2,585,857 |
| Interest | 6,244,688 | 439,827 | 2,675,671 | 459,655 | 962,996 | 327,327 | 245,399 | 418,627 | 715,186 | 19,348 |
| Interest on Government obligations: | | | | | | | | | | |
| State and local | 38,494 | 5,606 | 2,785 | 5,691 | 2,937 | 4,864 | 1,677 | 2,090 | 12,844 | *345 |
| Rents | 4,653,514 | 306,256 | 1,213,183 | 455,105 | 901,551 | 105,880 | 192,931 | 981,689 | 496,919 | 19,383 |
| Royalties | 351,681 | 4,431 | 15,539 | 13,790 | 13,116 | 30,189 | *18,403 | 210,979 | 45,234 | *1,125 |
| Net short-term capital gain reduced by net long-term capital loss | 40,778 | 1,167 | 2,535 | 8,816 | 5,373 | 8,951 | 2,847 | 4,834 | 6,256 | 36 |
| Net long-term capital gain reduced by net short-term capital loss | 1,247,418 | 83,185 | 340,796 | 128,166 | 141,418 | 71,700 | 28,887 | 220,426 | 232,841 | 7,459 |
| Net gain, noncapital assets | 767,807 | 23,952 | 171,862 | 123,867 | 172,113 | 16,456 | 28,628 | 130,633 | 100,297 | 8,777 |
| Dividends received from domestic corporations | 400,279 | 10,778 | 222,636 | 33,739 | 27,360 | 43,158 | 14,736 | 18,239 | 29,634 | *1,883 |
| Dividends received from foreign corporations | 426,817 | *616 | 333,255 | *68,493 | *4,676 | *1,331 | 850 | *2,695 | 13,900 | — |
| Other receipts | 9,359,721 | 478,624 | 2,068,343 | 1,367,712 | 2,024,633 | 516,985 | 472,248 | 1,035,765 | 1,395,391 | 55,849 |
| Total deductions | 934,139,369 | 49,430,069 | 147,659,261 | 206,402,447 | 234,498,407 | 43,459,944 | 29,933,303 | 73,848,787 | 148,907,149 | 2,653,562 |
| Cost of sales and operations | 666,530,043 | 35,361,864 | 93,127,508 | 160,289,760 | 197,561,845 | 26,084,104 | 18,743,598 | 32,147,263 | 103,214,100 | 1,938,304 |
| Compensation of officers | 15,123,347 | 1,359,372 | 563,557 | 1,400,837 | 3,090,961 | 1,183,862 | 1,124,835 | 2,339,125 | 4,060,798 | 95,011 |
| Repairs | 4,697,049 | 270,714 | 759,489 | 1,122,026 | 568,759 | 164,810 | 123,714 | 1,042,470 | 645,068 | 15,368 |
| Bad debts | 2,042,948 | 220,706 | 597,904 | 143,734 | 335,452 | 116,184 | 144,656 | 90,936 | 393,377 | 12,893 |
| Rent paid on business property | 21,595,156 | 773,702 | 3,729,006 | 3,020,974 | 2,198,981 | 2,612,198 | 1,023,312 | 4,155,700 | 4,081,282 | 47,555 |
| Taxes paid | 16,382,006 | 931,807 | 3,301,772 | 2,622,432 | 2,383,860 | 953,910 | 628,350 | 2,823,733 | 2,736,143 | 50,089 |
| Interest paid | 15,697,495 | 1,059,040 | 5,734,379 | 1,116,091 | 3,153,770 | 733,109 | 462,714 | 1,546,998 | 1,891,394 | 40,857 |
| Contributions or gifts | 292,732 | 16,385 | 89,050 | 38,852 | 33,240 | 27,439 | 13,407 | 22,484 | 51,864 | 227 |
| Amortization | 310,029 | 6,185 | 38,876 | 29,464 | 22,943 | 65,745 | 3,677 | 90,435 | 52,704 | *381 |
| Depreciation | 14,620,767 | 759,126 | 2,920,524 | 2,628,029 | 2,301,671 | 691,447 | 395,329 | 2,647,503 | 2,277,139 | 38,043 |
| Depletion | 40,240 | 7,960 | 3,779 | 1,270 | 19,141 | *801 | *764 | 2,235 | 4,290 | *25 |
| Advertising | 15,009,438 | 745,995 | 3,868,111 | 2,057,555 | 1,866,125 | 1,067,084 | 1,212,291 | 1,773,241 | 2,419,037 | 19,155 |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,964,498 | 166,004 | 906,419 | 647,363 | 257,166 | 149,008 | 110,447 | 234,062 | 494,029 | 7,048 |
| Employee benefit programs | 4,471,486 | 177,404 | 745,482 | 1,563,821 | 759,574 | 181,398 | 108,141 | 349,218 | 586,450 | 8,387 |
| Net loss, noncapital assets | 284,991 | 9,693 | 30,788 | 61,722 | 31,832 | 20,463 | 12,954 | 70,194 | 47,345 | *71 |
| Other deductions | 154,077,143 | 7,564,111 | 31,242,617 | 29,658,518 | 19,913,089 | 9,408,382 | 5,825,115 | 24,513,181 | 25,952,129 | 380,067 |
| Total receipts less total deductions | 11,527,690 | 461,872 | 2,800,856 | 2,180,143 | 896,979 | 1,025,376 | 747,496 | 1,074,798 | 2,340,173 | 38,601 |
| Constructive taxable income from related foreign corporations | 295,458 | — | *199,654 | 59,111 | 687 | 402 | 9,901 | 7,662 | 18,041 | — |
| Net income (less deficit) | 11,784,654 | 456,266 | 2,997,724 | 2,233,562 | 894,729 | 1,020,914 | 755,719 | 1,080,370 | 2,345,370 | 38,256 |
| Income subject to tax | 16,051,477 | 1,046,937 | 3,153,455 | 2,582,237 | 1,640,919 | 1,388,742 | 1,016,453 | 1,912,783 | 3,309,952 | 68,412 |
| Income tax, total | 6,105,061 | 355,540 | 1,392,930 | 1,086,145 | 507,251 | 518,269 | 378,192 | 725,602 | 1,141,133 | 24,031 |
| Regular and alternative tax | 6,000,091 | 352,754 | 1,365,194 | 1,069,705 | 489,653 | 513,473 | 375,982 | 707,403 | 1,126,018 | 23,722 |
| Tax from recomputing prior-year investment credit | 78,779 | 2,594 | 9,571 | 14,860 | 15,721 | 3,791 | 2,088 | 15,468 | 14,886 | *308 |
| Additional tax for tax preferences | 25,805 | *191 | 18,044 | 1,579 | 1,927 | *998 | *108 | 2,731 | 227 | 1 |
| Foreign tax credit | 237,396 | *6 | 148,620 | 54,310 | *714 | *7,927 | 518 | 12,826 | 12,476 | — |
| U.S. possessions tax credit | 2,062 | — | 155 | — | — | — | 143 | — | 1,703 | 61 |
| Investment credit | 1,014,101 | 32,753 | 284,534 | 217,681 | 87,165 | 39,934 | 26,705 | 164,553 | 160,775 | 2,156 |
| Work incentive (WIN) credit | 5,525 | 83 | 309 | 976 | 1,010 | 499 | *106 | 1,825 | 717 | *29 |
| Jobs credit | 93,753 | 2,374 | 12,144 | 16,970 | 5,846 | 1,984 | 1,651 | 42,083 | 10,700 | *50 |
| Nonconventional source fuel credit | — | — | — | — | — | — | — | — | — | *9 |
| Alcohol fuel credit | 324 | — | — | 7 | 317 | — | — | — | — | — |
| Research activities credit | 10,505 | 324 | 3,840 | 1,134 | 148 | 492 | *981 | 1,087 | 2,499 | *67 |
| Employee stock ownership credit | 3,421 | 157 | 824 | *1,907 | *62 | 9 | — | 316 | 147 | — |
| Distributions to stockholders: | | | | | | | | | | |
| Cash and property except in own stock | 4,030,870 | 124,467 | 1,710,638 | 496,210 | 280,882 | 262,041 | 86,307 | 455,124 | 615,2 | |

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | |
|--|-------------------------------------|---------------|----------------------------------|--|-------------|--|-------------|---|
| | Finance, insurance, and real estate | | | | | | | |
| | Total | Banking | Credit agencies other than banks | Security, commodity brokers and services | Insurance | Insurance agents, brokers, and service | Real estate | Holding and other investment companies, except bank holding companies |
| (53) | (54) | (55) | (56) | (57) | (58) | (59) | (60) | |
| Number of returns, total | 461,630 | 14,021 | 35,434 | 10,579 | 7,900 | 51,637 | 295,119 | 46,939 |
| Total assets | 4,987,466,401 | 2,536,526,661 | 863,132,231 | 148,487,282 | 856,055,445 | 20,863,963 | 158,846,458 | 403,554,361 |
| Cash..... | 382,408,496 | 307,777,140 | 32,091,446 | 3,305,759 | 12,250,099 | 3,514,621 | 8,242,100 | 15,227,330 |
| Notes and accounts receivable..... | 1,596,401,128 | 1,373,370,280 | 85,967,254 | 52,324,505 | 35,673,663 | 5,963,094 | 15,469,994 | 27,632,339 |
| Less: Allowance for bad debts..... | 28,244,904 | 16,523,911 | 10,638,340 | 93,284 | 258,878 | 74,575 | 425,252 | 230,663 |
| Inventories..... | 12,118,589 | 477,025 | 1,156,564 | 1,337,126 | 1,686,317 | 44,180 | 4,520,352 | 2,897,025 |
| Investments in Government obligations..... | 565,137,046 | 321,427,381 | 37,279,608 | 11,921,752 | 136,298,658 | 817,837 | 941,144 | 56,450,666 |
| Other current assets..... | 224,376,573 | 91,610,237 | 17,980,065 | 42,713,065 | 41,979,822 | 1,066,248 | 11,334,924 | 17,692,211 |
| Loans to stockholders..... | 8,179,166 | 1,643,422 | 1,814,345 | 168,315 | 279,708 | 375,076 | 2,511,116 | 1,387,184 |
| Mortgage and real estate loans..... | 914,842,256 | 154,368,802 | 597,385,913 | 256,593 | 144,918,469 | 113,253 | 11,544,830 | 6,254,396 |
| Other investments..... | 945,273,086 | 170,160,932 | 62,061,090 | 31,996,713 | 396,596,328 | 4,786,173 | 25,102,429 | 254,569,419 |
| Depreciable assets..... | 180,555,387 | 50,168,634 | 16,108,415 | 2,278,098 | 18,966,187 | 3,324,708 | 73,757,677 | 15,951,668 |
| Less: Accumulated depreciation..... | 53,228,889 | 14,273,612 | 4,462,882 | 753,379 | 2,655,573 | 1,430,523 | 25,316,099 | 4,336,520 |
| Depletable assets..... | 1,791,684 | 22,633 | 57,155 | 20,788 | 78,491 | 15,660 | 512,627 | 1,084,329 |
| Less: Accumulated depletion..... | 279,803 | 1,472 | 1,644 | 7,590 | 3,855 | 5,406 | 155,263 | 104,572 |
| Land..... | 34,886,485 | 3,900,359 | 3,179,470 | 98,901 | 915,426 | 183,479 | 23,270,089 | 3,338,761 |
| Intangible assets (amortizable)..... | 9,293,944 | 1,620,365 | 2,934,320 | 305,250 | 1,904,673 | 636,599 | 938,676 | 954,062 |
| Less: Accumulated amortization..... | 1,334,863 | 288,322 | 179,586 | 66,933 | 62,917 | 181,370 | 287,372 | 268,363 |
| Other assets..... | 195,291,020 | 91,066,768 | 20,399,036 | 2,661,602 | 67,489,128 | 1,714,909 | 6,884,487 | 5,055,889 |
| Total liabilities | 4,987,466,401 | 2,536,526,661 | 863,132,231 | 148,487,282 | 856,055,445 | 20,863,963 | 158,846,458 | 403,554,361 |
| Accounts payable..... | 147,076,371 | 34,294,987 | 13,707,842 | 59,496,307 | 21,887,083 | 6,755,991 | 5,808,556 | 10,126,105 |
| Mortgages, notes, and bonds payable in less than one year..... | 294,128,704 | 138,165,710 | 102,587,265 | 13,126,447 | 9,368,893 | 1,081,071 | 22,163,218 | 7,636,099 |
| Other current liabilities..... | 2,812,233,442 | 2,009,418,476 | 569,700,031 | 57,006,296 | 147,511,953 | 2,237,830 | 8,483,154 | 17,875,702 |
| Loans from stockholders..... | 36,686,878 | 16,922,762 | 4,243,491 | 425,019 | 1,963,667 | 338,239 | 10,161,534 | 2,632,166 |
| Mortgages, notes, and bonds payable in one year or more..... | 286,709,958 | 64,428,202 | 115,852,792 | 3,674,077 | 15,791,171 | 2,263,792 | 63,224,785 | 21,475,138 |
| Other liabilities..... | 643,691,837 | 87,836,436 | 28,114,311 | 5,404,545 | 500,124,526 | 1,799,510 | 11,652,060 | 8,760,450 |
| Capital stock..... | 339,927,110 | 33,085,578 | 8,113,141 | 1,278,982 | 10,673,302 | 1,068,214 | 12,681,068 | 273,026,826 |
| Paid-in or capital surplus..... | 324,590,218 | 60,200,330 | 8,199,305 | 2,858,933 | 38,274,820 | 1,960,103 | 17,985,193 | 195,111,535 |
| Retained earnings, appropriated..... | 40,137,311 | 3,338,291 | 8,253,041 | 89,351 | 23,456,858 | 56,709 | 911,686 | 4,031,375 |
| Retained earnings, unappropriated..... | 218,878,389 | 90,213,855 | 9,818,163 | 5,379,098 | 88,173,139 | 3,931,104 | 8,038,730 | 13,324,301 |
| Less: Cost of treasury stock..... | 156,593,818 | 1,377,966 | 457,149 | 251,774 | 1,169,966 | 628,100 | 2,263,527 | 150,445,336 |
| Total receipts | 949,867,877 | 330,537,008 | 99,312,097 | 29,570,356 | 344,369,681 | 18,864,178 | 57,318,340 | 69,896,217 |
| Business receipts..... | 337,493,098 | 28,915,823 | 11,500,285 | 14,941,518 | 208,238,543 | 17,301,888 | 30,402,650 | 26,192,391 |
| Interest..... | 443,020,140 | 274,274,176 | 82,181,561 | 8,805,006 | 41,982,137 | 742,171 | 4,109,456 | 30,925,632 |
| Interest on Government obligations: | | | | | | | | |
| State and local..... | 13,313,397 | 8,228,720 | 201,088 | 124,582 | 3,924,118 | 23,911 | 220,005 | 590,972 |
| Rents..... | 25,156,648 | 5,002,351 | 865,885 | 321,183 | 3,361,833 | 134,068 | 14,033,557 | 1,437,772 |
| Royalties..... | 824,301 | 29,483 | 23,314 | 19,147 | 42,657 | 8,196 | 344,837 | 356,666 |
| Net short-term capital gain reduced by net long-term capital loss..... | 2,059,044 | 100,688 | 55,773 | 143,246 | 582,501 | 6,568 | 94,404 | 1,075,864 |
| Net long-term capital gain reduced by net short-term capital loss..... | 8,437,895 | 890,972 | 622,492 | 223,790 | 1,106,865 | 60,315 | 2,159,784 | 3,373,677 |
| Net gain, noncapital assets..... | 10,961,773 | 1,019,427 | 933,875 | 3,418,732 | 2,688,033 | 33,232 | 2,347,231 | 521,243 |
| Dividends received from domestic corporations..... | 6,397,542 | 458,876 | 75,318 | 162,486 | 3,263,350 | 41,393 | 185,208 | 2,211,092 |
| Dividends received from foreign corporations..... | 842,231 | 393,012 | 97,134 | 27,792 | 124,494 | 33,413 | 3,761 | 162,625 |
| Other receipts..... | 101,361,809 | 11,223,480 | 2,755,372 | 1,382,875 | 79,055,149 | 479,022 | 3,417,626 | 3,048,285 |
| Total deductions | 915,164,762 | 321,886,842 | 113,183,996 | 28,055,386 | 338,539,019 | 18,226,466 | 57,674,352 | 37,598,702 |
| Cost of sales and operations..... | 169,435,694 | 5,964,798 | 3,535,225 | 4,130,676 | 120,807,004 | 3,786,046 | 12,193,296 | 19,018,650 |
| Compensation of officers..... | 18,114,437 | 7,537,574 | 1,428,436 | 1,781,629 | 914,942 | 2,614,234 | 3,073,067 | 1,644,555 |
| Repairs..... | 3,286,660 | 1,251,571 | 304,241 | 48,427 | 163,599 | 77,318 | 1,237,346 | 204,159 |
| Bad debts..... | 9,954,042 | 7,657,583 | 999,951 | 90,444 | 588,217 | 119,322 | 282,631 | 215,896 |
| Rent paid on business property..... | 10,731,510 | 4,249,975 | 832,832 | 620,072 | 2,254,017 | 665,276 | 1,626,513 | 482,825 |
| Taxes paid..... | 15,220,581 | 4,149,953 | 917,048 | 639,444 | 4,727,524 | 557,762 | 3,498,627 | 730,223 |
| Interest paid..... | 340,960,344 | 226,395,918 | 85,628,627 | 8,153,797 | 6,381,885 | 478,685 | 9,427,825 | 4,493,606 |
| Contributions or gifts..... | 321,683 | 157,812 | 10,241 | 19,941 | 25,695 | 15,893 | 60,676 | 31,426 |
| Amortization..... | 464,382 | 177,475 | 71,654 | 28,051 | 35,000 | 42,517 | 76,914 | 32,773 |
| Depreciation..... | 15,887,956 | 6,396,236 | 1,210,038 | 708,327 | 1,996,581 | 582,232 | 3,853,832 | 1,140,714 |
| Depletion..... | 202,953 | 14,017 | 4,361 | 2,184 | 41,404 | 107 | 43,757 | 97,122 |
| Advertising..... | 5,058,403 | 1,726,646 | 770,551 | 255,570 | 1,030,025 | 176,208 | 826,299 | 272,923 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 5,149,286 | 1,868,199 | 317,215 | 319,675 | 1,799,161 | 312,327 | 323,474 | 209,235 |
| Employee benefit programs..... | 3,883,970 | 1,918,084 | 342,558 | 167,922 | 761,413 | 228,362 | 193,714 | 271,916 |
| Net loss, noncapital assets..... | 6,879,190 | 2,103,302 | 4,017,710 | 275,343 | 72,334 | 53,808 | 238,047 | 118,645 |
| Other deductions..... | 309,613,673 | 50,317,699 | 12,793,310 | 10,813,704 | 196,940,218 | 8,516,368 | 20,718,340 | 9,514,034 |
| Total receipts less total deductions..... | 34,703,115 | 8,650,166 | -13,871,899 | 1,514,970 | 5,830,663 | 637,713 | -356,012 | 32,297,515 |
| Constructive taxable income from related foreign corporations..... | 414,370 | 191,974 | 59,966 | 15,037 | 85,633 | 23,598 | *35 | 38,126 |
| Net income (less deficit)..... | 21,804,088 | 613,420 | -14,013,021 | 1,405,425 | 1,992,177 | 637,400 | -575,982 | 31,744,669 |
| Income subject to tax..... | 19,973,233 | 6,350,774 | 893,389 | 1,666,405 | 4,653,011 | 795,431 | 3,339,496 | 1,664,728 |
| Income tax, total..... | 7,809,420 | 2,731,633 | 322,687 | 709,734 | 2,024,939 | 276,195 | 1,150,000 | 594,233 |
| Regular and alternative tax..... | 7,643,631 | 2,664,356 | 310,950 | 705,595 | 1,986,065 | 271,675 | 1,128,127 | 576,863 |
| Tax from recomputing prior-year investment credit..... | 72,924 | 26,617 | 3,801 | 2,626 | 17,452 | 4,352 | 10,017 | 8,059 |
| Additional tax for tax preferences..... | 79,059 | 35,950 | 7,630 | 1,513 | 17,673 | *131 | 8,931 | 7,231 |
| Foreign tax credit..... | 1,458,076 | 1,172,672 | 2,014 | 19,964 | 193,328 | 23,764 | 1,474 | 44,861 |
| U.S. possessions tax credit..... | 3,578 | — | 1,782 | 1,328 | — | — | 425 | 62 |
| Investment credit..... | 811,911 | 379,249 | 28,769 | 79,048 | 189,952 | 41,136 | 60,130 | 33,628 |
| Work incentive (WIN) credit..... | 1,587 | 1,015 | *113 | *16 | 132 | *159 | *42 | *110 |
| Jobs credit..... | 18,388 | 5,973 | 597 | 323 | 4,770 | 1,183 | 4,521 | 1,021 |
| Nonconventional source fuel credit..... | 4 | — | — | 3 | — | — | — | — |
| Alcohol fuel credit..... | — | — | — | — | — | — | — | (1) |
| Research activities credit..... | 17,189 | 5,683 | *140 | 3,835 | 5,902 | 431 | *292 | 905 |
| Employee stock ownership credit..... | 691 | 6 | 2 | — | 683 | — | — | — |
| Distributions to stockholders: | | | | | | | | |
| Cash and property except in own stock..... | 46,504,963 | 5,350,559 | 680,762 | 418,052 | 3,996,481 | 441,370 | 1,807,104 | 33,810,635 |
| Corporation's own stock..... | 1,812,738 | 609,575 | 89,680 | 75,281 | 156,243 | *6,140 | 11,253 | 664,587 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 2 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | Nature of business not allocable |
|---|----------------------------|---------------------------------|-------------------|--------------------|--|-----------------------------------|--------------------|----------------------------------|
| | Total | Hotels and other lodging places | Personal services | Services | | | Other services | |
| | | | | Business services | Auto repair; miscellaneous repair services | Amusement and recreation services | | |
| (61) | (62) | (63) | (64) | (65) | (66) | (67) | (68) | |
| Number of returns, total | 819,706 | 18,936 | 51,929 | 210,496 | 75,448 | 58,945 | 403,952 | 20,134 |
| Total assets | 237,876,895 | 25,867,592 | 9,306,238 | 76,652,861 | 22,813,345 | 39,888,736 | 63,348,123 | 2,643,568 |
| Cash | 22,287,575 | 1,338,711 | 1,020,462 | 6,750,810 | 1,741,456 | 2,204,965 | 9,231,172 | 296,797 |
| Notes and accounts receivable | 37,120,032 | 1,780,551 | 1,357,290 | 17,363,339 | 3,336,180 | 4,321,531 | 8,961,140 | 536,061 |
| Less: Allowance for bad debts | 1,491,207 | 117,715 | 55,150 | 420,310 | 134,037 | 238,755 | 525,239 | 13,045 |
| Inventories | 12,179,103 | 480,742 | 647,213 | 3,922,138 | 1,986,501 | 3,196,430 | 1,946,080 | 373,676 |
| Investments in Government obligations | 1,937,230 | 164,534 | 63,566 | 872,218 | 130,137 | 349,424 | 357,352 | 15,238 |
| Other current assets | 18,374,554 | 1,122,298 | 508,848 | 7,396,059 | 793,981 | 4,267,638 | 4,285,741 | 135,254 |
| Loans to stockholders | 5,405,437 | 386,967 | 205,985 | 1,333,353 | 276,631 | 427,805 | 2,774,697 | 106,288 |
| Mortgage and real estate loans | 3,311,517 | 350,842 | 57,558 | 1,076,785 | 98,877 | 1,326,617 | 400,837 | 50,883 |
| Other investments | 29,893,042 | 3,746,777 | 787,688 | 11,752,085 | 965,446 | 6,328,593 | 6,312,451 | 294,776 |
| Depreciable assets | 141,106,305 | 19,524,884 | 7,148,023 | 35,274,763 | 20,117,223 | 21,774,020 | 37,267,392 | 943,616 |
| Less: Accumulated depreciation | 58,050,041 | 6,765,665 | 3,723,737 | 15,364,450 | 8,506,045 | 9,297,846 | 14,392,298 | 431,670 |
| Depletable assets | 659,755 | 191,809 | *5,969 | 129,683 | *128,696 | *28,382 | 175,216 | 85,100 |
| Less: Accumulated depletion | 160,424 | *21,986 | *3,097 | 30,587 | *24,559 | *9,031 | 71,163 | *38,530 |
| Land | 8,614,456 | 2,224,653 | 453,950 | 1,132,275 | 841,962 | 1,819,447 | 2,142,168 | 98,486 |
| Intangible assets (amortizable) | 6,032,237 | 279,091 | 228,060 | 1,684,800 | 407,083 | 2,215,490 | 1,217,113 | 17,114 |
| Less: Accumulated amortization | 2,576,133 | 75,212 | 78,586 | 538,717 | 76,468 | 1,492,065 | 315,084 | 1,977 |
| Other assets | 13,233,457 | 1,256,321 | 682,196 | 4,318,616 | 730,283 | 2,666,091 | 3,579,949 | 175,301 |
| Total liabilities | 237,876,895 | 25,867,592 | 9,306,238 | 76,652,861 | 22,813,345 | 39,888,736 | 63,348,123 | 2,643,568 |
| Accounts payable | 24,649,966 | 1,108,550 | 746,434 | 9,960,467 | 2,335,154 | 5,086,235 | 5,413,128 | 382,889 |
| Mortgages, notes, and bonds payable in less than one year | 24,388,049 | 1,902,214 | 725,285 | 9,501,522 | 3,910,860 | 3,127,807 | 5,220,362 | 391,696 |
| Other current liabilities | 28,297,049 | 1,376,598 | 794,744 | 10,785,014 | 1,559,615 | 5,378,912 | 8,402,166 | 213,328 |
| Loans from stockholders | 11,985,313 | 1,539,394 | 543,386 | 2,883,193 | 834,605 | 2,846,100 | 3,338,634 | 233,701 |
| Mortgages, notes, and bonds payable in one year or more | 66,153,599 | 11,192,593 | 2,185,847 | 19,107,525 | 7,057,570 | 9,446,567 | 17,163,497 | 555,909 |
| Other liabilities | 14,617,534 | 1,298,884 | 552,912 | 4,499,852 | 1,253,646 | 3,291,776 | 3,720,462 | 117,422 |
| Capital stock | 14,166,815 | 2,008,556 | 821,354 | 4,023,133 | 995,008 | 2,195,609 | 4,123,154 | 293,795 |
| Paid-in or capital surplus | 22,004,783 | 2,223,031 | 526,225 | 7,428,345 | 991,679 | 4,597,694 | 6,237,810 | 358,421 |
| Retained earnings, appropriated | 999,259 | 92,519 | 20,571 | 247,040 | 121,416 | 195,255 | 322,458 | *9,250 |
| Retained earnings, unappropriated | 34,870,948 | 3,646,380 | 2,778,865 | 9,296,115 | 4,074,240 | 4,493,960 | 10,581,388 | 121,757 |
| Less: Cost of treasury stock | 4,256,416 | 521,123 | 389,386 | 1,079,345 | 302,448 | 1,171,179 | 1,174,936 | 34,601 |
| Total receipts | 380,767,394 | 24,009,610 | 17,438,528 | 114,777,607 | 34,246,845 | 40,187,879 | 150,106,924 | 4,931,438 |
| Business receipts | 355,090,610 | 21,437,701 | 16,854,213 | 106,656,681 | 31,503,316 | 35,564,931 | 143,073,767 | 4,662,210 |
| Interest | 5,063,483 | 406,733 | 161,398 | 1,954,073 | 426,177 | 775,545 | 1,339,557 | 59,729 |
| Interest on Government obligations: | | | | | | | | |
| State and local | 57,324 | 4,852 | 8,192 | 17,873 | 3,452 | 8,404 | 14,550 | *1,203 |
| Rents | 6,809,462 | 1,163,446 | 82,727 | 2,408,840 | 1,322,560 | 869,310 | 962,580 | 38,480 |
| Royalties | 1,096,107 | 193,322 | 36,136 | 255,035 | 4,388 | 577,243 | 29,984 | *380 |
| Net short-term capital gain reduced by net long-term capital loss | 95,624 | 11,286 | 2,609 | 25,494 | 1,624 | 11,499 | 43,111 | *9,222 |
| Net long-term capital gain reduced by net short-term capital loss | 1,232,848 | 209,467 | 43,873 | 308,505 | 41,339 | 325,341 | 304,324 | 50,304 |
| Net gain, noncapital assets | 1,170,226 | 46,690 | 42,128 | 341,164 | 308,521 | 245,691 | 186,032 | 7,721 |
| Dividends received from domestic corporations | 495,837 | 37,360 | 25,655 | 222,355 | 14,217 | 114,649 | 81,600 | 6,857 |
| Dividends received from foreign corporations | 174,507 | *2,774 | 7,609 | 66,532 | *156 | 78,744 | 18,692 | 54 |
| Other receipts | 9,481,366 | 495,980 | 173,988 | 2,521,054 | 621,096 | 1,616,521 | 4,052,726 | 95,277 |
| Total deductions | 373,717,841 | 23,680,978 | 16,845,727 | 112,666,273 | 33,913,033 | 39,326,613 | 147,285,217 | 4,950,451 |
| Cost of sales and operations | 135,273,962 | 9,418,417 | 6,572,244 | 51,481,728 | 16,462,276 | 15,270,269 | 36,069,028 | 3,101,703 |
| Compensation of officers | 42,120,668 | 441,700 | 1,192,789 | 7,097,740 | 1,825,060 | 1,819,166 | 29,744,212 | 223,421 |
| Repairs | 3,414,853 | 540,057 | 234,066 | 725,232 | 446,091 | 517,374 | 952,032 | 24,445 |
| Bad debts | 1,388,190 | 95,346 | 77,817 | 488,607 | 149,799 | 114,368 | 462,252 | 21,743 |
| Rent paid on business property | 14,559,295 | 1,101,675 | 757,064 | 4,150,897 | 1,146,913 | 1,418,610 | 5,984,137 | 158,095 |
| Taxes paid | 12,283,144 | 1,077,791 | 713,633 | 3,291,096 | 1,131,619 | 1,290,818 | 4,778,187 | 99,289 |
| Interest paid | 11,265,412 | 1,440,206 | 335,353 | 3,355,384 | 1,803,977 | 1,684,563 | 2,645,928 | 88,029 |
| Contributions or gifts | 196,838 | 25,380 | 10,272 | 46,222 | 9,146 | 30,060 | 75,757 | 4,486 |
| Amortization | 1,119,090 | 34,703 | 10,210 | 186,964 | 14,211 | 779,978 | 93,024 | 432 |
| Depreciation | 17,117,669 | 1,403,427 | 775,616 | 5,090,503 | 3,285,953 | 2,291,281 | 4,270,888 | 116,825 |
| Depletion | 45,153 | 2,284 | 2,284 | 12,509 | 935 | 2,790 | 24,352 | *1,138 |
| Advertising | 4,511,240 | 473,958 | 355,610 | 1,230,530 | 331,656 | 1,330,070 | 789,416 | 41,098 |
| Pension, profit-sharing, stock bonus, and annuity plans | 8,642,312 | 70,905 | 114,894 | 1,192,980 | 126,497 | 428,681 | 6,708,354 | 19,389 |
| Employee benefit programs | 3,359,926 | 208,305 | 122,023 | 904,644 | 222,880 | 285,180 | 1,616,893 | 18,245 |
| Net loss, noncapital assets | 374,761 | 32,042 | 12,171 | 160,812 | 25,085 | 69,967 | 74,683 | *5,453 |
| Other deductions | 118,045,328 | 7,314,781 | 5,559,678 | 33,250,423 | 6,930,935 | 11,993,436 | 52,996,074 | 1,026,659 |
| Total receipts less total deductions | 7,049,553 | 328,632 | 592,801 | 2,111,335 | 333,812 | 861,266 | 2,821,707 | -19,013 |
| Constructive taxable income from related foreign corporations | 207,028 | *14,325 | 6,754 | 58,499 | 1,139 | *93,984 | 32,326 | — |
| Net income (less deficit) | 7,199,258 | 338,106 | 591,363 | 2,151,960 | 331,499 | 946,846 | 2,839,483 | -20,216 |
| Income subject to tax | 11,941,166 | 800,620 | 647,197 | 3,656,489 | 773,237 | 1,808,073 | 4,255,550 | 143,002 |
| Income tax, total | 3,982,538 | 308,481 | 214,720 | 1,312,415 | 250,728 | 721,419 | 1,174,775 | 42,062 |
| Regular and alternative tax | 3,885,618 | 301,010 | 209,090 | 1,281,126 | 240,860 | 705,701 | 1,147,831 | 41,637 |
| Tax from recomputing prior-year investment credit | 79,788 | 3,665 | 5,511 | 26,831 | 9,220 | 13,066 | 21,495 | 373 |
| Additional tax for tax preferences | 12,924 | 3,395 | *114 | 1,631 | 648 | 2,644 | 4,493 | *49 |
| Foreign tax credit | 215,733 | 11,022 | *6,066 | 65,563 | *298 | 115,150 | 17,635 | — |
| U.S. possessions tax credit | 3,969 | 1,779 | — | 1,433 | 34 | 3 | 719 | — |
| Investment credit | 1,041,329 | 54,006 | 58,949 | 289,728 | 95,220 | 273,950 | 269,476 | 5,695 |
| Work incentive (WIN) credit | 4,271 | *424 | *242 | 1,135 | *158 | 314 | 1,998 | — |
| Jobs credit | 65,087 | 4,037 | 2,108 | 29,110 | 2,279 | 4,006 | 23,547 | *492 |
| Nonconventional source fuel credit | — | — | — | — | — | — | — | — |
| Alcohol fuel credit | — | — | — | — | — | — | — | — |
| Research activities credit | 33,313 | 334 | *165 | 26,942 | *566 | *626 | 4,679 | 115 |
| Employee stock ownership credit | *1,446 | — | — | 1,412 | — | *34 | — | — |
| Distributions to stockholders: | | | | | | | | |
| Cash and property except in own stock | 3,269,285 | 374,237 | 123,989 | 1,045,287 | 165,449 | 495,016 | 1,065,308 | 32,525 |
| Corporation's own stock | 212,332 | 12,644 | *1,928 | 23,023 | *22,705 | *68,285 | 83,747 | — |

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

†Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry

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

| Item | All industries | Major industry | | | | | Nonmetallic minerals, except fuels |
|---|----------------------|------------------------------------|--------------------|------------------|-------------------|------------------------|------------------------------------|
| | | Agriculture, forestry, and fishing | Total | Mining | | | |
| | | | | Metal mining | Coal mining | Oil and gas extraction | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | |
| Number of returns with net income | 1,608,357 | 47,858 | 15,950 | 219 | 1,315 | 12,599 | 1,818 |
| Total assets | 6,410,924,048 | 27,578,433 | 122,638,028 | 1,021,694 | 9,275,923 | 109,120,917 | 3,219,494 |
| Cash | 412,393,727 | 2,111,378 | 3,940,750 | 72,542 | 698,687 | 2,804,632 | 364,890 |
| Notes and accounts receivable | 1,855,162,781 | 2,270,914 | 21,231,811 | 64,257 | 1,044,609 | 19,571,876 | 551,069 |
| Less: Allowance for bad debts | 26,778,578 | 18,482 | 123,529 | 100 | 9,135 | 101,760 | 12,534 |
| Inventories | 396,024,842 | 2,881,432 | 4,970,838 | 61,761 | 530,680 | 4,077,356 | 301,041 |
| Investments in Government obligations | 398,370,095 | 183,482 | 876,289 | *24,785 | 166,492 | 660,049 | *24,963 |
| Other current assets | 291,771,483 | 888,039 | 4,930,537 | 134,414 | 653,934 | 4,025,139 | 117,050 |
| Loans to stockholders | 27,090,391 | 636,044 | 1,374,221 | 13,732 | 44,824 | 1,275,580 | 40,085 |
| Mortgage and real estate loans | 230,686,089 | 411,550 | 565,032 | — | *3,131 | 557,265 | 4,636 |
| Other investments | 1,219,698,761 | 2,737,745 | 40,519,013 | 173,255 | 903,833 | 39,223,339 | 218,587 |
| Depreciable assets | 1,870,208,388 | 15,931,686 | 49,927,672 | 687,405 | 6,450,978 | 39,983,904 | 2,805,385 |
| Less: Accumulated depreciation | 676,496,057 | 8,238,240 | 17,813,941 | 398,152 | 2,927,422 | 12,849,690 | 1,638,676 |
| Depletable assets | 64,217,968 | 192,292 | 7,251,297 | *107,111 | 867,996 | 6,103,579 | 172,610 |
| Less: Accumulated depletion | 22,077,676 | 42,599 | 2,268,220 | *51,859 | 116,450 | 2,051,633 | 48,278 |
| Land | 66,512,564 | 6,384,514 | 1,479,678 | *11,049 | 452,042 | 920,610 | 195,977 |
| Intangible assets (amortizable) | 59,391,726 | 61,459 | 2,863,305 | *4,410 | 74,799 | 2,779,725 | 4,371 |
| Less: Accumulated amortization | 19,101,136 | 22,255 | 902,102 | *2,763 | 15,323 | 682,005 | 2,010 |
| Other assets | 263,848,684 | 1,209,474 | 3,815,376 | 119,848 | 452,249 | 3,122,952 | 120,327 |
| Total liabilities | 6,410,924,048 | 27,578,433 | 122,638,028 | 1,021,694 | 9,275,923 | 109,120,917 | 3,219,494 |
| Accounts payable | 500,368,366 | 1,092,953 | 14,529,008 | 36,250 | 547,368 | 13,719,113 | 226,278 |
| Mortgages, notes, and bonds payable in less than one year | 401,812,850 | 3,939,933 | 6,415,167 | 71,611 | 583,066 | 5,578,146 | 182,344 |
| Other current liabilities | 1,941,477,398 | 1,162,592 | 6,381,459 | 68,677 | 664,376 | 5,506,875 | 141,531 |
| Loans from stockholders | 62,412,722 | 1,269,089 | 1,986,014 | *301,464 | 106,153 | 1,521,515 | 56,882 |
| Mortgages, notes, and bonds payable in one year or more | 735,602,140 | 6,192,653 | 23,983,061 | 241,936 | 2,265,832 | 20,991,122 | 484,172 |
| Other liabilities | 728,667,670 | 1,090,496 | 8,879,465 | 139,186 | 1,272,817 | 7,321,818 | 145,644 |
| Capital stock | 534,718,076 | 4,420,666 | 5,229,920 | 82,853 | 165,597 | 4,775,638 | 205,832 |
| Paid-in or capital surplus | 603,954,913 | 1,738,235 | 25,567,818 | *132,173 | 1,178,336 | 24,133,679 | 123,630 |
| Retained earnings, appropriated | 37,312,370 | 321,514 | 405,982 | 40,091 | *14,102 | 277,804 | 73,986 |
| Retained earnings, unappropriated | 1,050,112,681 | 6,693,309 | 29,950,601 | -48,017 | 2,540,799 | 25,796,125 | 1,661,694 |
| Less: Cost of treasury stock | 185,515,133 | 343,008 | 690,468 | *44,529 | 62,523 | 500,918 | 82,498 |
| Total receipts | 5,202,373,378 | 38,649,180 | 165,218,032 | 911,643 | 10,931,448 | 149,749,010 | 3,625,931 |
| Business receipts | 4,599,889,885 | 35,678,639 | 156,244,807 | 809,114 | 10,181,515 | 141,836,952 | 3,417,225 |
| Interest | 336,249,558 | 523,618 | 1,608,093 | 20,228 | 232,701 | 1,291,049 | 64,115 |
| Interest on Government obligations: | | | | | | | |
| State and local | 9,175,413 | 4,716 | 12,284 | 82 | 3,582 | 8,440 | *181 |
| Rents | 51,568,564 | 227,001 | 403,278 | *4,777 | 90,670 | 269,633 | 38,198 |
| Royalties | 11,650,078 | 133,200 | 1,411,191 | *13,444 | 12,535 | 1,371,846 | 13,367 |
| Net short-term capital gain reduced by net long-term capital loss | 2,321,366 | 13,049 | 47,883 | 16 | 2,494 | 44,673 | *700 |
| Net long-term capital gain reduced by net short-term capital loss | 20,633,612 | 511,951 | 909,892 | *40,301 | 121,602 | 728,302 | 19,687 |
| Net gain, noncapital assets | 14,506,369 | 110,841 | 592,455 | 6,006 | 32,156 | 542,323 | 11,969 |
| Dividends received from domestic corporations | 14,085,307 | 51,863 | 304,723 | *3,102 | 48,124 | 250,423 | 3,074 |
| Dividends received from foreign corporations | 13,068,022 | 6,047 | 639,327 | *724 | 856 | 637,606 | *141 |
| Other receipts | 129,225,207 | 1,388,255 | 3,044,098 | 13,849 | 205,213 | 2,767,763 | 57,273 |
| Total deductions | 4,931,581,520 | 36,117,511 | 157,257,503 | 808,626 | 10,408,645 | 142,675,304 | 3,364,928 |
| Cost of sales and operations | 3,134,753,814 | 24,623,627 | 129,367,980 | 444,878 | 7,057,310 | 119,679,242 | 2,186,549 |
| Compensation of officers | 92,707,432 | 884,249 | 936,785 | *5,004 | 94,982 | 733,042 | 103,757 |
| Repairs | 54,168,942 | 585,988 | 553,822 | *727 | 141,789 | 360,900 | 50,407 |
| Bad debts | 16,821,390 | 43,973 | 251,746 | 779 | 18,903 | 221,451 | 10,614 |
| Rent paid on business property | 64,213,325 | 725,076 | 656,917 | *4,519 | 119,257 | 515,786 | 17,355 |
| Taxes paid | 127,010,358 | 733,943 | 2,756,721 | 112,942 | 545,682 | 1,991,149 | 106,948 |
| Interest paid | 304,163,969 | 1,219,778 | 3,386,508 | 55,593 | 365,388 | 2,883,165 | 82,362 |
| Contributions or gifts | 2,813,557 | 19,853 | 48,166 | *68 | 7,817 | 36,767 | 3,514 |
| Amortization | 2,374,116 | 4,981 | 20,763 | *739 | 3,457 | 16,006 | 561 |
| Depreciation | 154,047,887 | 1,530,592 | 3,976,062 | 38,119 | 566,658 | 3,149,831 | 221,453 |
| Depletion | 4,831,731 | 27,372 | 1,188,157 | 74,559 | 330,842 | 686,606 | 96,151 |
| Advertising | 50,167,819 | 99,554 | 109,193 | *815 | 3,307 | 89,891 | 15,180 |
| Pension, profit-sharing, stock bonus, and annuity plans | 41,976,514 | 100,952 | 694,837 | 894 | 67,186 | 606,289 | 20,468 |
| Employee benefit programs | 37,640,014 | 104,735 | 514,220 | 591 | 132,723 | 345,264 | 35,642 |
| Net loss, noncapital assets | 2,339,997 | 13,084 | 66,449 | — | 7,854 | 57,536 | *1,059 |
| Other deductions | 841,550,662 | 5,399,756 | 12,729,178 | 68,401 | 945,491 | 11,302,378 | 412,909 |
| Total receipts less total deductions | 270,791,858 | 2,531,669 | 7,960,529 | 103,017 | 522,803 | 7,073,706 | 261,002 |
| Constructive taxable income from related foreign corporations | 12,736,497 | 1,526 | 480,856 | 81 | 5,070 | 475,706 | — |
| Net income | 274,352,942 | 2,528,479 | 8,429,100 | 103,016 | 524,291 | 7,540,922 | 260,821 |
| Income subject to tax | 205,083,534 | 1,604,445 | 7,319,683 | 61,931 | 350,625 | 6,704,821 | 202,306 |
| Income tax, total | 86,417,438 | 500,294 | 3,307,650 | 27,599 | 172,867 | 3,018,686 | 88,497 |
| Regular and alternative tax | 85,040,739 | 490,228 | 3,203,406 | 25,469 | 143,931 | 2,952,947 | 81,059 |
| Tax from recomputing prior-year investment credit | 949,228 | 8,275 | 35,884 | *81 | 2,159 | 32,680 | 964 |
| Additional tax for tax preferences | 411,430 | 1,160 | 68,102 | *2,049 | 26,754 | 32,825 | 6,474 |
| Foreign tax credit | 19,134,464 | *1,905 | 1,848,192 | *20,972 | 288 | 1,826,249 | 682 |
| U.S. possessions tax credit | 2,026,980 | — | 1,079 | — | — | 1,079 | — |
| Investment credit | 17,305,896 | 118,494 | 425,824 | *522 | 42,546 | 364,884 | 17,872 |
| Work incentive (WIN) credit | 29,018 | *556 | 99 | — | — | 52 | *47 |
| Jobs credit | 327,211 | 4,316 | 2,406 | — | *235 | 2,123 | *48 |
| Nonconventional source fuel credit | 6,787 | — | 3 | — | — | 3 | — |
| Alcohol fuel credit | 600 | — | — | — | — | — | — |
| Research activities credit | 839,220 | 1,971 | 8,437 | — | 319 | 7,997 | *122 |
| Employee stock ownership credit | 14,450 | *7 | 14 | — | — | 14 | — |
| Distributions to stockholders: | | | | | | | |
| Cash and property except in own stock | 116,758,328 | 383,384 | 3,218,666 | 29,758 | 226,849 | 2,767,620 | 194,439 |
| Corporation's own stock | 2,917,528 | *17,702 | 39,069 | 2,092 | 12,270 | *23,923 | 784 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | |
|---|----------------------------|---|--------------------------------|---------------------------|----------------------|---------------------------|----------------------|-----------------------|------------------------------------|
| | Construction | | | | Manufacturing | | | | |
| | Total | General building contractors and operative builders | Heavy construction contractors | Special trade contractors | Total | Food and kindred products | Tobacco manufactures | Textile mill products | Apparel and other textile products |
| (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) | |
| Number of returns with net income | 138,783 | 52,116 | 9,678 | 76,989 | 146,415 | 9,741 | 68 | 3,143 | 9,010 |
| Total assets | 97,184,075 | 48,485,790 | 21,069,251 | 27,629,035 | 1,600,250,002 | 138,732,332 | 44,097,798 | 15,582,400 | 20,211,847 |
| Cash | 11,665,176 | 5,109,323 | 2,358,347 | 4,197,507 | 43,076,079 | 4,639,044 | 117,499 | 929,087 | 1,625,362 |
| Notes and accounts receivable | 26,635,536 | 12,077,075 | 5,255,780 | 9,302,681 | 362,764,234 | 23,063,771 | 9,880,789 | 3,911,527 | 5,849,754 |
| Less: Allowance for bad debts | 229,089 | 98,657 | 51,009 | 138,423 | 8,382,914 | 490,836 | 71,418 | 75,118 | 132,811 |
| Inventories | 12,657,475 | 7,902,874 | 1,285,012 | 3,469,588 | 195,817,881 | 20,174,283 | 6,946,291 | 3,528,715 | 6,576,814 |
| Investments in Government obligations | 913,042 | 376,297 | 329,272 | 207,532 | 12,715,131 | 1,468,800 | — | 123,950 | 141,567 |
| Other current assets | 9,630,817 | 5,768,173 | 1,595,134 | 2,267,510 | 69,482,143 | 5,785,488 | 625,294 | 712,095 | 816,628 |
| Loans to stockholders | 1,151,962 | 868,338 | 147,634 | 737,397 | 8,184,039 | 1,063,182 | 174,518 | 132,034 | 127,547 |
| Mortgage and real estate loans | 8,993,812 | 4,172,291 | 3,279,613 | 1,541,907 | 338,814,593 | 37,785,782 | 14,925,618 | 1,381,270 | 18,293 |
| Other investments | 33,089,523 | 10,297,151 | 12,363,871 | 10,428,500 | 743,430,110 | 60,903,545 | 12,829,475 | 9,720,545 | 5,038,787 |
| Depreciable assets | 17,783,629 | 4,692,670 | 7,264,738 | 5,826,220 | 322,200,592 | 25,730,785 | 3,881,833 | 5,438,175 | 2,500,003 |
| Less: Accumulated depreciation | 470,513 | 379,757 | 87,124 | 23,631 | 50,970,117 | 90,714 | 706,269 | 229,060 | 1,712 |
| Depletable assets | 124,519 | 95,510 | 18,023 | 10,986 | 18,006,056 | 17,388 | 287,722 | 73,292 | 1,236 |
| Less: Accumulated depletion | 2,459,874 | 1,387,741 | 511,550 | 560,583 | 20,239,192 | 2,009,116 | 483,657 | 107,841 | 131,745 |
| Land | 705,281 | 554,052 | 61,351 | 89,877 | 38,729,976 | 1,709,760 | 1,172,560 | 84,983 | 95,294 |
| Intangible assets (amortizable) | 243,621 | 192,581 | 19,350 | 31,690 | 12,891,895 | 251,560 | 132,762 | 24,582 | 40,449 |
| Less: Accumulated amortization | 5,438,566 | 3,694,057 | 1,056,399 | 688,100 | 74,710,818 | 6,114,756 | 609,055 | 313,942 | 509,586 |
| Other assets | | | | | | | | | |
| Total liabilities | 97,184,075 | 48,485,790 | 21,069,251 | 27,629,035 | 1,600,250,002 | 138,732,332 | 44,097,798 | 15,582,400 | 20,211,847 |
| Accounts payable | 22,300,072 | 13,623,187 | 3,456,538 | 5,220,346 | 203,420,757 | 14,609,871 | 3,108,038 | 1,930,639 | 3,347,523 |
| Mortgages, notes, and bonds payable in less than one year | 8,112,652 | 4,677,119 | 1,382,815 | 2,052,718 | 111,040,074 | 8,341,990 | 6,199,643 | 732,436 | 1,810,871 |
| Other current liabilities | 15,697,779 | 7,609,190 | 3,031,530 | 5,057,058 | 126,935,708 | 10,760,781 | 2,895,587 | 1,258,849 | 2,072,990 |
| Loans from stockholders | 2,285,685 | 1,307,839 | 203,568 | 774,278 | 14,301,679 | 939,257 | 227,506 | 399,250 | 315,597 |
| Mortgages, notes, and bonds payable in one year or more | 10,113,642 | 5,562,167 | 2,219,309 | 2,332,166 | 249,572,798 | 22,555,125 | 8,705,423 | 2,076,118 | 2,051,013 |
| Other liabilities | 6,773,733 | 3,835,923 | 1,316,776 | 1,621,034 | 150,037,955 | 9,847,141 | 2,820,202 | 727,742 | 383,932 |
| Capital stock | 4,043,153 | 1,263,823 | 1,401,507 | 1,377,823 | 77,402,545 | 7,206,245 | 1,895,521 | 1,121,893 | 1,207,502 |
| Paid-in or capital surplus | 4,122,465 | 1,847,270 | 1,651,786 | 623,410 | 193,881,188 | 21,590,952 | 9,247,746 | 810,650 | 1,236,103 |
| Retained earnings, appropriated | 447,419 | 179,488 | 172,395 | 95,536 | 5,086,790 | 1,030,960 | 1,120 | 47,871 | 32,969 |
| Retained earnings, unappropriated | 25,054,072 | 9,185,916 | 6,641,717 | 9,226,439 | 484,757,326 | 43,367,889 | 9,092,884 | 6,787,200 | 8,181,989 |
| Less: Cost of treasury stock | 1,766,595 | 606,133 | 40,689 | 751,774 | 16,186,816 | 1,517,879 | 95,872 | 308,248 | 428,621 |
| Total receipts | 199,257,225 | 85,716,935 | 40,201,560 | 73,338,731 | 1,945,910,140 | 238,954,093 | 33,034,056 | 26,983,703 | 43,777,128 |
| Business receipts | 192,779,190 | 82,291,999 | 3,834,495 | 72,142,697 | 1,838,984,531 | 231,876,675 | 31,167,338 | 26,417,180 | 42,836,687 |
| Interest | 1,951,999 | 1,032,425 | 443,549 | 476,205 | 29,508,894 | 2,101,516 | 514,500 | 172,729 | 252,301 |
| Interest on Government obligations: | | | | | | | | | |
| State and local | 36,772 | 16,747 | 13,629 | 6,396 | 461,349 | 29,402 | 9 | 4,877 | 4,018 |
| Rents | 793,534 | 449,727 | 208,896 | 134,911 | 21,632,386 | 808,870 | 326,843 | 24,546 | 73,734 |
| Royalties | 20,778 | 5,792 | 13,090 | 1,896 | 7,765,369 | 371,380 | 162,990 | 12,958 | 83,511 |
| Net short-term capital gain reduced by net long-term capital loss | 27,325 | 13,712 | 3,547 | 10,066 | 320,432 | 14,417 | 4,908 | 3,843 | 554 |
| Net long-term capital gain reduced by net short-term capital loss | 421,686 | 250,744 | 96,898 | 74,044 | 6,623,229 | 498,688 | 183,850 | 35,202 | 17,252 |
| Net gain, noncapital assets | 796,659 | 567,309 | 130,517 | 98,833 | 2,820,991 | 444,384 | 130,087 | 14,432 | 9,117 |
| Dividends received from domestic corporations | 109,908 | 47,720 | 40,603 | 21,585 | 7,067,773 | 523,893 | 223,587 | 39,476 | 24,051 |
| Dividends received from foreign corporations | 172,679 | 48,053 | 116,330 | 7,996 | 10,601,906 | 740,729 | 42,452 | 31,812 | 40,843 |
| Other receipts | 2,146,994 | 992,706 | 789,706 | 364,282 | 20,123,280 | 1,544,339 | 277,491 | 227,097 | 435,060 |
| Total deductions | 191,289,280 | 82,817,716 | 38,172,544 | 70,299,019 | 1,847,928,304 | 229,692,479 | 30,434,040 | 25,710,938 | 41,507,731 |
| Cost of sales and operations | 150,615,725 | 69,789,023 | 29,980,620 | 50,846,081 | 1,266,727,785 | 167,302,532 | 17,885,411 | 19,628,699 | 30,094,107 |
| Compensation of officers | 6,576,254 | 2,278,893 | 754,775 | 3,542,587 | 16,190,335 | 1,470,653 | 77,183 | 394,652 | 1,099,743 |
| Repairs | 825,186 | 222,214 | 249,886 | 353,087 | 19,078,734 | 1,902,622 | 286,530 | 234,915 | 105,983 |
| Bad debts | 314,741 | 71,664 | 55,937 | 187,140 | 4,647,166 | 298,752 | 43,207 | 56,660 | 126,666 |
| Rent paid on business property | 1,391,155 | 371,301 | 361,715 | 658,139 | 17,691,898 | 1,751,204 | 234,414 | 204,487 | 531,598 |
| Taxes paid | 3,736,191 | 1,108,669 | 694,974 | 1,932,548 | 58,828,257 | 5,210,690 | 1,353,517 | 599,267 | 990,615 |
| Interest paid | 2,484,219 | 1,341,353 | 520,991 | 621,876 | 55,494,575 | 4,388,428 | 1,564,158 | 435,613 | 720,740 |
| Contributions or gifts | 103,594 | 44,892 | 21,703 | 36,999 | 1,435,750 | 184,652 | 32,749 | 26,860 | 38,286 |
| Amortization | 20,640 | 6,267 | 2,653 | 11,720 | 831,961 | 66,343 | 43,273 | 7,214 | 11,961 |
| Depreciation | 3,615,656 | 1,074,260 | 1,080,944 | 1,460,453 | 67,069,395 | 5,986,122 | 1,007,510 | 791,413 | 513,321 |
| Depletion | 48,728 | 34,086 | 12,802 | 1,840 | 2,867,727 | 11,580 | 48,731 | 10,074 | 432 |
| Advertising | 429,630 | 150,514 | 36,299 | 242,818 | 26,696,773 | 3,963,339 | 2,358,043 | 132,682 | 503,188 |
| Pension, profit-sharing, stock bonus, and annuity plans | 1,199,790 | 411,355 | 245,223 | 543,212 | 17,751,956 | 1,401,919 | 309,191 | 168,473 | 267,735 |
| Employee benefit programs | 941,940 | 252,478 | 221,104 | 468,359 | 20,954,407 | 1,823,561 | 401,044 | 281,868 | 265,696 |
| Net loss, noncapital assets | 50,281 | 21,982 | 15,292 | 13,007 | 457,687 | 78,158 | 3,541 | 3,490 | 3,168 |
| Other deductions | 18,935,548 | 5,638,766 | 3,917,628 | 9,379,154 | 271,203,899 | 30,851,925 | 4,785,538 | 2,734,570 | 6,234,472 |
| Total receipts less total deductions | 7,967,946 | 2,899,218 | 2,029,015 | 3,039,713 | 97,981,836 | 9,261,613 | 2,600,016 | 1,272,765 | 2,269,397 |
| Constructive taxable income from related foreign corporations | 174,887 | 90,302 | 82,916 | 1,669 | 10,650,256 | 722,526 | 65,283 | 26,759 | 32,485 |
| Net income | 8,106,061 | 2,872,773 | 2,098,302 | 3,034,985 | 108,170,744 | 9,954,737 | 2,665,290 | 1,294,648 | 2,297,865 |
| Income subject to tax | 5,973,416 | 2,090,307 | 1,635,653 | 2,247,455 | 102,157,505 | 9,162,273 | 2,503,589 | 1,176,129 | 2,001,433 |
| Income tax, total | 2,103,322 | 742,257 | 685,522 | 675,542 | 45,602,679 | 4,092,119 | 1,123,551 | 514,748 | 855,408 |
| Regular and alternative tax | 2,069,718 | 726,120 | 676,812 | 666,786 | 45,015,096 | 4,041,630 | 1,118,473 | 510,382 | 852,963 |
| Tax from recomputing prior-year investment credit | 27,164 | 11,359 | 7,242 | 8,563 | 412,765 | 43,702 | 5,078 | 3,385 | 2,431 |
| Additional tax for tax preferences | 6,429 | 4,779 | 1,465 | 186 | 174,613 | 6,787 | — | 1,002 | 14 |
| Foreign tax credit | 174,516 | 54,103 | 118,249 | 2,164 | 14,791,200 | 793,086 | 91,852 | 23,516 | 40,491 |
| U.S. possessions tax credit | 1,852 | — | 1,295 | 557 | 1,890,760 | 97,550 | 13,240 | 2,009 | 42,892 |
| Investment credit | 322,782 | 108,924 | 110,022 | 103,836 | 6,724,483 | 775,649 | 155,132 | 79,514 | 47,045 |
| Work incentive (WIN) credit | 4,103 | 1,009 | 2,102 | 991 | 9,705 | 1,156 | 3 | 523 | 734 |
| Jobs credit | 28,461 | 11,523 | 3,675 | 13,263 | 90,387 | 14,466 | 1,288 | 4,822 | 10,266 |
| Nonconventional source fuel credit | — | — | — | — | 6,740 | 2,132 | — | — | — |
| Alcohol fuel credit | — | — | — | — | 99 | 26 | — | — | — |
| Research activities credit | 4,114 | 1,139 | 1,757 | 1,219 | 623,263 | 19,835 | 4,445 | 2,177 | 1,689 |
| Employee stock ownership credit | — | — | — | — | 7,633 | 3,346 | — | 41 | 475 |
| Distributions to stockholders: | | | | | | | | | |
| Cash and property except in own stock | 782,170 | 308,850 | 219,862 | 253,458 | 38,396,707 | 3,287,881 | 1,018,912 | 225,331 | 350,554 |
| Corporation's own stock | 69,255 | 7,144 | 50,823 | 11,287 | 736,006 | 149,789 | 8,321 | 6,710 | 30,577 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | | |
|---|----------------------------|------------------------|---------------------------|-------------------------|-------------------------------|--|--|------------------------------|---------------------------------|--|
| | Manufacturing — Continued | | | | | | | | | |
| | Lumber and wood products | Furniture and fixtures | Paper and allied products | Printing and publishing | Chemicals and allied products | Petroleum (including integrated) and coal products | Rubber and miscellaneous plastics products | Leather and leather products | Stone, clay, and glass products | |
| (17) | (18) | (19) | (20) | (21) | (22) | (23) | (24) | (25) | | |
| Number of returns with net income | 6,951 | 4,373 | 2,411 | 22,253 | 6,060 | 1,083 | 5,368 | 1,471 | 5,192 | |
| Total assets | 16,052,224 | 8,721,112 | 39,375,164 | 48,929,223 | 170,032,794 | 431,859,968 | 20,906,641 | 6,540,775 | 23,441,406 | |
| Cash | 919,054 | 605,306 | 950,914 | 2,841,852 | 3,377,688 | 3,073,094 | 882,600 | 455,614 | 1,032,080 | |
| Notes and accounts receivable | 2,730,235 | 2,145,362 | 5,323,788 | 10,004,386 | 27,802,048 | 76,851,480 | 5,268,745 | 1,726,418 | 4,863,722 | |
| Less: Allowance for bad debts | 34,490 | 54,607 | 659,372 | 531,704 | 740,372 | 726,814 | 129,556 | 41,899 | 101,998 | |
| Inventories | 2,191,101 | 2,230,195 | 4,954,170 | 4,309,472 | 20,950,438 | 18,903,365 | 3,752,263 | 1,858,426 | 2,793,186 | |
| Investments in Government obligations | 136,598 | 60,024 | 759,656 | 699,728 | 1,345,518 | 1,867,336 | 214,921 | 46,241 | 100,233 | |
| Other current assets | 931,983 | 332,826 | 1,333,358 | 3,382,964 | 7,907,783 | 13,153,268 | 497,910 | 311,316 | 829,042 | |
| Loans to stockholders | 112,904 | 66,311 | 41,546 | 463,799 | 2,756,793 | 810,689 | 127,602 | 14,634 | 120,170 | |
| Mortgage and real estate loans | 30,307 | 19,162 | 458,002 | 176,531 | 55,278 | 132,289 | 61,293 | 550 | 40,072 | |
| Other investments | 2,425,625 | 623,986 | 4,872,284 | 5,986,694 | 41,870,437 | 116,488,917 | 3,103,849 | 1,168,253 | 3,824,065 | |
| Depreciable assets | 9,913,698 | 4,309,401 | 30,513,443 | 24,859,057 | 89,524,495 | 209,358,183 | 13,594,574 | 1,650,315 | 16,473,362 | |
| Less: Accumulated depreciation | 5,405,699 | 1,992,719 | 13,155,673 | 10,879,419 | 39,590,385 | 76,118,972 | 7,140,749 | 766,115 | 7,877,514 | |
| Depletable assets | 929,583 | 2,080 | 1,456,245 | 279,961 | 2,555,985 | 42,256,500 | 33,546 | — | 518,067 | |
| Less: Accumulated depletion | 30,406 | 246 | 326,131 | 61,544 | 733,508 | 15,859,748 | 8,221 | — | 132,991 | |
| Land | 295,919 | 133,198 | 1,221,319 | 852,992 | 1,449,912 | 8,091,778 | 208,048 | 43,975 | 462,212 | |
| Intangible assets (amortizable) | 8,519 | 38,562 | 110,006 | 2,733,232 | 3,156,183 | 24,893,591 | 33,688 | 14,633 | 113,540 | |
| Less: Accumulated amortization | 3,791 | 8,127 | 17,350 | 340,057 | 677,205 | 10,272,931 | 11,609 | 4,720 | 36,091 | |
| Other assets | 901,085 | 210,397 | 1,538,959 | 4,151,279 | 9,021,705 | 18,957,943 | 417,236 | 63,133 | 420,250 | |
| Total liabilities | 16,052,224 | 8,721,112 | 39,375,164 | 48,929,223 | 170,032,794 | 431,859,968 | 20,906,641 | 6,540,775 | 23,441,406 | |
| Accounts payable | 1,257,687 | 975,533 | 2,670,873 | 4,402,248 | 18,873,918 | 69,730,617 | 2,831,781 | 827,948 | 2,904,953 | |
| Mortgages, notes, and bonds payable in less than one year | 1,018,968 | 405,017 | 1,147,365 | 2,117,920 | 6,007,456 | 13,400,880 | 692,775 | 749,035 | 888,003 | |
| Other current liabilities | 1,095,745 | 859,314 | 2,826,378 | 5,639,038 | 13,049,694 | 20,655,923 | 2,789,551 | 629,998 | 1,713,379 | |
| Loans from stockholders | 151,905 | 81,037 | 110,129 | 1,107,411 | 2,013,711 | 1,150,262 | 214,559 | 21,683 | 218,291 | |
| Mortgages, notes, and bonds payable in one year or more | 2,919,013 | 1,264,762 | 7,501,683 | 7,941,707 | 23,662,737 | 56,391,590 | 3,170,684 | 949,488 | 3,891,172 | |
| Other liabilities | 588,194 | 223,369 | 2,839,234 | 4,093,835 | 13,240,816 | 62,793,746 | 926,662 | 128,354 | 1,356,972 | |
| Capital stock | 1,192,180 | 524,322 | 2,575,512 | 2,242,926 | 10,081,997 | 15,584,780 | 913,038 | 498,628 | 1,375,620 | |
| Paid-in or capital surplus | 2,170,227 | 732,937 | 4,066,240 | 2,898,214 | 31,397,099 | 58,346,578 | 1,494,422 | 661,507 | 2,420,506 | |
| Retained earnings, appropriated | 60,999 | 9,949 | 136,891 | 100,201 | 168,816 | 420,998 | 151,800 | 67,025 | 248,507 | |
| Retained earnings, unappropriated | 5,814,254 | 3,822,346 | 15,819,598 | 19,242,523 | 51,753,437 | 138,156,348 | 8,187,263 | 2,178,440 | 8,931,275 | |
| Less: Cost of treasury stock | 216,946 | 177,473 | 318,740 | 856,800 | 1,216,888 | 4,771,755 | 465,895 | 171,330 | 507,272 | |
| Total receipts | 22,032,410 | 16,323,531 | 47,290,634 | 70,964,472 | 184,086,524 | 546,063,297 | 33,326,113 | 11,224,602 | 29,318,854 | |
| Business receipts | 20,564,789 | 15,925,158 | 44,812,102 | 68,348,700 | 174,916,750 | 523,321,533 | 32,270,790 | 11,021,663 | 28,160,279 | |
| Interest | 321,724 | 120,138 | 430,501 | 757,649 | 2,366,981 | 7,436,213 | 254,085 | 90,514 | 259,349 | |
| Interest on Government obligations: | | | | | | | | | | |
| State and local | 2,490 | 2,169 | 3,360 | 15,141 | 16,951 | 3,511 | 951 | 2,809 | 3,701 | |
| Rents | 76,637 | 49,322 | 90,319 | 368,010 | 622,492 | 1,905,564 | 75,187 | 8,546 | 109,665 | |
| Royalties | 11,568 | 15,664 | 224,215 | 154,133 | 952,174 | 2,006,561 | 42,482 | 5,672 | 117,294 | |
| Net short-term capital gain reduced by net long-term capital loss | 6,005 | *175 | 5,101 | 8,140 | 29,645 | 66,071 | 2,394 | *209 | 4,597 | |
| Net long-term capital gain reduced by net short-term capital loss | 748,100 | 23,763 | 940,995 | 257,217 | 515,327 | 957,343 | 61,482 | 3,266 | 133,408 | |
| Net gain, noncapital assets | 29,500 | 8,860 | 81,572 | 80,673 | 449,854 | 531,222 | 35,659 | 13,681 | 48,050 | |
| Dividends received from domestic corporations | 54,874 | 16,412 | 173,706 | 127,646 | 747,064 | 763,954 | 61,868 | 14,167 | 51,447 | |
| Dividends received from foreign corporations | *2,612 | 2,198 | 278,608 | 87,043 | 1,283,264 | 3,299,647 | 187,530 | 3,748 | 122,423 | |
| Other receipts | 214,111 | 159,671 | 250,156 | 760,120 | 2,186,023 | 5,771,675 | 333,684 | 60,326 | 308,642 | |
| Total deductions | 21,275,315 | 15,374,437 | 44,418,356 | 65,781,279 | 172,973,159 | 521,031,026 | 31,759,392 | 10,569,261 | 28,252,175 | |
| Cost of sales and operations | 15,265,690 | 10,800,919 | 29,977,913 | 33,799,982 | 106,503,143 | 401,269,502 | 22,274,123 | 7,466,077 | 18,882,608 | |
| Compensation of officers | 423,984 | 377,989 | 437,693 | 1,877,975 | 1,073,576 | 4,101,127 | 571,582 | 161,708 | 432,781 | |
| Repairs | 465,213 | 64,827 | 1,055,004 | 482,572 | 2,918,585 | 5,400,963 | 462,377 | 37,086 | 664,539 | |
| Bad debts | 54,987 | 59,672 | 98,542 | 433,371 | 298,353 | 603,440 | 107,163 | 29,887 | 79,670 | |
| Rent paid on business property | 281,374 | 184,319 | 385,352 | 1,049,235 | 1,947,428 | 3,754,465 | 331,025 | 267,023 | 304,980 | |
| Taxes paid | 568,778 | 412,381 | 1,119,290 | 2,026,911 | 3,760,811 | 24,035,842 | 684,720 | 258,824 | 755,038 | |
| Interest paid | 447,529 | 239,381 | 911,614 | 1,469,553 | 4,605,252 | 11,928,512 | 643,478 | 218,204 | 585,007 | |
| Contributions or gifts | 9,817 | 13,834 | 45,331 | 114,526 | 174,067 | 283,915 | 16,304 | 15,483 | 14,738 | |
| Amortization | 4,079 | 13,044 | 113,764 | 89,874 | 113,764 | 99,763 | 5,478 | 2,554 | 4,087 | |
| Depreciation | 788,052 | 359,762 | 2,342,311 | 2,838,471 | 7,040,979 | 15,159,524 | 820,334 | 156,665 | 1,448,714 | |
| Depletion | 105,932 | *1,851 | 191,847 | 18,795 | 407,444 | 1,773,778 | 3,039 | — | 51,426 | |
| Advertising | 80,055 | 203,666 | 578,150 | 963,921 | 5,493,552 | 1,389,481 | 344,952 | 212,610 | 171,902 | |
| Pension, profit-sharing, stock bonus, and annuity plans | 155,807 | 126,952 | 464,198 | 819,937 | 2,095,322 | 2,204,109 | 338,565 | 58,295 | 348,780 | |
| Employee benefit programs | 225,129 | 128,492 | 467,203 | 821,982 | 1,980,472 | 1,707,837 | 475,342 | 58,378 | 401,805 | |
| Net loss, noncapital assets | 3,742 | 3,701 | 4,207 | 14,937 | 23,214 | 179,218 | 6,863 | 2,197 | 15,017 | |
| Other deductions | 2,395,146 | 2,394,960 | 6,326,659 | 18,935,347 | 34,361,089 | 50,830,549 | 4,674,045 | 1,624,270 | 4,091,082 | |
| Total receipts less total deductions | 757,095 | 949,094 | 2,872,278 | 5,183,193 | 11,113,365 | 25,032,271 | 1,566,721 | 655,341 | 1,066,679 | |
| Constructive taxable income from related foreign corporations | 10,159 | 3,486 | 186,786 | 50,947 | 1,890,223 | 4,110,751 | 126,475 | 966 | 109,822 | |
| Net income | 764,765 | 950,411 | 3,055,704 | 5,218,999 | 12,986,637 | 29,139,512 | 1,692,245 | 653,498 | 1,172,801 | |
| Income subject to tax | 587,346 | 837,952 | 2,997,424 | 4,768,254 | 12,521,541 | 28,587,718 | 1,513,925 | 578,600 | 1,059,625 | |
| Income tax, total | 211,914 | 358,735 | 1,219,867 | 2,054,738 | 5,719,215 | 13,108,351 | 650,719 | 254,913 | 447,858 | |
| Regular and alternative tax | 207,170 | 357,345 | 1,189,181 | 2,039,378 | 5,630,337 | 12,986,847 | 643,963 | 253,663 | 428,063 | |
| Tax from recomputing prior-year investment credit | 2,959 | 1,360 | 13,418 | 13,827 | 39,064 | 85,674 | 5,168 | 1,219 | 9,966 | |
| Additional tax for tax preferences | 1,785 | 27 | 17,268 | 1,518 | 49,806 | 35,830 | 1,583 | 31 | 9,829 | |
| Foreign tax credit | 2,542 | 3,518 | 235,914 | 72,829 | 1,806,969 | 7,362,367 | 147,069 | 1,664 | 107,749 | |
| U.S. possessions tax credit | 12 | 285 | 6,080 | 2,936 | 1,029,332 | 22,452 | 7,104 | 10,113 | 1,259 | |
| Investment credit | 31,786 | 34,848 | 295,079 | 373,275 | 491,034 | 2,103,607 | 85,267 | 14,402 | 96,633 | |
| Work incentive (WIN) credit | *207 | 543 | 391 | 451 | 726 | 11 | — | *42 | *372 | |
| Jobs credit | 1,308 | 4,158 | 1,617 | 3,806 | 4,487 | 615 | 3,797 | 2,918 | 2,865 | |
| Nonconventional source fuel credit | — | 265 | — | — | — | — | — | — | — | |
| Alcohol fuel credit | — | — | — | (1) | — | — | — | — | (1) | |
| Research activities credit | 651 | 1,882 | 21,606 | 7,247 | 84,597 | 51,932 | 9,654 | 1,218 | 3,277 | |
| Employee stock ownership credit | — | 115 | 332 | 39 | *731 | — | — | — | 120 | |
| Distributions to stockholders: | | | | | | | | | | |
| Cash and property except in own stock | 390,174 | 133,336 | 1,213,596 | 1,782,998 | 6,706,011 | 9,798,701 | 297,892 | 204,564 | 464,631 | |
| Corporation's own stock | — | 747 | *18,584 | *39,371 | 39,053 | 12,750 | 17,506 | *1,811 | 20,002 | |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | |
|---|----------------------------|---------------------------|------------------------------|-------------------------------------|------------------------------|---|----------------------------------|---|
| | Manufacturing — Continued | | | | | | | |
| | Primary metal industries | Fabricated metal products | Machinery, except electrical | Electrical and electronic equipment | Motor vehicles and equipment | Transportation equipment, except motor vehicles | Instruments and related products | Miscellaneous manufacturing and manufacturing not allocable |
| (26) | (27) | (28) | (29) | (30) | (31) | (32) | (33) | |
| Number of returns with net income | 1,947 | 23,473 | 15,825 | 9,245 | 1,967 | 2,023 | 3,529 | 11,480 |
| Total assets | 42,428,660 | 65,915,035 | 124,995,567 | 158,026,872 | 140,276,231 | 31,469,778 | 33,614,699 | 19,039,476 |
| Cash | 856,499 | 3,910,369 | 4,866,646 | 6,470,910 | 2,044,264 | 1,030,198 | 1,193,486 | 1,254,514 |
| Notes and accounts receivable | 9,471,393 | 12,764,340 | 31,446,666 | 42,884,634 | 69,432,476 | 4,436,161 | 7,974,864 | 4,931,675 |
| Less: Allowance for bad debts | 186,249 | 321,108 | 1,596,427 | 1,162,850 | 946,514 | 80,977 | 105,262 | 193,032 |
| Inventories | 4,427,654 | 11,914,898 | 25,348,080 | 22,282,323 | 9,780,788 | 11,806,966 | 7,059,915 | 4,032,538 |
| Investments in Government obligations | 125,169 | 533,583 | 755,556 | 929,030 | 2,413,418 | 316,238 | 588,755 | 88,810 |
| Other current assets | 1,716,616 | 3,996,012 | 6,828,701 | 14,646,139 | 1,561,643 | 1,128,766 | 2,321,260 | 661,052 |
| Loans to stockholders | 30,529 | 325,332 | 490,570 | 746,799 | 401,846 | 21,036 | 64,088 | 92,100 |
| Mortgage and real estate loans | 13,170 | 114,660 | 62,196 | 242,080 | 785,451 | 14,483 | 61,125 | 78,623 |
| Other investments | 10,309,385 | 13,277,945 | 22,048,376 | 24,353,829 | 23,307,289 | 2,901,059 | 3,118,227 | 3,090,718 |
| Depreciable assets | 11,414,313 | 31,031,011 | 55,993,637 | 60,604,662 | 54,589,641 | 17,079,939 | 17,314,949 | 6,712,976 |
| Less: Accumulated depreciation | 5,174,348 | 14,952,540 | 25,103,465 | 28,344,691 | 29,663,382 | 8,019,430 | 7,561,323 | 2,903,374 |
| Depletable assets | 186,098 | 331,630 | 11,335 | 1,336,377 | *6,615 | *8,054 | 5,151 | *25,133 |
| Less: Accumulated depletion | *71,110 | 97,992 | 1,985 | *287,330 | *4,535 | *5,092 | 597 | *4,982 |
| Land | 379,307 | 806,347 | 949,669 | 1,089,359 | 643,882 | 210,140 | 426,174 | 242,600 |
| Intangible assets (amortizable) | 495,489 | 826,431 | 860,253 | 1,643,544 | 174,557 | 44,840 | 386,269 | 134,045 |
| Less: Accumulated amortization | 163,064 | 127,778 | 243,434 | 283,434 | 28,048 | 11,754 | 80,807 | 50,656 |
| Other assets | 8,597,809 | 1,581,896 | 2,278,192 | 10,957,176 | 5,776,839 | 589,149 | 852,424 | 846,736 |
| Total liabilities | 42,428,660 | 65,915,035 | 124,995,567 | 158,026,872 | 140,276,231 | 31,469,778 | 33,614,699 | 19,039,476 |
| Accounts payable | 1,964,754 | 7,157,390 | 15,424,945 | 20,756,656 | 14,694,263 | 7,991,760 | 3,937,451 | 3,021,911 |
| Mortgages, notes, and bonds payable in less than one year | 7,324,414 | 2,687,453 | 6,093,508 | 13,904,151 | 33,287,124 | 1,106,626 | 1,925,438 | 1,199,000 |
| Other current liabilities | 2,796,859 | 6,771,244 | 12,497,781 | 17,587,541 | 10,787,541 | 4,744,468 | 3,886,923 | 1,618,396 |
| Loans from stockholders | 57,286 | 783,247 | 3,497,852 | 1,418,098 | 1,029,555 | 69,801 | 159,499 | 336,242 |
| Mortgages, notes, and bonds payable in one year or more | 7,025,043 | 9,589,767 | 21,575,674 | 22,895,406 | 34,060,558 | 6,153,376 | 2,885,044 | 2,307,415 |
| Other liabilities | 6,713,729 | 4,249,740 | 6,784,172 | 20,352,773 | 7,282,256 | 1,873,468 | 1,877,487 | 934,130 |
| Capital stock | 2,176,945 | 3,563,086 | 8,995,292 | 5,806,822 | 4,323,560 | 3,254,863 | 1,884,280 | 977,532 |
| Paid-in or capital surplus | 5,408,071 | 7,254,817 | 13,412,103 | 14,013,331 | 10,029,037 | 1,158,980 | 3,520,877 | 2,010,792 |
| Retained earnings, appropriated | 139,746 | 421,838 | 359,032 | 416,503 | *958,550 | 50,842 | 156,751 | 105,622 |
| Retained earnings, unappropriated | 9,192,120 | 24,690,396 | 37,375,010 | 42,332,291 | 23,973,641 | 5,389,522 | 13,686,967 | 6,785,952 |
| Less: Cost of treasury stock | 370,307 | 1,253,944 | 1,019,802 | 1,456,428 | 149,354 | 323,729 | 302,018 | 257,515 |
| Total receipts | 32,099,277 | 87,779,949 | 130,453,815 | 156,456,019 | 124,332,356 | 38,774,297 | 43,144,545 | 29,490,466 |
| Business receipts | 28,758,525 | 84,349,122 | 107,160,575 | 144,081,024 | 116,806,804 | 36,469,648 | 41,017,031 | 28,702,156 |
| Interest | 1,341,781 | 1,012,664 | 2,688,243 | 3,992,576 | 4,152,905 | 552,472 | 422,737 | 267,767 |
| Interest on Government obligations: | | | | | | | | |
| State and local | 1,974 | 19,108 | 70,287 | 226,530 | 47,683 | *1,139 | 2,739 | 2,501 |
| Rents | 153,941 | 294,742 | 13,699,770 | 1,939,895 | 607,639 | 70,706 | 233,392 | 92,564 |
| Royalties | 41,366 | 116,140 | 2,454,232 | 536,470 | 115,329 | 97,688 | 193,213 | 50,330 |
| Net short-term capital gain reduced by net long-term capital loss | 31,335 | 23,885 | 23,296 | 48,668 | 26,487 | 2,237 | 12,929 | 5,536 |
| Net long-term capital gain reduced by net short-term capital loss | 199,901 | 436,895 | 418,631 | 695,351 | 263,143 | 87,805 | 112,588 | 33,023 |
| Net gain, noncapital assets | 18,938 | 270,638 | 139,887 | 340,896 | 41,663 | 37,319 | 65,192 | 29,367 |
| Dividends received from domestic corporations | 227,527 | 229,980 | 754,706 | 1,163,600 | 474,016 | 904,790 | 456,092 | 35,117 |
| Dividends received from foreign corporations | 110,990 | 304,881 | 1,329,514 | 869,241 | 1,388,318 | 108,047 | 345,784 | 22,221 |
| Other receipts | 1,212,999 | 721,895 | 1,714,672 | 2,561,769 | 408,369 | 442,447 | 282,849 | 249,884 |
| Total deductions | 30,759,408 | 82,813,202 | 120,456,001 | 148,326,160 | 121,601,688 | 37,528,901 | 39,959,210 | 27,734,147 |
| Cost of sales and operations | 21,410,088 | 57,515,352 | 64,728,256 | 91,764,189 | 81,595,501 | 26,231,985 | 23,782,633 | 18,549,074 |
| Compensation of officers | 327,789 | 2,247,884 | 1,646,378 | 1,375,662 | 310,234 | 295,273 | 429,665 | 747,805 |
| Repairs | 346,590 | 697,600 | 722,184 | 976,299 | 937,253 | 241,676 | 901,895 | 174,021 |
| Bad debts | 168,487 | 261,744 | 561,930 | 595,797 | 492,554 | 94,664 | 68,645 | 112,976 |
| Rent paid on business property | 301,370 | 914,105 | 1,589,081 | 1,717,674 | 864,762 | 340,510 | 443,556 | 293,937 |
| Taxes paid | 592,671 | 2,207,751 | 3,809,932 | 4,056,638 | 3,088,661 | 1,364,744 | 1,002,696 | 708,480 |
| Interest paid | 2,454,302 | 1,939,320 | 4,630,930 | 7,169,514 | 8,431,102 | 1,097,387 | 799,854 | 614,697 |
| Contributions or gifts | 12,561 | 59,374 | 123,020 | 88,797 | 94,891 | 16,687 | 48,469 | 21,388 |
| Amortization | 9,778 | 67,239 | 110,351 | 127,980 | 20,729 | 6,332 | 11,072 | 11,072 |
| Depreciation | 1,029,870 | 2,781,471 | 6,578,955 | 6,757,363 | 6,440,592 | 1,741,829 | 1,795,168 | 690,971 |
| Depletion | 22,012 | 40,178 | 30,398 | 117,689 | *13,335 | *2,922 | *1,354 | 14,908 |
| Advertising | 219,065 | 771,938 | 1,110,391 | 1,919,343 | 1,282,411 | 198,090 | 1,048,953 | 751,038 |
| Pension, profit-sharing, stock bonus, and annuity plans | 265,303 | 860,296 | 1,750,764 | 2,339,110 | 2,444,236 | 423,208 | 714,796 | 194,959 |
| Employee benefit programs | 316,614 | 1,134,942 | 1,763,342 | 2,628,664 | 4,593,560 | 551,544 | 647,652 | 279,278 |
| Net loss, noncapital assets | 8,808 | 10,416 | 22,746 | 31,867 | 26,230 | 1,194 | 8,049 | 6,903 |
| Other deductions | 3,274,100 | 11,303,592 | 31,247,343 | 26,659,575 | 10,745,636 | 4,920,856 | 8,250,506 | 4,562,639 |
| Total receipts less total deductions | 1,339,869 | 4,966,747 | 10,027,814 | 8,129,859 | 2,730,668 | 1,245,397 | 3,185,335 | 1,756,319 |
| Constructive taxable income from related foreign corporations | 64,312 | 276,101 | 1,289,487 | 680,736 | 404,272 | 107,944 | 469,687 | 21,049 |
| Net income | 1,402,207 | 5,223,740 | 11,247,014 | 8,584,066 | 3,087,258 | 1,352,201 | 3,652,283 | 1,774,867 |
| Income subject to tax | 1,151,252 | 4,771,512 | 10,880,580 | 8,045,807 | 2,857,029 | 1,108,109 | 3,493,906 | 1,553,500 |
| Income tax, total | 485,441 | 2,003,724 | 4,901,831 | 3,557,196 | 1,311,855 | 493,111 | 1,583,582 | 654,004 |
| Regular and alternative tax | 476,184 | 1,955,870 | 4,838,379 | 3,504,563 | 1,280,249 | 485,328 | 1,566,949 | 648,201 |
| Tax from recomputing prior-year investment credit | 3,294 | 45,430 | 55,757 | 36,393 | 24,711 | 3,140 | 11,656 | 5,133 |
| Additional tax for tax preferences | 5,894 | 2,424 | 7,494 | 16,231 | 6,890 | 4,554 | 4,978 | *669 |
| Foreign tax credit | 109,679 | 254,586 | 1,597,400 | 781,025 | 799,331 | 116,927 | 422,134 | 20,551 |
| U.S. possessions tax credit | 1,833 | 24,390 | 28,902 | 404,382 | 4,462 | 2,831 | 110,850 | 77,847 |
| Investment credit | 106,014 | 250,406 | 623,324 | 478,137 | 237,182 | 77,530 | 291,221 | 77,399 |
| Work incentive (WIN) credit | *88 | 553 | 774 | 815 | 82 | 109 | 249 | 881 |
| Jobs credit | 1,427 | 8,457 | 6,555 | 7,933 | 1,519 | 2,776 | 2,117 | 3,191 |
| Nonconventional source fuel credit | — | *135 | 9 | — | — | — | 200 | — |
| Alcohol fuel credit | — | — | — | — | — | — | — | — |
| Research activities credit | 8,763 | 18,085 | 168,799 | 98,385 | 15,654 | 29,293 | 65,619 | 8,455 |
| Employee stock ownership credit | 240 | 62 | 731 | 352 | 62 | 520 | 281 | 186 |
| Distributions to stockholders: | | | | | | | | |
| Cash and property except in own stock | 500,707 | 1,176,012 | 3,713,118 | 3,841,059 | 1,129,774 | 575,155 | 1,257,698 | 328,603 |
| Corporation's own stock | 2,397 | 48,915 | 256,378 | 28,794 | *11,684 | *18,135 | 6,385 | *18,073 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | |
|---|-------------------------------------|----------------|------------------|--------------------------------------|----------------------------|-----------------|--------------------------------|------------------------------------|-------------------------------|
| | Transportation and public utilities | | | | Wholesale and retail trade | | | | |
| | Total | Transportation | Communication | Electric, gas, and sanitary services | Total | Wholesale trade | | | |
| | | | | | | Total | Groceries and related products | Machinery, equipment, and supplies | Miscellaneous wholesale trade |
| (34) | (35) | (36) | (37) | (38) | (39) | (40) | (41) | (42) | |
| Number of returns with net income | 59,793 | 45,798 | 6,904 | 7,091 | 468,108 | 168,977 | 14,869 | 30,708 | 123,400 |
| Total assets | 712,797,245 | 91,040,691 | 232,583,024 | 389,173,530 | 522,055,996 | 236,373,526 | 23,834,241 | 42,846,799 | 169,692,487 |
| Cash | 10,656,430 | 6,434,950 | 1,762,995 | 2,458,485 | 35,332,075 | 17,465,333 | 1,849,507 | 2,813,381 | 12,802,445 |
| Notes and accounts receivable | 62,907,417 | 14,442,949 | 16,543,025 | 31,921,444 | 134,777,331 | 75,155,573 | 6,864,873 | 13,373,472 | 54,917,228 |
| Less: Allowance for bad debts | 76,062 | 170,167 | 248,304 | 345,591 | 2,470,131 | 1,388,226 | 176,418 | 243,425 | 968,383 |
| Inventories | 24,763,923 | 2,591,801 | 6,136,530 | 16,035,593 | 141,755,579 | 60,311,220 | 6,255,378 | 11,876,758 | 42,179,084 |
| Investments in Government obligations | 5,481,320 | 805,424 | 3,057,030 | 1,618,866 | 7,111,384 | 1,108,789 | 78,891 | 104,455 | 925,443 |
| Other current assets | 23,435,512 | 4,787,148 | 5,522,863 | 13,125,501 | 18,303,166 | 9,197,769 | 750,336 | 2,066,947 | 6,380,486 |
| Loans to stockholders | 1,475,390 | 678,837 | 657,487 | 139,066 | 4,569,927 | 1,823,835 | 322,786 | 297,958 | 1,203,080 |
| Mortgage and real estate loans | 2,413,319 | 217,385 | 72,475 | 2,123,459 | 4,845,149 | 728,160 | 140,915 | 58,564 | 528,680 |
| Other investments | 56,211,477 | 9,785,169 | 19,980,499 | 26,445,810 | 52,990,750 | 27,964,807 | 1,528,716 | 5,307,013 | 21,129,079 |
| Depreciable assets | 668,762,328 | 70,703,063 | 223,429,094 | 374,630,172 | 166,963,259 | 57,606,227 | 9,068,146 | 8,963,297 | 39,574,783 |
| Less: Accumulated depreciation | 166,716,271 | 23,947,759 | 49,736,895 | 93,031,618 | 71,865,283 | 26,017,778 | 4,147,325 | 4,040,738 | 17,829,715 |
| Depletable assets | 3,672,750 | 557,127 | 23,167 | 3,092,456 | 922,189 | 641,480 | 6,896 | 42,243 | 592,340 |
| Less: Accumulated depletion | 1,039,922 | 177,681 | 1,412 | 860,829 | 331,683 | 209,794 | 2,308 | 16,112 | 191,374 |
| Land | 3,899,205 | 1,399,632 | 649,760 | 1,849,813 | 11,025,940 | 3,416,235 | 383,100 | 389,803 | 2,643,332 |
| Intangible assets (amortizable) | 4,548,270 | 1,271,308 | 1,765,251 | 1,511,711 | 4,260,510 | 1,337,332 | 199,061 | 199,061 | 1,003,036 |
| Less: Accumulated amortization | 1,423,102 | 668,121 | 364,614 | 390,367 | 1,251,503 | 387,148 | 56,316 | 45,690 | 285,141 |
| Other assets | 14,513,260 | 2,329,626 | 3,334,074 | 8,849,560 | 15,117,336 | 7,619,715 | 768,003 | 1,763,638 | 5,088,074 |
| Total liabilities | 712,797,245 | 91,040,691 | 232,583,024 | 389,173,530 | 522,055,996 | 236,373,526 | 23,834,241 | 42,846,799 | 169,692,487 |
| Accounts payable | 45,478,904 | 11,694,616 | 8,177,715 | 25,606,572 | 86,578,042 | 47,886,501 | 6,020,098 | 7,142,313 | 34,824,090 |
| Mortgages, notes, and bonds payable in less than one year | 23,370,923 | 4,349,422 | 6,047,745 | 12,973,755 | 60,130,920 | 24,480,371 | 1,819,110 | 5,059,413 | 17,601,849 |
| Other current liabilities | 63,853,299 | 6,851,788 | 29,889,882 | 27,111,629 | 54,841,853 | 17,377,253 | 2,078,274 | 2,968,329 | 12,330,650 |
| Loans from stockholders | 2,669,553 | 820,078 | 960,413 | 889,061 | 11,447,925 | 4,631,112 | 644,353 | 655,319 | 3,331,415 |
| Mortgages, notes, and bonds payable in one year or more | 218,332,310 | 18,212,794 | 66,651,472 | 133,468,044 | 72,036,760 | 24,341,567 | 3,211,066 | 3,894,892 | 17,235,609 |
| Other liabilities | 64,721,095 | 9,289,327 | 16,933,230 | 38,498,539 | 17,488,606 | 5,711,529 | 840,260 | 1,213,492 | 3,657,776 |
| Capital stock | 100,464,822 | 5,851,633 | 25,197,333 | 69,415,856 | 28,490,506 | 13,799,401 | 1,218,684 | 1,843,423 | 10,737,295 |
| Paid-in or capital surplus | 73,647,670 | 7,301,807 | 33,097,130 | 33,248,733 | 23,705,458 | 7,553,878 | 680,397 | 822,952 | 5,850,529 |
| Retained earnings, appropriated | 1,887,458 | 311,025 | 330,792 | 1,245,640 | 2,061,743 | 1,255,796 | 131,655 | 195,606 | 929,081 |
| Retained earnings, unappropriated | 120,829,370 | 27,593,793 | 46,207,219 | 47,028,358 | 171,414,340 | 92,405,412 | 7,322,607 | 19,607,602 | 65,475,204 |
| Less: Cost of treasury stock | 2,458,159 | 1,235,593 | 909,908 | 312,658 | 6,540,155 | 3,169,292 | 332,262 | 555,990 | 2,281,040 |
| Total receipts | 481,678,525 | 128,095,668 | 125,016,161 | 228,566,696 | 1,468,940,134 | 725,686,290 | 136,263,938 | 78,186,332 | 511,236,020 |
| Business receipts | 465,068,921 | 121,503,710 | 121,748,537 | 221,816,674 | 1,434,649,732 | 710,581,605 | 134,569,685 | 75,235,372 | 500,776,548 |
| Interest | 6,226,613 | 2,018,254 | 988,892 | 3,219,468 | 10,879,450 | 5,889,940 | 387,952 | 1,394,982 | 3,807,005 |
| Interest on Government obligations: | | | | | | | | | |
| State and local | 19,990 | 8,715 | 4,265 | 7,011 | 70,208 | 44,289 | 1,972 | 6,902 | 35,416 |
| Rents | 2,859,010 | 1,234,393 | 728,546 | 896,070 | 5,060,523 | 1,340,494 | 178,443 | 354,350 | 807,701 |
| Royalties | 255,661 | 103,086 | 56,125 | 96,451 | 456,176 | 161,350 | 5,261 | 41,222 | 114,867 |
| Net short-term capital gain reduced by net long-term capital loss | 42,059 | 23,830 | 5,527 | 12,702 | 121,055 | 90,610 | 16,303 | 9,779 | 64,528 |
| Net long-term capital gain reduced by net short-term capital loss | 2,240,804 | 998,564 | 482,085 | 760,155 | 1,862,310 | 835,407 | 39,764 | 65,869 | 729,774 |
| Net gain, noncapital assets | 772,446 | 476,615 | 169,867 | 125,964 | 988,059 | 385,536 | 30,533 | 107,648 | 247,355 |
| Dividends received from domestic corporations | 385,559 | 89,920 | 178,226 | 117,413 | 829,518 | 446,746 | 70,849 | 95,519 | 280,377 |
| Dividends received from foreign corporations | 210,343 | 63,878 | 76,622 | 69,843 | 597,612 | 175,222 | 1,814 | 22,696 | 150,713 |
| Other receipts | 3,597,118 | 1,574,704 | 577,469 | 1,444,945 | 13,425,490 | 6,035,088 | 961,360 | 851,992 | 4,221,736 |
| Total deductions | 454,694,135 | 122,612,829 | 116,612,829 | 215,463,352 | 1,423,629,886 | 699,264,194 | 134,237,408 | 72,228,055 | 492,798,731 |
| Cost of sales and operations | 257,364,283 | 73,757,029 | 42,114,887 | 141,492,367 | 1,107,221,858 | 589,678,937 | 117,592,932 | 55,128,205 | 416,957,800 |
| Compensation of officers | 2,902,800 | 1,877,114 | 473,281 | 552,405 | 22,103,759 | 10,989,716 | 1,232,033 | 1,936,251 | 7,821,432 |
| Repairs | 23,465,511 | 1,519,400 | 15,753,387 | 6,192,724 | 5,334,770 | 1,707,094 | 394,719 | 226,851 | 1,085,524 |
| Bad debts | 2,014,310 | 216,308 | 1,165,330 | 632,672 | 3,021,459 | 1,533,187 | 164,321 | 299,782 | 1,078,085 |
| Rent paid on business property | 6,500,315 | 3,380,558 | 1,964,399 | 1,155,358 | 20,701,670 | 4,466,193 | 767,230 | 615,099 | 3,083,863 |
| Taxes paid | 22,413,090 | 3,565,347 | 7,391,904 | 11,455,839 | 19,898,416 | 7,200,068 | 964,315 | 886,266 | 5,349,487 |
| Interest paid | 26,977,718 | 2,795,609 | 7,327,478 | 16,854,631 | 18,343,831 | 7,041,512 | 684,947 | 1,237,618 | 5,118,947 |
| Contributions or gifts | 247,615 | 82,928 | 89,904 | 114,783 | 477,286 | 197,530 | 22,765 | 26,885 | 147,880 |
| Amortization | 304,690 | 91,774 | 59,142 | 153,774 | 286,156 | 73,324 | 8,654 | 11,345 | 53,324 |
| Depreciation | 39,510,037 | 6,312,748 | 18,478,524 | 14,718,766 | 17,656,421 | 6,449,635 | 995,862 | 1,168,218 | 4,285,555 |
| Depletion | 434,815 | 82,447 | 1,343 | 351,024 | 89,904 | 56,243 | *361 | 2,490 | 53,393 |
| Advertising | 1,589,052 | 427,651 | 987,173 | 174,228 | 15,342,762 | 3,542,791 | 424,819 | 403,311 | 2,714,661 |
| Pension, profit-sharing, stock bonus, and annuity plans | 7,181,859 | 1,030,911 | 4,261,711 | 1,889,237 | 5,099,100 | 2,401,063 | 356,811 | 344,848 | 1,699,404 |
| Employee benefit programs | 5,009,852 | 1,270,982 | 2,540,763 | 1,198,107 | 5,278,242 | 1,646,648 | 324,834 | 280,681 | 1,041,133 |
| Net loss, noncapital assets | 522,528 | 87,266 | 326,610 | 108,652 | 168,010 | 66,156 | 5,620 | 14,110 | 46,426 |
| Other deductions | 58,255,860 | 26,154,882 | 13,681,992 | 18,418,786 | 182,606,243 | 62,214,098 | 10,297,185 | 9,655,096 | 42,261,817 |
| Total receipts less total deductions | 26,984,390 | 5,482,714 | 8,398,332 | 13,103,344 | 45,310,249 | 26,422,096 | 2,026,530 | 5,958,277 | 18,437,289 |
| Constructive taxable income from related foreign corporations | 414,233 | 65,366 | 177,925 | 170,943 | 507,896 | 222,088 | 5,564 | 25,076 | 191,447 |
| Net income | 27,378,633 | 5,539,364 | 8,571,992 | 13,267,276 | 45,747,936 | 26,599,894 | 2,030,122 | 5,976,452 | 18,593,320 |
| Income subject to tax | 25,955,886 | 4,777,679 | 8,241,239 | 12,936,967 | 30,107,072 | 13,987,182 | 1,471,111 | 2,118,727 | 10,397,345 |
| Income tax, total | 11,619,159 | 1,930,422 | 3,839,396 | 5,849,341 | 11,534,576 | 5,419,602 | 583,377 | 793,969 | 4,042,256 |
| Regular and alternative tax | 11,356,073 | 1,892,604 | 3,675,319 | 5,788,150 | 11,372,087 | 5,348,274 | 577,296 | 778,275 | 3,992,703 |
| Tax from recomputing prior-year investment credit | 218,145 | 24,066 | 162,027 | 32,053 | 125,834 | 60,094 | 5,870 | 14,886 | 39,298 |
| Additional tax for tax preferences | 44,937 | 13,753 | 2,050 | 29,134 | 36,167 | 11,118 | 211 | 709 | 10,198 |
| Foreign tax credit | 254,502 | 51,252 | 99,318 | 103,933 | 393,077 | 155,681 | *529 | 28,608 | 126,544 |
| U.S. possessions tax credit | 33,814 | — | 33,770 | — | 91,928 | 89,866 | 10,427 | 64 | 79,376 |
| Investment credit | 6,287,196 | 495,025 | 2,380,491 | 3,411,680 | 1,574,988 | 558,731 | 83,855 | 108,488 | 366,388 |
| Work incentive (WIN) credit | 684 | 551 | *56 | *76 | 8,016 | 2,462 | *344 | 247 | 1,871 |
| Jobs credit | 10,328 | 7,010 | 1,622 | 1,697 | 107,419 | 13,616 | 2,881 | 2,065 | 8,670 |
| Nonconventional source fuel credit | (¹) | — | (¹) | — | *41 | 32 | — | — | 32 |
| Alcohol fuel credit | 175 | — | — | 175 | *325 | *1 | — | (¹) | *1 |
| Research activities credit | 125,062 | 2,556 | 105,182 | 17,326 | 25,755 | 15,184 | 825 | 4,027 | 10,332 |
| Employee stock ownership credit | 844 | 675 | 58 | 110 | 3,815 | 394 | 112 | 103 | 178 |
| Distributions to stockholders: | | | | | | | | | |
| Cash and property except in own stock | 18,702,182 | 1,410,269 | 6,611,536 | 10,680,377 | 11,238,257 | 7,544,842 | 447,236 | 2,322,534 | 4,775,072 |
| Corporation's own stock | 162,112 | *46,626 | 32,279 | 83,207 | 366,845 | 196,015 | *21,607 | 14,752 | 159,657 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | | | |
|---|--|--|----------------------------|-------------|---|------------------------------|---------------------------------------|----------------------------|-----------------------------|--|
| | Wholesale and retail trade — Continued | | | | | | | | | |
| | Retail trade | | | | | | | | | |
| | Total | Building materials, garden supplies, and mobile home dealers | General merchandise stores | Food stores | Automotive dealers and service stations | Apparel and accessory stores | Furniture and home furnishings stores | Eating and drinking places | Miscellaneous retail stores | Wholesale and retail trade not allocable |
| (43) | (44) | (45) | (46) | (47) | (48) | (49) | (50) | (51) | (52) | |
| Number of returns with net income | 297,307 | 22,502 | 5,383 | 24,666 | 46,065 | 27,093 | 22,309 | 53,977 | 95,312 | 1,824 |
| Total assets | 284,920,398 | 14,526,317 | 102,971,131 | 34,212,965 | 36,590,475 | 16,924,547 | 11,163,114 | 26,637,391 | 41,894,459 | 762,073 |
| Cash | 17,768,287 | 1,388,066 | 2,610,090 | 2,786,923 | 2,787,591 | 1,420,964 | 960,163 | 2,023,191 | 3,791,299 | 96,455 |
| Notes and accounts receivable | 59,437,582 | 2,976,238 | 35,074,217 | 2,755,646 | 5,141,527 | 2,787,429 | 2,692,049 | 1,424,929 | 6,586,546 | 184,176 |
| Less: Allowance for bad debts | 1,075,345 | 82,816 | 454,189 | 25,711 | 124,281 | 77,946 | 100,201 | 27,849 | 182,352 | 6,559 |
| Inventories | 81,257,730 | 5,600,154 | 20,224,467 | 9,525,013 | 18,065,434 | 6,395,695 | 4,386,069 | 1,138,244 | 15,922,655 | 186,629 |
| Investments in Government obligations | 6,000,358 | 39,570 | 5,227,078 | 317,123 | 61,783 | 89,498 | 63,378 | 47,406 | 154,522 | 2,237 |
| Other current assets | 9,082,429 | 398,041 | 2,826,286 | 1,168,900 | 1,118,002 | 682,792 | 336,506 | 1,097,791 | 1,454,111 | 22,969 |
| Loans to stockholders | 2,742,255 | 160,552 | 197,536 | 203,900 | 443,921 | 226,479 | 661,804 | 707,103 | 3,937 | |
| Mortgage and real estate loans | 4,113,274 | 115,042 | 3,314,644 | 136,754 | 150,359 | 23,276 | 24,242 | 219,527 | 129,429 | *3,837 |
| Other investments | 24,961,989 | 630,898 | 11,634,045 | 2,411,563 | 1,273,891 | 1,386,046 | 801,013 | 4,315,683 | 2,508,849 | 63,954 |
| Depreciable assets | 109,137,691 | 4,781,378 | 28,432,072 | 21,824,845 | 11,630,638 | 5,209,814 | 2,606,894 | 19,141,361 | 15,510,689 | 219,342 |
| Less: Accumulated depreciation | 45,744,524 | 2,334,396 | 10,247,731 | 9,291,162 | 5,838,984 | 2,295,381 | 1,186,219 | 7,383,721 | 7,166,929 | 102,982 |
| Depletable assets | 280,709 | 31,956 | *91,306 | *4,777 | 58,426 | *9,377 | *6,789 | *30,494 | 47,584 | — |
| Less: Accumulated depletion | 121,888 | 7,021 | *59,227 | *2,155 | 22,337 | *5,139 | *4,246 | *3,616 | 18,149 | — |
| Land | 7,582,867 | 535,921 | 1,734,111 | 1,163,410 | 1,041,068 | 206,295 | 191,895 | 1,905,109 | 805,056 | 26,839 |
| Intangible assets (amortizable) | 2,912,943 | 36,977 | 593,614 | 647,172 | 121,858 | 146,293 | 25,795 | 801,555 | 539,680 | *10,235 |
| Less: Accumulated amortization | 860,787 | 12,603 | 70,982 | 219,716 | 48,625 | 47,247 | 9,731 | 269,366 | 182,518 | *3,568 |
| Other assets | 7,444,828 | 268,358 | 1,843,794 | 805,682 | 730,204 | 766,302 | 227,761 | 1,514,848 | 1,287,879 | 52,793 |
| Total liabilities | 284,920,398 | 14,526,317 | 102,971,131 | 34,212,965 | 36,590,475 | 16,924,547 | 11,163,114 | 26,637,391 | 41,894,459 | 762,073 |
| Accounts payable | 38,444,319 | 2,088,283 | 9,410,320 | 7,852,111 | 3,882,522 | 2,970,436 | 1,809,986 | 2,184,181 | 8,246,481 | 147,222 |
| Mortgages, notes, and bonds payable in less than one year | 35,597,291 | 1,346,908 | 12,889,443 | 985,430 | 12,531,289 | 1,015,415 | 919,795 | 1,428,759 | 3,080,252 | 53,258 |
| Other current liabilities | 37,392,947 | 998,489 | 24,207,894 | 3,379,709 | 2,629,343 | 1,604,177 | 1,082,317 | 2,124,675 | 3,528,343 | 71,653 |
| Loans from stockholders | 7,204,608 | 544,154 | 675,562 | 584,174 | 1,361,550 | 471,723 | 459,808 | 1,089,805 | 2,017,830 | 12,205 |
| Mortgages, notes, and bonds payable in one year or more | 47,587,584 | 1,762,178 | 18,862,700 | 7,090,634 | 4,146,802 | 2,191,548 | 1,137,456 | 6,798,808 | 5,597,658 | 107,609 |
| Other liabilities | 11,768,448 | 364,400 | 4,834,187 | 1,193,739 | 690,108 | 804,507 | 479,843 | 1,911,324 | 1,490,340 | 8,630 |
| Capital stock | 14,654,426 | 1,062,117 | 3,076,726 | 1,753,994 | 2,506,226 | 1,366,228 | 799,967 | 1,367,612 | 2,217,557 | 36,679 |
| Paid-in or capital surplus | 16,107,495 | 547,922 | 6,481,175 | 1,764,021 | 830,835 | 885,147 | 384,658 | 2,776,497 | 2,437,241 | 44,085 |
| Retained earnings, appropriated | 805,942 | 83,043 | 53,045 | 49,969 | 116,549 | 86,786 | 186,963 | 66,949 | 160,639 | *4 |
| Retained earnings, unappropriated | 78,700,445 | 6,017,247 | 23,598,106 | 10,075,051 | 8,451,064 | 5,760,486 | 4,087,890 | 7,479,091 | 13,222,519 | 308,482 |
| Less: Cost of treasury stock | 3,343,108 | 288,424 | 358,026 | 515,868 | 555,812 | 231,904 | 195,561 | 591,110 | 606,403 | 27,755 |
| Total receipts | 741,512,058 | 33,865,682 | 137,001,131 | 174,935,748 | 161,706,096 | 36,820,887 | 23,050,701 | 54,696,793 | 119,435,019 | 1,741,787 |
| Business receipts | 722,424,097 | 33,154,913 | 130,369,372 | 172,730,539 | 158,858,842 | 35,846,165 | 22,256,923 | 52,062,809 | 117,144,533 | 1,644,030 |
| Interest | 5,273,371 | 230,061 | 2,567,624 | 378,060 | 704,088 | 292,580 | 182,129 | 348,469 | 570,361 | 16,138 |
| Interest on Government obligations: | | | | | | | | | | |
| State and local | 25,830 | 940 | 2,750 | 5,684 | 2,463 | 4,593 | 1,395 | 2,013 | 5,993 | *88 |
| Rents | 3,701,902 | 132,615 | 1,088,676 | 398,458 | 554,619 | 86,259 | 160,751 | 912,778 | 367,745 | 18,127 |
| Royalties | 293,840 | 2,529 | 15,539 | 6,160 | 8,073 | 29,136 | *7,479 | 190,258 | 34,667 | *986 |
| Net short-term capital gain reduced by net long-term capital loss | 30,413 | 906 | 2,529 | 4,673 | 3,585 | 8,171 | 2,631 | 4,409 | 3,509 | 32 |
| Net long-term capital gain reduced by net short-term capital loss | 1,021,598 | 46,795 | 291,766 | 100,414 | 107,056 | 68,068 | 24,854 | 200,935 | 181,620 | 5,396 |
| Net gain, noncapital assets | 601,781 | 13,058 | 169,274 | 84,507 | 129,118 | 13,279 | 26,127 | 101,374 | 65,045 | 742 |
| Dividends received from domestic corporations | 380,889 | 8,733 | 221,591 | 26,991 | 22,335 | 42,404 | 14,388 | 17,955 | 26,492 | *1,883 |
| Dividends received from foreign corporations | 422,390 | *562 | 333,242 | *66,634 | *4,676 | *1,331 | 850 | *3,695 | 11,379 | — |
| Other receipts | 7,336,037 | 274,550 | 1,938,768 | 1,133,627 | 1,311,242 | 428,902 | 373,174 | 852,099 | 1,023,674 | 54,364 |
| Total deductions | 722,719,319 | 32,646,591 | 133,736,671 | 172,140,454 | 159,519,784 | 35,224,007 | 21,869,576 | 52,196,211 | 115,386,023 | 1,646,373 |
| Cost of sales and operations | 516,296,299 | 23,855,900 | 84,339,522 | 134,069,503 | 135,070,240 | 21,344,404 | 13,775,515 | 22,412,122 | 81,429,094 | 1,246,622 |
| Compensation of officers | 11,052,614 | 974,864 | 448,210 | 1,044,418 | 2,228,580 | 907,295 | 803,272 | 1,605,816 | 3,040,157 | 61,429 |
| Repairs | 3,621,165 | 165,418 | 699,519 | 374,285 | 374,285 | 128,900 | 81,292 | 743,013 | 489,024 | 6,511 |
| Bad debts | 1,484,252 | 125,242 | 539,190 | 109,584 | 205,374 | 89,833 | 92,787 | 44,675 | 277,567 | 4,020 |
| Rent paid on business property | 16,216,326 | 462,481 | 3,276,616 | 2,441,138 | 1,427,427 | 2,086,064 | 730,551 | 2,888,104 | 2,903,946 | 19,151 |
| Taxes paid | 12,667,841 | 619,734 | 2,936,417 | 2,178,734 | 1,591,974 | 779,675 | 471,267 | 1,971,395 | 2,118,646 | 30,507 |
| Interest paid | 11,278,560 | 435,208 | 5,319,795 | 803,472 | 1,817,437 | 559,174 | 276,762 | 961,102 | 1,105,611 | 23,759 |
| Contributions or gifts | 279,529 | 16,090 | 88,030 | 37,783 | 27,415 | 24,680 | 13,273 | 21,502 | 50,755 | 227 |
| Amortization | 212,490 | 3,978 | 33,386 | 12,171 | 12,407 | 60,870 | 2,376 | 51,232 | 36,071 | *342 |
| Depreciation | 11,182,129 | 448,961 | 2,668,580 | 2,199,474 | 1,496,063 | 558,269 | 291,319 | 1,821,153 | 1,698,304 | 24,663 |
| Depletion | 33,661 | 7,263 | 2,270 | 1,270 | 15,825 | *801 | *704 | *1,578 | 3,951 | — |
| Advertising | 11,788,548 | 456,835 | 3,555,403 | 1,650,508 | 1,269,131 | 857,878 | 906,284 | 1,350,136 | 1,742,373 | 11,423 |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,691,971 | 135,064 | 879,482 | 582,204 | 211,624 | 141,010 | 96,916 | 218,499 | 427,173 | 6,067 |
| Employee benefit programs | 3,626,809 | 106,718 | 648,608 | 1,399,550 | 484,442 | 156,366 | 82,689 | 264,990 | 483,447 | 4,785 |
| Net loss, noncapital assets | 101,785 | 2,954 | 23,336 | 12,600 | 11,446 | 5,088 | 5,398 | 18,919 | 22,043 | *69 |
| Other deductions | 120,185,348 | 4,829,882 | 28,278,309 | 24,658,330 | 13,276,116 | 7,523,701 | 4,239,173 | 17,821,976 | 19,557,861 | 206,797 |
| Total receipts less total deductions | 18,792,739 | 1,219,090 | 3,264,459 | 2,795,293 | 2,186,313 | 1,596,880 | 1,181,125 | 2,500,582 | 4,048,996 | 95,414 |
| Constructive taxable income from related foreign corporations | 285,808 | — | 190,821 | 59,111 | 687 | 402 | 9,901 | 7,662 | 17,224 | — |
| Net income | 19,052,717 | 1,218,151 | 3,452,530 | 2,848,720 | 2,184,536 | 1,592,689 | 1,189,631 | 2,506,232 | 4,060,227 | 95,326 |
| Income subject to tax | 16,051,477 | 1,046,937 | 3,153,455 | 2,582,237 | 1,640,919 | 1,388,742 | 1,016,453 | 1,912,783 | 3,309,952 | 68,412 |
| Income tax, total | 6,091,130 | 354,951 | 1,390,973 | 1,083,860 | 504,266 | 517,867 | 377,709 | 724,202 | 1,137,303 | 23,844 |
| Regular and alternative tax | 6,000,091 | 352,754 | 1,365,194 | 1,069,705 | 489,563 | 513,473 | 375,982 | 707,403 | 1,126,018 | 23,722 |
| Tax from recomputing prior-year investment credit | 65,619 | 2,103 | 7,997 | 12,699 | 12,781 | 3,389 | 1,624 | 14,105 | 10,921 | *121 |
| Additional tax for tax preferences | 25,048 | *94 | 17,661 | 1,456 | 1,881 | *998 | *103 | 2,694 | *162 | 1 |
| Foreign tax credit | 237,396 | *6 | 148,620 | 54,310 | *714 | *7,927 | 518 | 12,826 | 12,476 | — |
| U.S. possessions tax credit | 2,062 | — | 155 | — | — | — | — | — | — | — |
| Investment credit | 1,014,101 | 32,753 | 284,534 | 217,681 | 87,165 | 39,934 | 26,705 | 164,553 | 160,775 | 2,156 |
| Work incentive (WIN) credit | 5,525 | 83 | 309 | 976 | 1,010 | 499 | *106 | 1,825 | 717 | *29 |
| Jobs credit | 93,753 | 2,374 | 12,144 | 16,970 | 5,846 | 1,984 | 1,651 | 42,083 | 10,700 | *50 |
| Nonconventional source fuel credit | 324 | — | — | — | — | — | — | — | — | *9 |
| Alcohol fuel credit | — | — | — | — | — | — | — | — | — | — |
| Research activities credit | 10,505 | 324 | 3,840 | 1,134 | 148 | 492 | *981 | 1,087 | 2,499 | *67 |
| Employee stock ownership credit | 3,421 | 157 | 824 | *1,907 | *62 | 9 | — | 316 | 147 | — |
| Distributions to stockholders: | | | | | | | | | | |
| Cash and property except in own stock | 3,691,814 | 94,167 | 1,646,419 | 455,346 | 265,220 | 254,702 | 77,243 | 328,600 | 570,117 | *1,600 |
| Corporation's own stock | 170,180 | *8,419 | *33,544 | *82,853 | *13,148 | *4,362 | *1,332 | *7,896 | 18,628 | |

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | |
|--|-------------------------------------|---------------|----------------------------------|--|-------------|--|-------------|---|
| | Finance, insurance, and real estate | | | | | | | |
| | Total | Banking | Credit agencies other than banks | Security, commodity brokers and services | Insurance | Insurance agents, brokers, and service | Real estate | Holding and other investment companies, except bank holding companies |
| (53) | (54) | (55) | (56) | (57) | (58) | (59) | (60) | |
| Number of returns with net income | 252,689 | 9,474 | 17,724 | 6,297 | 5,076 | 32,324 | 154,822 | 26,972 |
| Total assets | 3,165,150,280 | 1,883,809,998 | 123,018,953 | 118,781,605 | 608,391,532 | 14,436,862 | 71,972,779 | 344,738,551 |
| Cash..... | 288,359,556 | 247,509,033 | 7,747,046 | 2,573,914 | 8,485,855 | 2,716,463 | 5,699,684 | 13,627,561 |
| Notes and accounts receivable..... | 1,219,325,914 | 1,081,824,592 | 40,440,364 | 46,948,176 | 20,781,770 | 3,952,238 | 7,787,134 | 17,591,640 |
| Less: Allowance for bad debts..... | 13,801,808 | 11,958,668 | 1,345,068 | 51,841 | 80,593 | 50,550 | 204,265 | 110,833 |
| Inventories..... | 5,114,110 | 456,373 | 400,387 | 1,256,797 | 787,409 | 23,835 | 1,292,404 | 896,905 |
| Investments in Government obligations..... | 369,760,875 | 219,096,644 | 3,941,736 | 11,263,230 | 84,214,808 | 539,028 | 648,934 | 50,056,494 |
| Other current assets..... | 150,825,998 | 74,309,224 | 3,053,455 | 25,893,719 | 27,798,547 | 590,819 | 4,186,162 | 14,994,073 |
| Loans to stockholders..... | 5,203,153 | 1,544,411 | 956,910 | 133,572 | 68,277 | 220,386 | 1,520,780 | 758,817 |
| Mortgage and real estate loans..... | 215,767,312 | 48,065,249 | 41,438,951 | 140,794 | 116,534,409 | 51,644 | 5,545,419 | 3,990,852 |
| Other investments..... | 697,557,809 | 117,656,817 | 21,391,868 | 27,110,429 | 283,309,526 | 3,778,984 | 10,149,031 | 234,161,155 |
| Depreciable assets..... | 99,403,288 | 34,853,544 | 2,537,062 | 1,940,905 | 12,886,540 | 2,275,428 | 38,991,096 | 5,918,713 |
| Less: Accumulated depreciation..... | 32,666,600 | 9,766,972 | 819,677 | 631,856 | 1,400,661 | 1,021,149 | 17,081,283 | 1,945,003 |
| Depletable assets..... | 414,833 | 18,247 | 13,695 | *14,480 | 48,840 | *14,515 | 170,113 | 134,943 |
| Less: Accumulated depletion..... | 166,390 | 1,379 | *859 | *5,087 | 23 | *5,031 | 91,535 | 52,476 |
| Land..... | 15,573,331 | 2,520,211 | 481,598 | 60,668 | 601,129 | 144,426 | 10,280,407 | 1,484,890 |
| Intangible assets (amortizable)..... | 4,636,563 | 1,112,722 | 450,040 | 260,090 | 1,780,679 | 367,755 | 363,139 | 302,149 |
| Less: Accumulated amortization..... | 701,802 | 219,214 | 90,587 | 61,196 | 43,130 | 110,173 | 124,316 | 53,186 |
| Other assets..... | 140,544,140 | 76,789,166 | 2,422,033 | 1,934,822 | 52,618,139 | 948,243 | 2,839,881 | 2,991,857 |
| Total liabilities | 3,165,150,280 | 1,883,809,998 | 123,018,953 | 118,781,605 | 608,391,532 | 14,436,862 | 71,972,779 | 344,738,551 |
| Accounts payable..... | 109,526,607 | 27,060,312 | 4,014,313 | 52,153,710 | 12,864,961 | 4,478,424 | 2,467,279 | 6,487,608 |
| Mortgages, notes, and bonds payable in less than one year..... | 176,159,425 | 116,177,773 | 30,329,890 | 11,946,939 | 6,627,018 | 599,079 | 7,564,254 | 2,914,472 |
| Other current liabilities..... | 1,651,770,094 | 1,465,687,866 | 45,182,614 | 38,966,994 | 89,780,841 | 1,541,239 | 3,509,864 | 7,100,677 |
| Loans from stockholders..... | 23,385,555 | 15,924,192 | 2,697,144 | 292,220 | 508,879 | 174,185 | 2,768,430 | 1,020,506 |
| Mortgages, notes, and bonds payable in one year or more..... | 117,799,286 | 52,428,962 | 20,237,970 | 2,577,592 | 9,503,422 | 1,283,214 | 23,410,807 | 8,357,318 |
| Other liabilities..... | 470,183,330 | 66,736,617 | 6,015,909 | 4,784,971 | 381,026,453 | 831,177 | 5,356,715 | 5,431,487 |
| Capital stock..... | 306,573,725 | 24,509,963 | 3,912,316 | 928,402 | 5,677,067 | 667,276 | 6,251,908 | 264,626,792 |
| Paid-in or capital surplus..... | 266,913,684 | 45,581,682 | 3,483,156 | 1,972,028 | 25,825,193 | 1,358,732 | 7,050,098 | 181,642,795 |
| Retained earnings, appropriated..... | 26,347,894 | 1,763,263 | 1,890,615 | 88,878 | 18,336,026 | 51,292 | 527,277 | 3,690,543 |
| Retained earnings, unappropriated..... | 170,635,607 | 69,047,845 | 5,554,751 | 5,252,226 | 59,175,751 | 3,914,560 | 14,695,141 | 12,995,333 |
| Less: Cost of treasury stock..... | 154,144,926 | 1,108,478 | 299,726 | 182,355 | 934,079 | 1,628,992 | 149,528,981 | 149,528,981 |
| Total receipts | 623,504,456 | 243,236,130 | 18,871,713 | 22,939,256 | 242,050,634 | 12,543,310 | 33,612,352 | 50,251,062 |
| Business receipts..... | 214,994,453 | 23,379,456 | 3,659,907 | 11,782,028 | 136,678,603 | 11,492,645 | 17,041,848 | 10,959,964 |
| Interest..... | 281,828,379 | 199,612,141 | 13,487,044 | 5,780,468 | 31,438,401 | 556,671 | 2,218,012 | 28,735,642 |
| Interest on Government obligations: | | | | | | | | |
| State and local..... | 8,525,776 | 5,685,874 | 25,106 | 117,328 | 2,151,254 | 16,976 | 213,240 | 315,997 |
| Rents..... | 16,296,924 | 3,943,487 | 235,042 | 307,757 | 2,240,788 | 83,484 | 8,683,567 | 802,799 |
| Royalties..... | 651,591 | 24,704 | 17,692 | 18,698 | 31,179 | 8,193 | 230,056 | 321,078 |
| Net short-term capital gain reduced by net long-term capital loss..... | 1,671,775 | 75,465 | 19,729 | 126,414 | 355,428 | 4,387 | 55,544 | 1,034,809 |
| Net long-term capital gain reduced by net short-term capital loss..... | 6,969,600 | 714,988 | 294,747 | 212,602 | 828,372 | 47,081 | 1,654,304 | 3,217,506 |
| Net gain, noncapital assets..... | 7,563,686 | 667,447 | 258,022 | 3,296,684 | 1,838,701 | 29,642 | 1,392,968 | 80,223 |
| Dividends received from domestic corporations..... | 4,882,833 | 238,263 | 38,612 | 147,686 | 2,173,107 | 31,928 | 166,453 | 2,086,784 |
| Dividends received from foreign corporations..... | 696,530 | 388,712 | 2,727 | 27,320 | 97,725 | 29,741 | 2,587 | 147,717 |
| Other receipts..... | 79,422,909 | 8,505,592 | 833,085 | 1,122,281 | 64,217,076 | 242,561 | 1,953,772 | 2,548,542 |
| Total deductions | 557,568,101 | 230,732,572 | 17,574,009 | 20,878,197 | 233,189,084 | 11,472,705 | 27,853,701 | 15,867,832 |
| Cost of sales and operations..... | 101,887,886 | 5,565,544 | 872,773 | 2,729,551 | 76,891,912 | 2,079,226 | 6,116,534 | 7,632,347 |
| Compensation of officers..... | 12,317,470 | 5,296,705 | 510,807 | 1,555,389 | 547,280 | 1,908,985 | 2,074,078 | 424,247 |
| Repairs..... | 1,914,824 | 872,525 | 40,394 | 43,268 | 90,966 | 50,050 | 736,741 | 80,879 |
| Bad debts..... | 5,707,826 | 4,645,777 | 333,036 | 70,481 | 419,710 | 71,986 | 104,882 | 61,955 |
| Rent paid on business property..... | 6,663,020 | 3,187,301 | 174,650 | 506,839 | 1,421,618 | 440,533 | 702,327 | 229,753 |
| Taxes paid..... | 9,711,223 | 2,971,888 | 230,260 | 583,642 | 3,107,517 | 388,479 | 2,037,165 | 392,472 |
| Interest paid..... | 189,685,250 | 163,185,319 | 12,015,451 | 5,003,552 | 4,643,765 | 272,519 | 3,199,131 | 1,365,513 |
| Contributions or gifts..... | 292,793 | 157,072 | 19,938 | 19,938 | 24,123 | 15,765 | 46,289 | 20,334 |
| Amortization..... | 284,207 | 131,110 | 35,728 | 25,001 | 23,090 | 25,196 | 25,557 | 18,526 |
| Depreciation..... | 9,510,362 | 4,725,382 | 273,149 | 618,599 | 1,156,594 | 390,575 | 1,961,804 | 384,258 |
| Depletion..... | 141,918 | 12,030 | 4,143 | 2,172 | 36,422 | *94 | 32,881 | 54,176 |
| Advertising..... | 2,901,445 | 1,149,053 | 99,048 | 228,933 | 763,211 | 113,047 | 416,150 | 132,004 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 3,672,055 | 1,410,455 | 82,571 | 282,597 | 1,287,973 | 264,365 | 224,522 | 119,573 |
| Employee benefit programs..... | 2,386,728 | 1,381,945 | 77,935 | 144,361 | 426,087 | 155,996 | 103,237 | 97,168 |
| Net loss, noncapital assets..... | 944,161 | 798,092 | 24,419 | 10,725 | 56,380 | 7,735 | 30,599 | 16,212 |
| Other deductions..... | 209,546,932 | 35,242,576 | 2,790,394 | 9,053,169 | 142,292,437 | 5,288,135 | 10,041,805 | 4,838,416 |
| Total receipts less total deductions..... | 65,936,356 | 12,503,558 | 1,297,703 | 2,061,059 | 8,861,550 | 1,070,605 | 5,758,651 | 34,383,229 |
| Constructive taxable income from related foreign corporations..... | 334,495 | 164,851 | *37,593 | 15,036 | 61,848 | 22,744 | *34 | 32,368 |
| Net income..... | 57,745,075 | 6,982,535 | 1,310,190 | 1,958,768 | 6,772,144 | 1,076,373 | 5,545,445 | 34,099,620 |
| Income subject to tax..... | 19,881,360 | 6,336,147 | 881,841 | 1,666,405 | 4,577,420 | 795,431 | 3,939,496 | 1,684,620 |
| Income tax, total..... | 7,742,887 | 2,712,060 | 319,822 | 709,552 | 1,987,140 | 275,145 | 1,146,553 | 592,616 |
| Regular and alternative tax..... | 7,606,877 | 2,660,845 | 310,300 | 705,595 | 1,853,501 | 271,875 | 1,129,127 | 576,833 |
| Tax from recomputing prior-year investment credit..... | 57,128 | 20,984 | 2,302 | 2,448 | 13,676 | 3,302 | 7,742 | 6,674 |
| Additional tax for tax preferences..... | 68,646 | 27,805 | 6,914 | 1,508 | 17,413 | *131 | *779 | 7,096 |
| Foreign tax credit..... | 1,455,339 | 1,172,619 | 2,014 | 19,964 | 190,673 | 23,764 | 1,474 | 44,831 |
| U.S. possessions tax credit..... | 3,578 | — | 1,762 | 1,328 | — | — | 62 | — |
| Investment credit..... | 805,105 | 377,537 | 28,700 | 79,048 | 184,926 | 41,136 | 60,130 | 33,628 |
| Work incentive (WIN) credit..... | 1,585 | 1,013 | *113 | *16 | 132 | *159 | *42 | *110 |
| Jobs credit..... | 18,315 | 5,935 | 597 | 323 | 4,735 | 1,183 | 4,521 | 1,021 |
| Nonconventional source fuel credit..... | 4 | — | — | 3 | — | — | — | () |
| Alcohol fuel credit..... | — | — | — | — | — | — | — | — |
| Research activities credit..... | 17,189 | 5,683 | *140 | 3,835 | 5,902 | 431 | *292 | 905 |
| Employee stock ownership credit..... | 691 | 6 | 2 | — | 683 | — | — | — |
| Distributions to stockholders: | | | | | | | | |
| Cash and property except in own stock..... | 41,197,644 | 3,940,702 | 359,359 | 340,717 | 2,563,933 | 385,852 | 1,156,312 | 32,450,768 |
| Corporation's own stock..... | 1,321,914 | 425,871 | 54,730 | 58,138 | 116,644 | *4,704 | 10,362 | 651,465 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 3 — Balance Sheets, Income Statements, Tax, and Selected Other Items, by Major Industry — Continued

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

| Item | Major industry — Continued | | | | | | | Nature of business not allocable |
|--|----------------------------|---------------------------------|-------------------|-------------------|--|-----------------------------------|--------------------|----------------------------------|
| | Total | Hotels and other lodging places | Services | | | | Other services | |
| | | | Personal services | Business services | Auto repair: miscellaneous repair services | Amusement and recreation services | | |
| (61) | (62) | (63) | (64) | (65) | (66) | (67) | (68) | |
| Number of returns with net income | 472,799 | 11,389 | 27,704 | 115,191 | 40,889 | 29,957 | 247,669 | 5,960 |
| Total assets | 162,024,970 | 15,345,783 | 7,203,211 | 52,160,512 | 12,850,315 | 27,874,060 | 46,591,090 | 1,245,018 |
| Cash..... | 17,112,721 | 1,002,745 | 876,876 | 5,167,443 | 1,096,578 | 1,667,090 | 7,301,989 | 139,560 |
| Notes and accounts receivable..... | 24,918,146 | 871,753 | 1,124,729 | 11,694,241 | 1,880,313 | 2,969,989 | 6,377,122 | 331,478 |
| Less: Allowance for bad debts..... | 980,965 | 38,274 | 51,968 | 263,727 | 69,972 | 176,146 | 380,879 | 7,598 |
| Inventories..... | 7,852,533 | 154,668 | 467,924 | 2,436,438 | 1,242,716 | 2,352,384 | 1,198,404 | 211,070 |
| Investments in Government obligations..... | 1,316,769 | 144,493 | 63,406 | 530,926 | 36,350 | 266,525 | 275,069 | *11,804 |
| Other current assets..... | 14,210,257 | 714,171 | 402,396 | 5,742,295 | 520,687 | 3,633,987 | 3,196,722 | 65,014 |
| Loans to stockholders..... | 3,849,437 | 263,143 | 140,847 | 897,360 | 182,740 | 302,795 | 2,062,553 | 44,819 |
| Mortgage and real estate loans..... | 2,714,391 | 263,421 | 47,878 | 832,887 | 78,457 | 1,240,209 | 2,021,538 | *20,222 |
| Other investments..... | 21,770,853 | 2,208,405 | 633,730 | 9,011,599 | 609,295 | 4,714,190 | 4,593,635 | 102,709 |
| Depreciable assets..... | 92,280,015 | 11,867,111 | 5,216,800 | 22,388,086 | 11,049,341 | 14,173,636 | 27,585,041 | 420,506 |
| Less: Accumulated depreciation..... | 39,005,019 | 4,383,661 | 2,709,685 | 10,270,783 | 4,849,990 | 6,344,909 | 10,445,991 | 206,482 |
| Depletable assets..... | 277,528 | *35,453 | *3,385 | 30,786 | *107,119 | *28,039 | 72,745 | *46,451 |
| Less: Accumulated depletion..... | 68,078 | *11,337 | *2,371 | 4,920 | *8,844 | *8,855 | 31,752 | *30,211 |
| Land..... | 5,421,107 | 1,280,971 | 343,629 | 643,713 | 539,799 | 1,147,541 | 1,465,455 | 29,724 |
| Intangible assets (amortizable)..... | 3,585,920 | 159,420 | 160,354 | 1,061,012 | 89,979 | 1,408,563 | 706,592 | 440 |
| Less: Accumulated amortization..... | 1,664,688 | 31,819 | 60,893 | 326,499 | 36,102 | 1,006,617 | 202,758 | *167 |
| Other assets..... | 8,434,043 | 845,121 | 546,172 | 2,589,655 | 381,850 | 1,505,639 | 2,565,606 | 65,681 |
| Total liabilities | 162,024,970 | 15,345,783 | 7,203,211 | 52,160,512 | 12,850,315 | 27,874,060 | 46,591,090 | 1,245,018 |
| Accounts payable..... | 17,197,613 | 540,837 | 490,346 | 7,220,968 | 1,115,848 | 4,270,106 | 3,559,509 | 244,410 |
| Mortgages, notes, and bonds payable in less than one year..... | 12,506,629 | 937,304 | 535,776 | 4,649,167 | 1,740,885 | 1,588,787 | 3,054,710 | 137,129 |
| Other current liabilities..... | 20,718,645 | 868,159 | 610,338 | 8,461,035 | 889,437 | 3,865,938 | 6,023,739 | 115,968 |
| Loans from stockholders..... | 4,573,175 | 631,467 | 262,690 | 1,069,137 | 365,962 | 718,887 | 1,525,032 | 94,048 |
| Mortgages, notes, and bonds payable in one year or more..... | 37,381,242 | 5,779,594 | 1,423,280 | 10,331,355 | 3,435,972 | 4,514,594 | 11,896,447 | 190,388 |
| Other liabilities..... | 9,449,069 | 688,646 | 462,048 | 2,736,099 | 641,919 | 2,318,663 | 2,601,695 | 43,921 |
| Capital stock..... | 8,010,317 | 1,100,576 | 598,768 | 2,346,928 | 503,710 | 1,216,615 | 2,243,721 | 82,421 |
| Paid-in or capital surplus..... | 14,301,514 | 1,338,501 | 420,685 | 4,441,165 | 599,857 | 3,206,237 | 4,295,068 | 76,880 |
| Retained earnings, appropriated..... | 747,452 | 88,646 | *11,564 | 212,584 | 108,905 | 43,109 | 282,644 | *6,118 |
| Retained earnings, unappropriated..... | 40,495,322 | 3,807,273 | 2,735,338 | 11,519,039 | 3,659,429 | 6,773,788 | 12,000,455 | 282,735 |
| Less: Cost of treasury stock..... | 3,356,004 | 435,217 | 347,622 | 826,964 | 211,608 | 642,663 | 891,930 | 28,999 |
| Total receipts | 276,410,034 | 14,864,823 | 13,101,294 | 84,459,085 | 22,268,912 | 29,836,962 | 111,878,958 | 2,805,651 |
| Business receipts..... | 258,873,556 | 13,112,488 | 12,633,666 | 78,868,150 | 20,721,285 | 26,088,201 | 107,449,768 | 2,616,055 |
| Interest..... | 3,690,721 | 257,961 | 135,443 | 1,356,725 | 283,798 | 630,006 | 1,026,787 | 31,792 |
| Interest on Government obligations: | | | | | | | | |
| State and local..... | 43,115 | 4,457 | 8,142 | 12,279 | *1,268 | 5,699 | 11,270 | *1,203 |
| Rents..... | 4,279,559 | 731,477 | 44,982 | 1,498,864 | 729,172 | 685,719 | 589,346 | 16,349 |
| Royalties..... | 955,876 | 173,463 | 36,136 | 174,016 | 2,659 | 555,260 | 14,341 | *235 |
| Net short-term capital gain reduced by net long-term capital loss..... | 74,920 | 11,004 | 2,519 | 20,387 | *973 | 10,169 | 29,869 | *2,867 |
| Net long-term capital gain reduced by net short-term capital loss..... | 1,045,869 | 181,687 | 41,548 | 240,428 | 30,350 | 275,949 | 275,907 | 48,270 |
| Net gain, noncapital assets..... | 854,317 | 35,069 | 40,565 | 251,700 | 190,622 | 210,177 | 126,185 | 6,913 |
| Dividends received from domestic corporations..... | 447,226 | 20,150 | 25,542 | 210,795 | 12,493 | 110,677 | 67,570 | 5,903 |
| Dividends received from foreign corporations..... | 143,577 | *2,052 | 7,609 | 57,022 | *156 | 65,288 | 11,452 | — |
| Other receipts..... | 6,001,298 | 335,015 | 125,144 | 1,768,722 | 296,136 | 1,199,818 | 2,276,463 | 76,064 |
| Total deductions | 260,478,046 | 13,777,973 | 12,237,955 | 79,467,758 | 21,232,063 | 27,568,607 | 106,193,690 | 2,618,755 |
| Cost of sales and operations..... | 95,294,164 | 5,058,584 | 4,982,025 | 37,188,101 | 10,936,650 | 11,282,312 | 25,846,493 | 1,650,506 |
| Compensation of officers..... | 30,652,590 | 336,838 | 836,442 | 5,227,163 | 1,108,238 | 1,181,899 | 21,962,011 | 143,189 |
| Repairs..... | 2,395,939 | 360,756 | 164,784 | 495,647 | 324,252 | 355,130 | 695,370 | 14,168 |
| Bad debts..... | 815,961 | 33,479 | 63,534 | 287,741 | 80,429 | 72,479 | 278,298 | 4,208 |
| Rent paid on business property..... | 9,785,830 | 679,762 | 497,093 | 2,778,023 | 645,839 | 988,574 | 4,196,540 | 97,444 |
| Taxes paid..... | 8,868,108 | 700,513 | 530,026 | 2,469,337 | 686,306 | 919,081 | 3,562,845 | 64,408 |
| Interest paid..... | 6,538,307 | 698,400 | 224,541 | 1,882,017 | 915,271 | 996,343 | 1,821,734 | 33,784 |
| Contributions or gifts..... | 186,796 | 22,839 | 10,241 | 44,812 | 8,722 | 30,004 | 70,178 | 1,703 |
| Amortization..... | 620,605 | 8,955 | 5,903 | 91,020 | 7,525 | 439,098 | 68,104 | *114 |
| Depreciation..... | 11,114,266 | 854,793 | 552,495 | 3,391,640 | 1,653,552 | 1,547,145 | 3,114,640 | 65,097 |
| Depletion..... | 32,132 | 844 | *2,268 | 7,632 | *226 | *2,481 | 18,681 | *978 |
| Advertising..... | 2,968,863 | 262,201 | 248,441 | 788,545 | 206,374 | 1,001,453 | 461,849 | 30,548 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 6,262,151 | 49,720 | 93,918 | 921,022 | 110,850 | 244,678 | 4,841,962 | 13,815 |
| Employee benefit programs..... | 2,440,688 | 135,054 | 80,271 | 661,438 | 159,494 | 209,097 | 1,195,333 | 9,201 |
| Net loss, noncapital assets..... | 117,662 | 2,965 | 6,076 | 48,445 | 13,339 | 18,395 | 28,443 | 134 |
| Other deductions..... | 82,383,985 | 4,572,269 | 3,939,899 | 23,185,175 | 4,374,996 | 8,280,438 | 38,031,208 | 489,460 |
| Total receipts less total deductions..... | 15,931,988 | 1,086,850 | 863,339 | 4,991,328 | 1,036,849 | 2,268,355 | 5,685,269 | 186,896 |
| Constructive taxable income from related foreign corporations..... | 172,348 | *4,505 | 6,754 | 54,464 | 274 | *79,545 | 26,805 | — |
| Net income..... | 16,061,222 | 1,086,898 | 861,951 | 5,033,513 | 1,035,855 | 2,342,201 | 5,700,803 | 185,693 |
| Income subject to tax..... | 11,941,166 | 800,620 | 647,197 | 3,656,489 | 773,237 | 1,808,073 | 4,255,550 | 143,002 |
| Income tax, total..... | 3,964,870 | 307,000 | 213,893 | 1,306,056 | 248,729 | 720,264 | 1,168,927 | 42,002 |
| Regular and alternative tax..... | 3,885,618 | 301,010 | 209,090 | 1,281,126 | 240,860 | 705,701 | 1,147,831 | 41,637 |
| Tax from recomputing prior-year investment credit..... | 63,713 | 2,913 | 4,689 | 20,847 | 7,242 | 12,273 | 15,750 | *320 |
| Additional tax for tax preferences..... | 11,332 | 2,667 | *109 | 1,257 | 627 | 2,282 | 4,390 | *45 |
| Foreign tax credit..... | 215,733 | 11,022 | *6,066 | 65,563 | *298 | 115,150 | 17,635 | — |
| U.S. possessions tax credit..... | 3,969 | 1,779 | — | 1,433 | 34 | 3 | 719 | — |
| Investment credit..... | 1,041,329 | 54,006 | 58,949 | 289,728 | 95,220 | 273,950 | 269,476 | 5,695 |
| Work incentive (WIN) credit..... | 4,271 | *424 | *242 | 1,135 | *158 | — | 314 | — |
| Jobs credit..... | 65,087 | 4,037 | 2,108 | 29,110 | 2,279 | 4,006 | 23,547 | *492 |
| Nonconventional source fuel credit..... | — | — | — | — | — | — | — | — |
| Alcohol fuel credit..... | — | — | — | — | — | — | — | — |
| Research activities credit..... | 33,313 | 334 | *165 | 26,942 | *566 | *626 | 4,679 | 115 |
| Employee stock ownership credit..... | *1,446 | — | — | 1,412 | — | *34 | — | — |
| Distributions to stockholders: | | | | | | | | |
| Cash and property except in own stock..... | 2,806,973 | 339,550 | 119,867 | 673,741 | 123,917 | 476,331 | 873,568 | 32,346 |
| Corporation's own stock..... | 204,624 | 12,644 | *1,928 | 18,400 | *22,679 | *68,285 | 80,690 | — |

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

†Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 4. — Balance Sheets, Income Statements, and Selected Other Items by Size of Total Assets

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

| Item | Total returns of active corporations | Size of total assets | | | | |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|
| | | Zero assets | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Number of returns | 2,925,933 | 109,478 | 1,537,105 | 534,730 | 301,334 | 197,388 |
| Total assets | 9,357,784,804 | — | 52,861,537 | 86,268,083 | 106,843,092 | 138,031,961 |
| Cash..... | 540,903,600 | — | 9,740,751 | 12,478,725 | 13,076,648 | 14,500,100 |
| Notes and accounts receivable..... | 2,420,475,398 | — | 6,434,814 | 14,206,939 | 19,911,180 | 27,507,762 |
| Less: Allowance for bad debts..... | 46,645,987 | — | 127,323 | 189,976 | 349,435 | 482,998 |
| Inventories..... | 581,241,455 | — | 6,892,882 | 13,914,997 | 18,770,223 | 27,199,108 |
| Investments in Government obligations: | | | | | | |
| Total..... | 605,513,662 | — | 99,011 | 310,859 | 413,242 | 571,718 |
| Other current assets..... | 436,507,859 | — | 2,494,703 | 3,961,406 | 4,979,780 | 6,228,044 |
| Loans to stockholders..... | 38,304,326 | — | 3,574,878 | 3,859,007 | 3,148,698 | 2,713,327 |
| Mortgage and real estate loans..... | 942,428,269 | — | 380,835 | 1,113,176 | 1,785,787 | 2,178,301 |
| Other investments..... | 1,604,730,616 | — | 2,287,687 | 4,629,165 | 6,444,165 | 9,038,992 |
| Depreciable assets..... | 2,583,060,326 | — | 40,015,830 | 48,895,233 | 56,165,542 | 69,161,114 |
| Less: Accumulated depreciation..... | 942,704,683 | — | 23,606,324 | 25,851,336 | 28,807,924 | 35,172,292 |
| Depletable assets..... | 94,637,768 | — | 276,973 | 235,256 | 358,189 | 477,115 |
| Less: Accumulated depletion..... | 29,442,570 | — | 141,483 | 83,525 | 92,521 | 153,866 |
| Land..... | 110,318,941 | — | 1,729,932 | 4,757,703 | 6,827,293 | 9,116,557 |
| Intangible assets (amortizable)..... | 81,178,989 | — | 1,080,965 | 1,315,947 | 1,275,427 | 1,074,271 |
| Less: Accumulated amortization..... | 24,869,273 | — | 529,122 | 553,482 | 496,545 | 399,105 |
| Other assets..... | 362,146,111 | — | 2,256,529 | 3,267,988 | 3,433,344 | 4,473,816 |
| Total liabilities | 9,357,784,804 | — | 52,861,537 | 86,268,083 | 106,843,092 | 138,031,961 |
| Accounts payable..... | 678,630,282 | — | 7,729,322 | 12,282,060 | 15,368,463 | 20,458,449 |
| Mortgages, notes, and bonds payable in less than one year..... | 667,060,956 | — | 6,111,146 | 9,244,832 | 12,907,350 | 19,306,877 |
| Other current liabilities..... | 3,220,923,530 | — | 6,179,116 | 7,445,275 | 8,225,679 | 11,050,365 |
| Loans from stockholders..... | 117,424,462 | — | 13,282,097 | 10,528,613 | 9,232,129 | 9,030,418 |
| Mortgages, notes, and bonds payable in one year or more..... | 1,224,277,725 | — | 11,177,217 | 16,720,828 | 21,273,508 | 27,672,955 |
| Other liabilities..... | 979,894,871 | — | 1,951,196 | 2,734,217 | 2,966,505 | 4,233,451 |
| Capital stock..... | 658,259,634 | — | 11,120,939 | 11,657,752 | 11,210,779 | 12,225,427 |
| Paid-in or capital surplus..... | 782,269,156 | — | 4,262,382 | 4,653,333 | 4,872,123 | 6,288,917 |
| Retained earnings, appropriated..... | 54,727,615 | — | 221,729 | 490,981 | 718,133 | 811,408 |
| Retained earnings, unappropriated..... | 1,173,094,293 | — | -7,026,299 | 13,158,303 | 23,024,958 | 30,436,759 |
| Less: Cost of treasury stock..... | 198,777,714 | — | 2,147,307 | 2,648,110 | 2,956,532 | 3,483,163 |
| Total receipts | 7,024,097,766 | 96,893,679 | 226,632,692 | 230,231,641 | 246,226,071 | 303,404,652 |
| Business receipts..... | 6,156,994,009 | 62,552,112 | 217,879,756 | 221,597,641 | 237,189,112 | 291,907,441 |
| Interest..... | 515,628,874 | 28,402,691 | 2,691,887 | 1,489,886 | 1,787,574 | 2,439,149 |
| Interest on Government obligations: | | | | | | |
| State and local..... | 14,124,877 | 162,149 | 6,342 | 176,978 | 23,965 | 26,738 |
| Rents..... | 69,614,109 | 1,371,196 | 1,734,991 | 1,982,968 | 2,608,752 | 3,083,919 |
| Royalties..... | 13,437,404 | 98,657 | 82,363 | 217,482 | 138,015 | 238,819 |
| Net short-term capital gain reduced by net long-term capital loss..... | 2,882,207 | 53,027 | 46,920 | 50,533 | 24,729 | 91,044 |
| Net long-term capital gain reduced by net short-term capital loss..... | 26,318,184 | 805,550 | 420,255 | 496,884 | 519,563 | 697,360 |
| Net gain, noncapital assets..... | 20,992,023 | 712,110 | 453,574 | 512,411 | 613,262 | 820,866 |
| Dividends received from domestic corporations..... | 18,155,559 | 187,572 | 37,561 | 88,636 | 139,465 | 171,858 |
| Dividends received from foreign corporations..... | 13,950,906 | 28,215 | *994 | 5,859 | 3,876 | 7,280 |
| Other receipts..... | 171,999,616 | 2,520,399 | 3,278,050 | 3,612,364 | 3,177,757 | 3,920,178 |
| Total deductions | 6,869,267,462 | 99,304,212 | 227,839,746 | 228,283,597 | 243,919,050 | 300,453,693 |
| Cost of sales and operations..... | 4,270,850,310 | 46,844,728 | 102,609,088 | 129,276,134 | 154,549,000 | 205,778,391 |
| Compensation of officers..... | 129,481,025 | 1,171,174 | 30,779,589 | 18,862,025 | 14,272,634 | 12,052,102 |
| Repairs..... | 72,524,061 | 368,741 | 1,760,447 | 1,864,281 | 1,828,316 | 2,063,355 |
| Bad debts..... | 26,690,963 | 697,440 | 494,562 | 594,757 | 796,454 | 924,982 |
| Rent paid on business property..... | 94,917,540 | 1,116,499 | 8,782,724 | 6,484,339 | 5,449,670 | 5,024,816 |
| Taxes paid..... | 165,888,353 | 2,068,758 | 6,575,602 | 6,085,244 | 6,115,413 | 6,600,669 |
| Interest paid..... | 515,032,667 | 28,612,502 | 4,125,863 | 3,451,731 | 4,299,554 | 5,786,896 |
| Contributions or gifts..... | 2,906,476 | 16,294 | 61,685 | 72,259 | 80,097 | 92,503 |
| Amortization..... | 3,784,654 | 29,904 | 79,637 | 85,340 | 99,970 | 72,650 |
| Depreciation..... | 213,179,160 | 2,002,397 | 5,252,509 | 5,724,541 | 5,926,660 | 7,157,098 |
| Depletion..... | 7,021,176 | 88,887 | 41,489 | 29,190 | 49,017 | 61,570 |
| Advertising..... | 64,987,632 | 572,739 | 2,175,125 | 2,016,213 | 2,122,729 | 2,294,979 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 54,232,011 | 342,795 | 4,594,320 | 2,635,812 | 1,711,396 | 1,653,703 |
| Employee benefit programs..... | 51,838,884 | 366,553 | 1,149,672 | 1,020,108 | 1,093,913 | 1,530,056 |
| Net loss, noncapital assets..... | 10,367,020 | 353,286 | 280,116 | 102,202 | 137,248 | 156,098 |
| Other deductions..... | 1,185,565,538 | 14,651,516 | 59,077,322 | 49,979,421 | 45,386,980 | 49,203,828 |
| Total receipts less total deductions..... | 154,830,304 | -2,410,533 | -1,207,054 | 1,948,044 | 2,307,022 | 2,950,958 |
| Constructive taxable income from related foreign corporations..... | 13,628,716 | 13,715 | *3,056 | *226 | — | 16,374 |
| Net income (less deficit), total..... | 154,334,143 | -2,558,968 | -1,210,340 | 1,771,292 | 2,283,056 | 2,930,594 |
| Net income..... | 274,352,942 | 3,180,692 | 7,048,251 | 7,576,309 | 7,412,172 | 8,535,105 |
| Deficit..... | 120,018,799 | 5,739,660 | 8,258,591 | 5,805,017 | 5,129,116 | 5,604,511 |
| Income subject to tax..... | 205,175,407 | 2,104,510 | 3,754,678 | 5,212,181 | 5,269,507 | 6,261,079 |
| Income tax, total..... | 86,766,154 | 886,897 | 665,475 | 1,019,760 | 1,156,412 | 1,684,114 |
| Regular and alternative tax..... | 85,077,493 | 794,348 | 642,401 | 995,789 | 1,128,771 | 1,647,087 |
| Tax from recomputing prior-year investment credit..... | 1,181,074 | 61,317 | 21,754 | 22,552 | 24,675 | 32,924 |
| Additional tax for tax preferences..... | 478,457 | 11,623 | *278 | *701 | 2,123 | 3,395 |
| Foreign tax credit..... | 19,137,201 | 41,541 | *2,572 | *209 | 412 | 8,159 |
| U.S. possessions tax credit..... | 2,026,980 | 3,025 | 101 | 43 | 391 | 3,477 |
| Investment credit..... | 17,312,702 | 51,193 | 174,311 | 206,810 | 254,000 | 328,963 |
| Work incentive (WIN) credit..... | 29,020 | 254 | 1,445 | 1,478 | 1,802 | 1,841 |
| Jobs credit..... | 327,265 | 4,993 | 17,099 | 22,354 | 24,136 | 33,410 |
| Nonconventional source fuel credit..... | 6,787 | — | — | — | — | — |
| Alcohol fuel credit..... | 600 | — | — | — | — | — |
| Research activities credit..... | 839,220 | 2,098 | *670 | *2,284 | 5,350 | 6,112 |
| Employee stock ownership credit..... | 14,450 | 173 | — | *55 | *56 | — |
| Distributions to stockholders: | | | | | | |
| Cash and property except in own stock..... | 132,478,411 | 3,270,027 | 1,682,261 | 1,286,270 | 877,213 | 1,056,515 |
| Corporation's own stock..... | 3,642,024 | 265,265 | *7,289 | 22,487 | 12,045 | 46,061 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 4. — Balance Sheets, Income Statements, and Selected Other Items by Size of Total Assets — Continued

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

| Item | Size of total assets—Continued | | | | | | |
|---|-------------------------------------|-----------------------------|---------------------------------------|---------------------------------------|-------------------------------|---|--------------------------|
| | \$1,000,000 under \$5,000,000 | \$5,000,000 \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
| | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Number of returns | 182,544 | 23,965 | 18,298 | 8,933 | 5,479 | 3,463 | 3,188 |
| Total assets | 371,990,220 | 167,176,428 | 287,182,056 | 319,092,833 | 387,791,537 | 559,741,865 | 6,880,804,980 |
| Cash | 31,742,988 | 12,814,521 | 19,940,171 | 19,272,663 | 21,716,217 | 26,659,672 | 358,960,977 |
| Notes and accounts receivable | 80,972,745 | 41,515,445 | 80,881,961 | 103,175,837 | 117,410,056 | 128,098,017 | 1,800,360,621 |
| Less: Allowance for bad debts | 1,830,842 | 892,060 | 1,618,252 | 1,958,218 | 2,357,259 | 3,414,394 | 33,425,208 |
| Inventories | 77,630,393 | 28,823,026 | 35,460,855 | 25,990,861 | 22,978,244 | 38,679,816 | 284,901,046 |
| Investments in Government obligations: | | | | | | | |
| Total | 3,205,570 | 5,056,045 | 23,578,169 | 38,760,081 | 46,406,782 | 49,810,828 | 437,301,358 |
| Other current assets | 19,506,714 | 9,935,286 | 14,508,717 | 14,085,906 | 17,449,448 | 25,281,409 | 318,076,440 |
| Loans to stockholders | 4,729,080 | 1,269,862 | 1,262,248 | 959,320 | 992,605 | 1,498,240 | 14,297,060 |
| Mortgage and real estate loans | 5,514,863 | 3,531,990 | 11,849,326 | 24,794,906 | 54,670,868 | 105,761,018 | 730,847,198 |
| Other investments | 29,328,924 | 15,979,693 | 32,430,848 | 34,872,551 | 45,477,924 | 86,800,585 | 1,337,440,083 |
| Depreciable assets | 167,283,787 | 65,309,711 | 86,010,682 | 68,554,309 | 70,347,842 | 106,186,462 | 1,805,129,816 |
| Less: Accumulated depreciation | 80,092,808 | 29,307,750 | 36,323,129 | 27,131,879 | 26,269,812 | 38,347,469 | 591,793,960 |
| Depletable assets | 1,929,385 | 2,293,652 | 2,493,798 | 2,644,033 | 3,035,788 | 6,015,877 | 75,877,703 |
| Less: Accumulated depletion | 464,140 | 269,318 | 584,361 | 666,554 | 788,780 | 1,748,674 | 24,449,347 |
| Land | 19,650,500 | 6,156,676 | 7,431,171 | 5,258,040 | 4,760,087 | 6,396,957 | 38,234,020 |
| Intangible assets (amortizable) | 3,273,626 | 1,796,420 | 2,483,345 | 2,357,132 | 2,466,527 | 4,842,542 | 59,212,786 |
| Less: Accumulated amortization | 1,226,976 | 760,441 | 782,820 | 639,565 | 726,572 | 1,152,746 | 17,601,897 |
| Other assets | 10,836,412 | 4,923,690 | 8,159,330 | 8,763,411 | 10,221,574 | 18,373,726 | 287,436,285 |
| Total liabilities | 371,990,220 | 167,176,428 | 287,182,056 | 319,092,833 | 387,791,537 | 559,741,865 | 6,880,804,980 |
| Accounts payable | 58,339,221 | 24,473,939 | 33,232,845 | 29,247,120 | 19,626,871 | 30,670,861 | 427,201,121 |
| Mortgages, notes, and bonds payable in less than one year | 58,010,645 | 21,967,051 | 27,460,164 | 25,160,227 | 24,072,051 | 34,009,567 | 428,810,946 |
| Other current liabilities | 32,947,811 | 23,944,150 | 81,290,646 | 132,498,763 | 194,889,111 | 253,233,438 | 2,469,219,163 |
| Loans from stockholders | 14,167,450 | 3,690,227 | 4,402,891 | 2,508,646 | 2,400,081 | 3,439,957 | 44,741,954 |
| Mortgages, notes, and bonds payable in one year or more | 73,692,738 | 31,333,578 | 42,795,759 | 37,408,054 | 40,013,870 | 64,045,047 | 858,144,173 |
| Other liabilities | 13,736,247 | 8,329,943 | 13,774,617 | 16,144,670 | 19,794,354 | 38,484,201 | 857,745,465 |
| Capital stock | 27,131,578 | 10,846,149 | 18,733,531 | 14,698,691 | 15,900,712 | 27,812,025 | 496,922,042 |
| Paid-in or capital surplus | 20,963,134 | 10,299,063 | 18,935,390 | 21,952,986 | 30,939,482 | 48,301,671 | 610,800,607 |
| Retained earnings, appropriated | 2,477,633 | 907,620 | 1,844,107 | 1,792,348 | 2,727,363 | 3,823,616 | 38,912,677 |
| Retained earnings, unappropriated | 78,421,579 | 33,971,210 | 47,732,858 | 39,905,925 | 40,677,985 | 62,320,473 | 810,470,435 |
| Less: Cost of treasury stock | 7,897,814 | 2,586,502 | 3,020,751 | 2,224,596 | 3,250,344 | 6,398,792 | 162,163,803 |
| Total receipts | 789,055,018 | 280,544,599 | 338,949,030 | 248,406,200 | 239,966,253 | 375,410,073 | 3,647,338,475 |
| Business receipts | 761,897,668 | 267,112,127 | 314,622,933 | 219,377,982 | 203,203,791 | 327,593,802 | 3,031,087,297 |
| Interest | 6,631,537 | 4,511,780 | 12,429,198 | 18,933,051 | 25,222,889 | 32,655,389 | 378,412,196 |
| Interest on Government obligations: | | | | | | | |
| State and local | 116,595 | 127,269 | 472,081 | 829,247 | 976,773 | 1,167,858 | 10,038,881 |
| Rents | 6,559,898 | 2,830,803 | 3,095,802 | 2,532,774 | 2,331,587 | 2,683,240 | 38,794,174 |
| Royalties | 388,473 | 202,583 | 376,540 | 294,341 | 249,440 | 472,786 | 10,677,477 |
| Net short-term capital gain reduced by net long-term capital loss | 135,415 | 69,673 | 84,795 | 120,727 | 174,922 | 285,919 | 1,744,500 |
| Net long-term capital gain reduced by net short-term capital loss | 1,854,002 | 849,588 | 1,455,813 | 978,671 | 1,170,413 | 1,797,265 | 15,271,793 |
| Net gain, noncapital assets | 1,744,131 | 846,220 | 826,708 | 591,149 | 593,307 | 664,685 | 12,586,860 |
| Dividends received from domestic corporations | 692,044 | 361,495 | 604,300 | 526,078 | 800,896 | 1,397,161 | 13,140,448 |
| Dividends received from foreign corporations | 36,699 | 15,682 | 67,089 | 67,149 | 194,407 | 377,698 | 13,144,951 |
| Other receipts | 8,998,556 | 3,617,377 | 4,913,771 | 4,155,031 | 5,047,829 | 6,314,271 | 122,439,898 |
| Total deductions | 780,155,627 | 275,681,455 | 331,483,944 | 242,378,472 | 233,905,795 | 367,820,956 | 3,573,026,924 |
| Cost of sales and operations | 570,324,741 | 202,076,702 | 234,667,623 | 158,952,968 | 148,475,266 | 238,593,370 | 2,078,086,134 |
| Compensation of officers | 20,749,916 | 5,234,094 | 5,165,596 | 3,161,726 | 2,607,349 | 2,758,150 | 12,659,781 |
| Repairs | 4,285,303 | 1,360,416 | 1,724,842 | 1,265,445 | 1,214,679 | 2,221,302 | 52,552,425 |
| Bad debts | 2,549,660 | 1,007,574 | 1,366,031 | 1,195,008 | 1,266,757 | 1,489,083 | 14,307,877 |
| Rent paid on business property | 9,477,228 | 3,087,992 | 3,632,953 | 3,019,053 | 2,467,587 | 4,476,887 | 41,891,373 |
| Taxes paid | 14,160,875 | 5,173,087 | 6,397,995 | 4,824,430 | 4,294,470 | 6,728,789 | 96,831,693 |
| Interest paid | 15,875,543 | 7,398,254 | 13,814,921 | 17,867,672 | 23,152,350 | 32,191,992 | 358,430,809 |
| Contributions or gifts | 266,060 | 114,725 | 168,018 | 129,860 | 127,607 | 145,998 | 1,629,261 |
| Amortization | 201,626 | 93,195 | 163,398 | 139,021 | 120,562 | 193,769 | 2,505,482 |
| Depreciation | 16,161,435 | 6,247,745 | 7,942,413 | 6,276,414 | 5,862,898 | 9,365,635 | 135,198,705 |
| Depletion | 228,703 | 167,613 | 260,918 | 262,235 | 241,715 | 388,117 | 5,201,720 |
| Advertising | 5,685,012 | 2,006,212 | 2,968,293 | 2,501,661 | 2,397,854 | 4,230,806 | 35,983,036 |
| Pension, profit-sharing, stock bonus, and annuity plans | 3,835,545 | 1,172,392 | 1,398,626 | 1,096,137 | 1,139,220 | 1,948,745 | 32,699,444 |
| Employee benefit programs | 3,696,147 | 1,438,703 | 1,971,004 | 1,692,403 | 1,835,039 | 2,727,049 | 33,304,071 |
| Net loss, noncapital assets | 357,098 | 143,545 | 325,136 | 232,826 | 649,663 | 786,950 | 6,842,595 |
| Other deductions | 112,300,737 | 38,959,207 | 49,516,177 | 39,761,613 | 38,052,779 | 59,574,315 | 628,902,517 |
| Total receipts less total deductions | 8,899,392 | 4,863,144 | 7,465,086 | 6,027,727 | 6,060,458 | 7,589,117 | 110,311,552 |
| Constructive taxable income from related foreign corporations | 14,362 | 14,063 | 42,885 | 83,731 | 186,866 | 292,848 | 12,970,060 |
| Net income (less deficit), total | 8,797,159 | 4,749,937 | 7,035,890 | 5,282,211 | 5,270,552 | 6,714,107 | 113,242,731 |
| Net income | 21,416,952 | 9,751,986 | 13,641,770 | 10,653,606 | 11,047,045 | 15,872,212 | 158,141,593 |
| Deficit | 12,619,793 | 5,002,048 | 6,605,879 | 5,371,395 | 5,776,493 | 9,158,105 | 44,898,862 |
| Income subject to tax | 16,187,999 | 7,198,346 | 10,237,358 | 7,823,354 | 7,928,901 | 11,057,057 | 122,062,475 |
| Income tax, total | 5,974,240 | 3,070,526 | 4,466,754 | 3,484,643 | 3,576,251 | 5,029,082 | 55,725,292 |
| Regular and alternative tax | 5,873,716 | 3,031,276 | 4,403,352 | 3,438,679 | 3,521,961 | 4,943,880 | 54,629,930 |
| Tax from recomputing prior-year investment credit | 83,815 | 28,828 | 44,233 | 30,115 | 34,040 | 56,317 | 740,118 |
| Additional tax for tax preferences | 14,990 | 9,265 | 18,953 | 15,288 | 20,209 | 27,613 | 353,999 |
| Foreign tax credit | 23,885 | 16,219 | 55,141 | 59,960 | 182,379 | 353,951 | 18,392,771 |
| U.S. possessions tax credit | 47,547 | 75,983 | 185,146 | 316,947 | 382,507 | 327,922 | 679,610 |
| Investment credit | 815,313 | 330,267 | 466,026 | 374,273 | 368,969 | 685,057 | 13,254,800 |
| Work incentive (WIN) credit | 8,568 | 3,136 | 2,890 | 1,907 | 1,594 | 1,976 | 2,130 |
| Jobs credit | 61,945 | 18,506 | 18,579 | 12,294 | 17,580 | 19,920 | 76,456 |
| Nonconventional source fuel credit | *9 | *135 | 13 | 3 | — | — | 6,628 |
| Alcohol fuel credit | *1 | *1 | 318 | (1) | — | 73 | 207 |
| Research activities credit | 32,218 | 17,848 | 35,247 | 33,305 | 26,460 | 40,616 | 637,012 |
| Employee stock ownership credit | *29 | *7 | 163 | 196 | 126 | 1,563 | 12,081 |
| Distributions to stockholders: | | | | | | | |
| Cash and property except in own stock | 3,142,697 | 1,758,897 | 3,278,985 | 3,242,940 | 3,980,709 | 6,682,571 | 102,216,318 |
| Corporation's own stock | 197,044 | 57,387 | 141,721 | 188,021 | 226,203 | 455,714 | 2,021,086 |

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

¹Less than \$500 per return.

NOTE: Detail may not add to total because of rounding and the deletion of data. See text for "Explanation of terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 5 — Balance Sheets, Income Statements, and Selected Other Items by Size of Total Assets

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

| Item | Total returns with net income | Size of total assets | | | | |
|---|-------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|
| | | Zero assets | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Number of returns | 1,608,357 | 40,733 | 745,372 | 334,119 | 195,436 | 130,765 |
| Total assets | 6,410,924,048 | — | 29,388,497 | 54,321,713 | 69,346,717 | 91,762,612 |
| Cash | 412,393,727 | — | 6,667,356 | 9,662,065 | 10,453,925 | 11,519,493 |
| Notes and accounts receivable | 1,855,162,781 | — | 3,532,774 | 9,148,878 | 13,482,321 | 19,492,583 |
| Less: Allowance for bad debts | 26,778,578 | — | 53,726 | 113,053 | 218,201 | 342,837 |
| Inventories | 396,024,842 | — | 3,323,637 | 8,336,909 | 11,896,678 | 18,140,816 |
| Investments in Government obligations: | | | | | | |
| Total | 398,370,095 | — | 68,129 | 254,681 | 343,053 | 483,391 |
| Other current assets | 291,771,483 | — | 1,454,974 | 2,358,737 | 3,025,754 | 3,757,826 |
| Loans to stockholders | 27,090,390 | — | 2,356,232 | 2,628,055 | 2,141,197 | 1,874,640 |
| Mortgage and real estate loans | 230,686,089 | — | 219,991 | 786,115 | 1,235,952 | 1,380,732 |
| Other investments | 1,219,698,761 | — | 1,254,311 | 3,211,757 | 4,445,130 | 6,084,403 |
| Depreciable assets | 1,870,208,388 | — | 20,057,624 | 28,639,145 | 34,376,972 | 43,756,775 |
| Less: Accumulated depreciation | 676,496,057 | — | 11,735,516 | 15,726,550 | 18,251,889 | 22,962,529 |
| Depletable assets | 64,217,968 | — | 120,997 | 158,221 | 132,006 | 202,925 |
| Less: Accumulated depletion | 22,077,676 | — | 53,314 | 61,184 | 45,631 | 89,156 |
| Land | 66,512,564 | — | 851,763 | 2,799,435 | 3,788,601 | 5,339,305 |
| Intangible assets (amortizable) | 59,391,726 | — | 438,974 | 613,307 | 679,489 | 571,259 |
| Less: Accumulated amortization | 19,101,136 | — | 215,020 | 310,822 | 306,747 | 214,737 |
| Other assets | 263,848,684 | — | 1,099,311 | 1,936,020 | 2,168,107 | 2,767,725 |
| Total liabilities | 6,410,924,048 | — | 29,388,497 | 54,321,713 | 69,346,717 | 91,762,612 |
| Accounts payable | 500,368,366 | — | 3,222,333 | 6,662,716 | 9,241,508 | 13,322,911 |
| Mortgages, notes, and bonds payable in less than one year | 401,812,850 | — | 2,253,828 | 4,397,237 | 5,944,641 | 9,911,336 |
| Other current liabilities | 1,941,477,398 | — | 3,151,556 | 4,698,281 | 5,535,077 | 7,625,585 |
| Loans from stockholders | 62,412,722 | — | 3,943,913 | 4,294,611 | 4,024,371 | 4,016,667 |
| Mortgages, notes, and bonds payable in one year or more | 735,602,140 | — | 3,804,073 | 7,789,958 | 10,379,645 | 13,597,803 |
| Other liabilities | 728,677,670 | — | 767,511 | 1,728,862 | 1,866,233 | 2,603,689 |
| Capital stock | 534,718,076 | — | 4,868,593 | 6,454,148 | 6,512,760 | 7,640,388 |
| Paid-in or capital surplus | 603,954,913 | — | 1,394,346 | 1,945,028 | 2,307,110 | 2,858,803 |
| Retained earnings, appropriated | 37,312,370 | — | 143,535 | 376,982 | 528,938 | 658,564 |
| Retained earnings, unappropriated | 1,050,112,681 | — | 7,136,486 | 17,759,490 | 25,148,108 | 31,981,468 |
| Less: Cost of treasury stock | 185,515,133 | — | 1,297,677 | 1,785,599 | 2,141,674 | 2,454,600 |
| Total receipts | 5,202,373,378 | 44,117,385 | 135,671,477 | 156,432,777 | 176,256,681 | 220,003,330 |
| Business receipts | 4,599,889,885 | 26,424,930 | 129,548,699 | 150,554,908 | 169,686,872 | 211,679,651 |
| Interest | 336,249,558 | 14,205,326 | 2,391,333 | 1,101,382 | 1,360,515 | 1,824,847 |
| Interest on Government obligations: | | | | | | |
| State and local | 9,175,413 | 85,757 | 1,234 | 176,176 | 17,858 | 22,201 |
| Other interest | 51,568,584 | 530,865 | 970,507 | 1,432,411 | 1,805,257 | 2,298,546 |
| Rents | 11,650,078 | 60,149 | 59,112 | 178,137 | 103,515 | 159,221 |
| Royalties | 2,321,366 | 44,275 | 26,192 | 37,176 | 20,205 | 86,097 |
| Net short-term capital gain reduced by net long-term capital loss | 20,633,612 | 683,182 | 316,254 | 413,172 | 411,779 | 571,120 |
| Net long-term capital gain reduced by net short-term capital loss | 14,506,369 | 576,641 | 320,323 | 334,687 | 445,405 | 600,234 |
| Net gain, noncapital assets | 14,085,307 | 70,263 | 28,822 | 75,214 | 120,923 | 149,944 |
| Dividends received from domestic corporations | 13,068,022 | 16,443 | *923 | 5,855 | 3,119 | 7,277 |
| Dividends received from foreign corporations | 129,225,207 | 1,419,554 | 2,008,079 | 2,123,659 | 2,281,233 | 2,604,193 |
| Other receipts | 4,931,581,520 | 40,947,741 | 128,625,047 | 148,680,300 | 168,826,762 | 211,452,598 |
| Total deductions | 3,134,753,814 | 18,567,725 | 57,758,104 | 83,993,984 | 108,715,683 | 145,767,518 |
| Cost of sales and operations | 92,707,432 | 670,585 | 19,333,949 | 14,015,379 | 10,900,574 | 9,283,368 |
| Compensation of officers | 54,168,942 | 124,421 | 872,522 | 1,184,206 | 1,122,460 | 1,415,894 |
| Repairs | 16,821,390 | 212,115 | 165,581 | 308,417 | 425,367 | 600,352 |
| Bad debts | 64,213,325 | 443,395 | 4,787,172 | 4,091,223 | 3,512,834 | 3,440,745 |
| Rent paid on business property | 127,010,358 | 678,522 | 3,701,241 | 3,999,462 | 4,274,537 | 4,759,593 |
| Taxes paid | 304,163,969 | 13,061,713 | 2,769,820 | 1,663,290 | 2,157,262 | 2,983,168 |
| Interest paid | 2,613,557 | 12,446 | 50,211 | 62,736 | 70,238 | 82,573 |
| Contributions or gifts | 2,374,116 | 9,432 | 37,517 | 43,087 | 54,560 | 42,559 |
| Amortization | 154,047,887 | 587,526 | 2,760,313 | 3,414,434 | 3,650,480 | 4,624,017 |
| Depreciation | 4,831,731 | 31,510 | 20,680 | 24,401 | 44,035 | 52,268 |
| Depletion | 50,167,819 | 296,808 | 1,089,274 | 1,213,417 | 1,348,069 | 1,592,265 |
| Advertising | 41,976,514 | 161,959 | 2,889,103 | 2,058,434 | 1,407,362 | 1,398,846 |
| Pension, profit-sharing, stock bonus, and annuity plans | 37,640,014 | 186,811 | 653,417 | 652,961 | 720,229 | 955,860 |
| Employee benefit programs | 2,339,997 | 32,788 | 52,237 | 23,934 | 41,179 | 43,400 |
| Net loss, noncapital assets | 841,550,662 | 5,869,984 | 31,683,907 | 31,930,933 | 30,381,894 | 34,410,073 |
| Other deductions | 270,791,858 | 3,169,644 | 7,046,429 | 7,752,478 | 7,429,920 | 8,550,733 |
| Net income (less deficit), total | 12,736,497 | *12,885 | *3,056 | *216 | — | *6,374 |
| Net income | 274,352,942 | 3,096,771 | 7,048,251 | 7,576,518 | 7,412,062 | 8,534,906 |
| Income subject to tax | 205,083,534 | 2,060,155 | 3,754,627 | 5,212,305 | 5,289,370 | 6,260,597 |
| Income tax, total | 86,417,438 | 838,978 | 659,105 | 1,013,358 | 1,150,617 | 1,675,258 |
| Regular and alternative tax | 85,040,739 | 776,118 | 642,393 | 995,814 | 1,128,744 | 1,646,924 |
| Tax from recomputing prior-year investment credit | 949,228 | 50,264 | 15,393 | 16,128 | 18,907 | 24,466 |
| Additional tax for tax preferences | -411,430 | 4,506 | *278 | *697 | 2,123 | -3,161 |
| Foreign tax credit | 19,134,464 | 41,500 | *2,572 | *209 | 412 | 8,154 |
| U.S. possessions tax credit | 2,026,980 | 3,025 | 101 | 43 | 391 | 3,455 |
| Investment credit | 17,305,896 | 44,746 | 174,311 | 206,810 | 254,000 | 328,962 |
| Work incentive (WIN) credit | 29,018 | 204 | 1,445 | 1,478 | 1,802 | 1,841 |
| Jobs credit | 327,211 | 4,965 | 17,099 | 22,354 | 24,138 | 33,410 |
| Nonconventional source fuel credit | 6,787 | — | — | — | — | — |
| Alcohol fuel credit | 600 | — | — | — | — | — |
| Research activities credit | 839,220 | 2,087 | *670 | *2,284 | 5,350 | 6,112 |
| Employee stock ownership credit | 14,450 | 173 | — | *55 | *56 | — |
| Distributions to stockholders: | | | | | | |
| Cash and property except in own stock | 116,758,328 | 1,708,648 | 1,416,598 | 1,134,955 | 842,399 | 974,609 |
| Corporation's own stock | 2,917,528 | *166,576 | *2,840 | 9,501 | 10,688 | 45,988 |

Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS WITH NET INCOME

Table 5 — Balance Sheets, Income Statements, and Selected Other Items by Size of Total Assets — Continued

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

| Item | Size of total assets — Continued | | | | | | |
|---|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|--|---|--------------------------|
| | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
| | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Number of returns | 122,080 | 15,715 | 11,899 | 5,487 | 3,262 | 1,705 | 1,740 |
| Total assets | 247,109,461 | 109,450,360 | 187,106,046 | 199,327,042 | 233,283,401 | 280,048,279 | 4,909,594,141 |
| Cash | 25,638,702 | 9,978,407 | 14,824,650 | 13,156,892 | 14,456,897 | 14,540,958 | 281,493,527 |
| Notes and accounts receivable | 58,437,794 | 29,988,179 | 57,190,014 | 70,127,477 | 83,003,008 | 76,881,693 | 1,433,876,340 |
| Less: Allowance for bad debts | 1,159,585 | 576,633 | 964,120 | 1,107,637 | 1,295,572 | 1,356,978 | 19,590,231 |
| Inventories | 52,700,710 | 19,609,937 | 24,119,340 | 16,844,161 | 15,981,239 | 24,089,349 | 200,977,843 |
| Investments in Government obligations: | | | | | | | |
| Total | 2,432,466 | 4,050,512 | 17,633,222 | 26,098,162 | 30,283,442 | 26,939,006 | 289,784,031 |
| Other current assets | 11,770,902 | 5,796,636 | 9,170,001 | 9,329,157 | 11,310,819 | 13,513,160 | 220,283,342 |
| Loans to stockholders | 3,183,021 | 721,701 | 777,025 | 775,522 | 574,354 | 737,642 | 11,307,270 |
| Mortgage and real estate loans | 3,488,889 | 1,607,546 | 4,106,037 | 6,464,939 | 10,909,460 | 16,066,221 | 184,420,204 |
| Other investments | 19,299,547 | 10,671,148 | 21,101,165 | 23,483,918 | 31,670,651 | 53,149,268 | 1,045,326,676 |
| Depreciable assets | 106,226,731 | 40,252,526 | 53,778,952 | 43,251,274 | 43,827,473 | 64,097,888 | 1,391,725,220 |
| Less: Accumulated depreciation | 53,283,044 | 19,374,583 | 24,358,004 | 18,399,765 | 17,554,476 | 25,181,794 | 449,532,738 |
| Depletable assets | 758,102 | 291,432 | 843,315 | 829,475 | 1,102,770 | 1,099,447 | 58,678,194 |
| Less: Accumulated depletion | 250,054 | 91,802 | 245,711 | 243,990 | 312,632 | 324,109 | 20,359,897 |
| Land | 10,498,995 | 3,205,863 | 3,739,700 | 2,679,478 | 2,674,774 | 3,450,309 | 27,484,335 |
| Intangible assets (amortizable) | 1,513,665 | 1,064,334 | 1,340,989 | 1,359,724 | 1,471,381 | 2,663,725 | 47,671,336 |
| Less: Accumulated amortization | 558,196 | 593,552 | 455,120 | 449,131 | 535,581 | 567,197 | 14,892,459 |
| Other assets | 6,410,818 | 2,848,711 | 4,504,592 | 5,127,385 | 5,715,393 | 10,249,690 | 220,941,147 |
| Total liabilities | 247,109,461 | 109,450,360 | 187,106,046 | 199,327,042 | 233,283,401 | 280,048,279 | 4,909,594,141 |
| Accounts payable | 39,151,072 | 16,767,415 | 22,198,718 | 19,453,274 | 13,278,171 | 19,200,522 | 337,868,100 |
| Mortgages, notes, and bonds payable in less than one year | 30,202,719 | 10,795,489 | 14,379,355 | 13,625,391 | 13,746,552 | 14,467,697 | 282,080,023 |
| Other current liabilities | 22,946,274 | 16,478,955 | 53,581,403 | 78,131,194 | 103,560,976 | 96,532,108 | 1,549,219,912 |
| Loans from stockholders | 5,779,097 | 1,218,460 | 1,203,174 | 1,178,529 | 1,328,047 | 1,158,722 | 34,215,662 |
| Mortgages, notes, and bonds payable in one year or more | 37,158,605 | 14,798,629 | 20,879,149 | 17,326,776 | 20,893,863 | 28,898,815 | 560,084,620 |
| Other liabilities | 8,653,812 | 4,821,210 | 7,928,043 | 9,183,959 | 11,487,851 | 20,411,638 | 659,214,305 |
| Capital stock | 16,367,354 | 6,430,882 | 11,498,666 | 9,836,598 | 11,204,733 | 18,584,042 | 435,312,463 |
| Paid-in or capital surplus | 9,156,543 | 4,699,946 | 9,355,438 | 12,765,164 | 20,290,345 | 32,492,499 | 506,686,457 |
| Retained earnings, appropriated | 1,978,914 | 713,370 | 1,325,035 | 1,141,561 | 1,494,216 | 1,712,799 | 27,238,454 |
| Retained earnings, unappropriated | 81,577,631 | 34,596,736 | 47,019,536 | 38,368,645 | 38,882,810 | 51,716,920 | 675,878,271 |
| Less: Cost of treasury stock | 5,862,560 | 1,870,731 | 2,262,472 | 1,684,049 | 2,824,162 | 5,127,483 | 158,204,125 |
| Total receipts | 586,751,700 | 211,326,317 | 250,307,529 | 177,622,086 | 175,883,350 | 241,136,509 | 2,824,660,893 |
| Business receipts | 567,473,720 | 202,097,943 | 233,541,717 | 159,021,159 | 152,672,714 | 216,867,359 | 2,378,365,172 |
| Interest | 4,983,555 | 3,260,463 | 8,654,849 | 11,862,329 | 14,701,921 | 14,463,597 | 257,393,494 |
| Interest on Government obligations: | | | | | | | |
| State and local | 88,437 | 93,186 | 335,987 | 534,359 | 645,816 | 680,525 | 6,493,876 |
| Other interest | 4,252,856 | 1,701,739 | 1,866,903 | 1,461,883 | 1,563,754 | 1,450,139 | 32,226,794 |
| Rents | 291,825 | 153,229 | 271,520 | 245,876 | 182,598 | 395,819 | 9,548,006 |
| Royalties | 88,127 | 49,393 | 56,352 | 88,160 | 149,431 | 239,292 | 1,436,664 |
| Net short-term capital gain reduced by net long-term capital loss | 1,469,459 | 661,203 | 1,132,508 | 850,374 | 905,235 | 1,377,113 | 11,833,001 |
| Net long-term capital gain reduced by net short-term capital loss | 1,182,365 | 520,381 | 539,782 | 307,296 | 419,354 | 341,687 | 8,886,878 |
| Net gain, noncapital assets | 621,545 | 324,339 | 508,278 | 488,194 | 677,827 | 1,110,455 | 9,902,887 |
| Dividends received from domestic corporations | 28,157 | 13,904 | 47,887 | 91,361 | 188,018 | 365,494 | 12,298,683 |
| Dividends received from foreign corporations | 6,271,654 | 2,450,537 | 3,351,745 | 2,671,093 | 3,776,683 | 3,845,031 | 96,275,355 |
| Other receipts | 565,248,629 | 201,493,162 | 236,330,720 | 165,916,831 | 163,784,341 | 225,219,506 | 2,673,022,238 |
| Total deductions | 420,735,523 | 152,386,960 | 172,594,597 | 112,332,139 | 109,391,439 | 152,648,665 | 1,598,384,365 |
| Cost of sales and operations | 16,232,956 | 3,974,829 | 3,731,111 | 2,173,298 | 1,839,452 | 1,677,433 | 8,864,822 |
| Compensation of officers | 2,922,733 | 912,591 | 1,182,500 | 905,118 | 855,912 | 1,387,423 | 41,263,297 |
| Repairs | 1,437,108 | 577,851 | 769,538 | 588,960 | 670,858 | 725,577 | 10,336,718 |
| Bad debts | 6,422,377 | 1,996,658 | 2,262,056 | 2,021,411 | 1,763,320 | 2,815,318 | 30,847,902 |
| Rent paid on business property | 10,312,994 | 3,798,357 | 4,684,650 | 3,642,256 | 3,256,220 | 4,474,218 | 79,393,557 |
| Taxes paid | 8,318,397 | 3,750,271 | 7,625,789 | 9,365,007 | 11,472,042 | 11,412,893 | 229,496,896 |
| Interest paid | 255,088 | 111,971 | 157,301 | 125,073 | 127,098 | 145,312 | 1,609,825 |
| Contributions or gifts | 103,065 | 49,941 | 91,598 | 92,400 | 85,850 | 104,475 | 1,658,953 |
| Amortization | 10,337,409 | 3,953,278 | 5,020,979 | 3,907,724 | 3,960,602 | 5,575,514 | 106,176,678 |
| Depreciation | 176,661 | 130,351 | 161,536 | 198,165 | 148,237 | 128,528 | 3,705,473 |
| Depletion | 3,997,214 | 1,433,846 | 2,206,917 | 1,806,988 | 1,925,424 | 3,049,601 | 30,175,273 |
| Advertising | 3,307,325 | 990,989 | 1,120,217 | 873,402 | 868,505 | 1,442,935 | 25,452,541 |
| Pension, profit-sharing, stock bonus, and annuity plans | 2,597,120 | 1,018,291 | 1,381,046 | 1,244,340 | 1,274,281 | 1,776,596 | 25,167,929 |
| Employee benefit programs | 109,303 | 38,516 | 61,666 | 86,603 | 85,278 | 168,741 | 1,596,029 |
| Net loss, noncapital assets | 77,983,356 | 26,368,463 | 33,279,221 | 26,553,948 | 26,059,823 | 37,686,277 | 479,091,979 |
| Other deductions | 21,503,071 | 9,833,155 | 13,976,809 | 11,705,255 | 12,099,009 | 15,917,003 | 151,638,655 |
| Net income (less deficit), total | 6,612 | 13,376 | 36,085 | 81,709 | 172,564 | 311,177 | 12,092,364 |
| Net income | 21,421,246 | 9,753,345 | 13,676,906 | 11,252,604 | 11,625,756 | 15,547,655 | 157,237,142 |
| Income subject to tax | 16,192,157 | 7,199,645 | 10,260,171 | 8,300,568 | 8,242,163 | 10,910,265 | 121,288,679 |
| Income tax, total | 5,956,215 | 3,063,158 | 4,465,308 | 3,689,693 | 3,699,449 | 4,941,883 | 55,214,917 |
| Regular and alternative tax | 5,875,187 | 3,031,848 | 4,417,080 | 3,651,401 | 3,658,109 | 4,881,371 | 54,286,413 |
| Tax from recomputing prior-year investment credit | 65,279 | 21,281 | 31,336 | 21,253 | 27,432 | 36,953 | 619,681 |
| Additional tax for tax preferences | 14,030 | 8,727 | 16,727 | 16,524 | 12,867 | 22,607 | 308,729 |
| Foreign tax credit | 23,885 | 16,219 | 50,350 | 96,745 | 199,671 | 387,112 | 18,302,797 |
| U.S. possessions tax credit | 47,547 | 75,983 | 185,146 | 316,947 | 382,507 | 327,922 | 679,610 |
| Investment credit | 815,539 | 330,361 | 467,318 | 400,267 | 400,225 | 677,890 | 13,196,283 |
| Work incentive (WIN) credit | 8,568 | 3,136 | 2,890 | 1,913 | 1,649 | 1,915 | 2,128 |
| Jobs credit | 61,945 | 18,506 | 18,708 | 12,425 | 18,012 | 19,293 | 76,320 |
| Nonconventional source fuel credit | 9 | 135 | 13 | 3 | — | — | 6,628 |
| Alcohol fuel credit | 11 | 11 | 11 | — | — | — | 207 |
| Research activities credit | 32,218 | 17,848 | 35,594 | 34,858 | 26,610 | 41,843 | 633,735 |
| Employee stock ownership credit | 29 | 7 | 163 | 196 | 126 | 1,732 | 11,913 |
| Distributions to stockholders: | | | | | | | |
| Cash and property except in own stock | 2,977,108 | 1,565,444 | 2,853,206 | 2,948,708 | 3,733,323 | 5,985,689 | 90,605,266 |
| Corporation's own stock | 168,505 | 38,269 | 126,430 | 167,074 | 190,880 | 378,225 | 1,610,852 |

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

¹Less than \$500 per return.

NOTE: Detail may not add to total because of rounding and the deletion of data. See text for "Explanation of terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 6 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets

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

| Industrial division, item | Total returns of active corporations | Size of total assets | | | | | | | | | | | |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
| | | Zero assets | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| All Industrial Divisions | | | | | | | | | | | | | |
| Number of returns | 2,925,933 | 109,478 | 1,537,105 | 534,730 | 301,334 | 197,388 | 182,544 | 23,965 | 18,298 | 8,933 | 5,479 | 3,463 | 3,188 |
| Total assets | 9,357,784,804 | — | 52,861,537 | 86,268,083 | 106,843,092 | 138,031,961 | 371,990,220 | 187,176,428 | 287,182,056 | 319,092,833 | 387,791,537 | 559,741,865 | 6,880,804,980 |
| Notes and accounts receivable, net | 2,373,829,410 | — | 6,307,491 | 14,016,963 | 19,561,745 | 27,024,764 | 79,141,903 | 40,623,365 | 79,263,709 | 101,217,619 | 115,052,797 | 124,683,623 | 1,766,935,413 |
| Inventories | 581,241,455 | — | 6,892,882 | 13,914,997 | 18,770,223 | 27,199,108 | 77,630,393 | 28,823,026 | 35,460,855 | 25,990,861 | 22,978,244 | 38,679,816 | 284,901,048 |
| Cash, Government obligations and other current assets | 1,582,925,121 | — | 12,334,465 | 16,750,990 | 18,469,670 | 21,299,862 | 54,455,272 | 27,805,852 | 58,027,057 | 72,118,650 | 85,572,447 | 101,751,909 | 1,114,338,775 |
| Other investments and loans | 2,585,463,211 | — | 6,243,400 | 9,601,348 | 11,378,850 | 13,930,620 | 39,572,867 | 20,781,545 | 45,542,422 | 60,626,777 | 101,141,397 | 184,059,843 | 2,082,584,341 |
| Depreciable assets | 2,583,060,326 | — | 40,015,830 | 48,895,233 | 56,165,542 | 69,161,114 | 167,283,787 | 85,309,711 | 86,010,682 | 68,554,309 | 70,347,842 | 106,186,462 | 1,805,129,816 |
| Less: Accumulated depreciation | 942,704,683 | — | 23,606,324 | 25,851,336 | 28,807,924 | 35,172,292 | 80,992,908 | 29,307,750 | 36,323,129 | 27,131,879 | 26,269,812 | 38,347,469 | 591,793,960 |
| Other capital assets less reserves | 231,823,855 | — | 2,417,265 | 5,671,899 | 7,871,843 | 10,114,972 | 20,162,395 | 8,216,989 | 11,041,133 | 8,953,066 | 7,647,050 | 14,353,956 | 131,273,265 |
| Accounts and notes payable | 1,345,691,238 | — | 13,840,868 | 21,526,892 | 28,275,813 | 39,765,426 | 63,849,866 | 46,440,990 | 60,693,009 | 54,407,347 | 43,698,922 | 64,680,428 | 858,012,067 |
| Other current liabilities | 3,220,923,530 | — | 6,179,116 | 7,445,275 | 8,225,679 | 11,050,655 | 32,947,811 | 23,944,150 | 81,290,646 | 132,498,763 | 194,889,111 | 253,233,438 | 2,469,219,163 |
| Mortgages, notes, and bonds payable in one year or more | 1,224,277,725 | — | 11,177,217 | 16,720,828 | 21,273,505 | 27,672,955 | 73,692,738 | 31,333,578 | 42,795,759 | 37,408,054 | 40,013,870 | 64,045,047 | 858,144,173 |
| Net worth | 2,469,572,984 | — | 6,431,444 | 27,312,259 | 36,869,461 | 46,279,348 | 121,096,110 | 53,437,540 | 84,225,135 | 76,125,354 | 86,995,198 | 135,858,793 | 1,794,942,158 |
| Cost of property used for investment credit | 264,500,876 | 1,633,293 | 4,927,056 | 5,340,280 | 5,884,277 | 6,668,104 | 16,366,526 | 6,339,422 | 8,456,676 | 6,888,104 | 6,826,813 | 11,238,800 | 184,116,523 |
| Total receipts | 7,024,097,766 | 96,893,679 | 226,632,692 | 230,231,641 | 246,226,071 | 303,404,652 | 789,055,018 | 280,544,599 | 338,949,030 | 248,406,200 | 239,966,253 | 375,410,073 | 3,647,338,475 |
| Business receipts | 6,156,994,009 | 62,552,112 | 217,879,756 | 221,597,641 | 237,189,112 | 291,907,441 | 761,897,668 | 267,112,127 | 314,622,833 | 219,377,882 | 203,203,791 | 327,593,802 | 3,031,087,297 |
| Cost of sales and operations | 4,270,850,310 | 46,844,728 | 1,026,090,088 | 129,276,134 | 154,549,000 | 205,778,391 | 570,324,741 | 202,076,702 | 234,667,623 | 158,952,968 | 148,475,266 | 238,593,370 | 2,078,086,134 |
| Taxes paid | 165,888,353 | 2,068,758 | 6,575,602 | 6,085,244 | 6,115,413 | 6,600,669 | 14,160,875 | 5,173,087 | 6,397,995 | 4,824,430 | 4,294,470 | 6,728,789 | 96,831,693 |
| Interest paid | 515,032,687 | 28,612,502 | 4,125,863 | 3,451,731 | 4,299,554 | 5,786,896 | 15,871,543 | 7,398,540 | 13,814,921 | 17,867,672 | 23,152,350 | 32,191,992 | 358,430,809 |
| Depreciation | 213,179,160 | 2,002,397 | 5,252,509 | 5,724,541 | 5,926,660 | 7,157,998 | 16,161,435 | 6,247,745 | 7,942,413 | 6,276,414 | 5,862,888 | 9,365,633 | 135,198,705 |
| Pension, profit-sharing, stock bonus, and annuity plans | 54,232,011 | 342,795 | 4,594,320 | 2,835,812 | 1,711,396 | 1,653,703 | 3,835,545 | 1,172,392 | 1,398,626 | 1,096,137 | 1,139,220 | 1,988,444 | 32,699,444 |
| Employee benefit programs | 51,839,894 | 366,556 | 1,149,672 | 1,020,108 | 1,093,813 | 1,530,056 | 3,696,147 | 1,438,703 | 1,871,004 | 1,692,403 | 1,635,039 | 2,727,049 | 33,304,071 |
| Net income (less deficit) | 154,384,143 | -2,558,968 | -1,210,340 | 1,771,292 | 2,283,056 | 2,930,594 | 8,787,159 | 4,749,897 | 7,035,896 | 5,282,211 | 5,270,552 | 6,714,107 | 113,242,731 |
| Income subject to tax, total | 205,175,107 | 2,104,510 | 3,754,678 | 5,269,507 | 6,261,079 | 6,261,079 | 16,187,989 | 7,138,346 | 10,237,358 | 7,829,901 | 11,057,057 | 12,062,475 | 152,862,475 |
| Income tax, total | 86,768,154 | 886,897 | 665,475 | 1,019,762 | 1,156,412 | 1,684,114 | 5,974,240 | 3,070,526 | 4,466,754 | 3,484,643 | 3,578,251 | 5,028,082 | 55,725,282 |
| Additional tax for tax preferences | 478,457 | 11,623 | *278 | *701 | 2,123 | 3,395 | 14,990 | 9,265 | 18,953 | 15,288 | 20,209 | 27,813 | 353,989 |
| Foreign tax credit | 19,137,201 | 41,541 | *572 | *209 | 412 | 8,159 | 23,885 | 16,219 | 55,141 | 59,960 | 182,379 | 353,951 | 18,392,771 |
| U.S. possessions tax credit | 2,026,980 | 3,025 | 101 | 43 | 391 | 3,477 | 47,547 | 75,983 | 185,146 | 318,847 | 382,507 | 679,610 | 679,610 |
| Investment credit | 17,312,702 | 51,193 | 174,311 | 206,810 | 254,000 | 328,963 | 815,313 | 330,267 | 468,026 | 374,273 | 368,969 | 685,057 | 13,254,000 |
| Work incentive (WIN) credit | 29,202 | 254 | 1,445 | 1,478 | 1,802 | 1,841 | 8,568 | 3,136 | 2,890 | 1,907 | 1,594 | 1,976 | 2,130 |
| Jobs credit | 327,285 | 4,893 | 17,099 | 22,354 | 24,138 | 33,410 | 61,945 | 18,506 | 18,579 | 12,294 | 17,580 | 19,820 | 78,456 |
| Research activities credit | 839,220 | 2,098 | *670 | *284 | 5,350 | 6,112 | 32,218 | 17,848 | 35,247 | 33,305 | 26,460 | 40,616 | 637,012 |
| Employee stock ownership credit | 14,450 | 173 | *55 | *56 | — | — | 29 | 7 | 163 | 196 | 126 | 1,563 | 12,081 |
| Distributions to stockholders except in own stock | 132,476,411 | 3,270,027 | 1,682,261 | 1,266,270 | 877,213 | 1,056,515 | 3,142,697 | 1,759,897 | 3,278,985 | 3,242,940 | 3,980,709 | 6,682,571 | 102,216,318 |
| Agriculture, Forestry, and Fishing | | | | | | | | | | | | | |
| Number of returns | 91,320 | 2,193 | 30,034 | 19,314 | 16,626 | 13,380 | 8,892 | 539 | 250 | 56 | 24 | 7 | 6 |
| Total assets | 50,409,537 | — | 1,181,535 | 3,227,040 | 6,076,969 | 9,295,374 | 15,934,164 | 3,569,316 | 3,578,327 | 1,955,312 | 1,682,609 | 1,075,810 | 2,833,080 |
| Notes and accounts receivable, net | 4,247,152 | — | 89,070 | 172,231 | 295,628 | 557,430 | 1,159,603 | 493,448 | 429,394 | 292,786 | 235,092 | 117,683 | 424,787 |
| Inventories | 4,971,985 | — | 61,696 | 196,340 | 384,428 | 724,855 | 1,483,706 | 463,973 | 471,088 | 285,799 | 280,006 | 100,818 | 519,275 |
| Cash, Government obligations and other current assets | 4,746,518 | — | 195,599 | 427,330 | 712,982 | 797,413 | 1,190,950 | 384,908 | 384,845 | 227,401 | 190,185 | 56,660 | 178,245 |
| Other investments and loans | 6,284,227 | — | 88,887 | 285,381 | 543,738 | 892,978 | 1,656,287 | 428,278 | 553,572 | 306,014 | 275,299 | 338,333 | 933,460 |
| Depreciable assets | 30,289,176 | — | 1,313,703 | 2,787,881 | 4,558,177 | 5,789,650 | 9,017,514 | 1,812,533 | 1,868,848 | 826,744 | 757,518 | 476,589 | 1,062,038 |
| Less: Accumulated depreciation | 15,153,014 | — | 797,172 | 1,523,026 | 2,423,787 | 2,930,887 | 4,398,235 | 889,011 | 827,526 | 316,781 | 348,994 | 200,707 | 496,887 |
| Other capital assets less reserves | 12,702,743 | — | 199,539 | 786,159 | 1,768,790 | 2,840,983 | 4,990,538 | 763,540 | 598,103 | 248,228 | 252,230 | 131,714 | 122,918 |
| Accounts and notes payable | 11,648,982 | — | 289,189 | 556,999 | 1,251,339 | 1,964,984 | 3,625,413 | 1,107,181 | 1,203,232 | 679,586 | 458,374 | 148,995 | 563,680 |
| Other current liabilities | 2,125,858 | — | 56,456 | 130,565 | 111,918 | 274,130 | 482,721 | 238,618 | 236,518 | 168,327 | 104,507 | 85,554 | 257,182 |
| Mortgages, notes, and bonds payable in one year or more | 16,640,904 | — | 302,132 | 827,927 | 1,916,281 | 3,152,972 | 6,019,466 | 1,268,582 | 1,058,971 | 365,866 | 536,174 | 358,225 | 834,289 |
| Net worth | 14,119,923 | — | 104,957 | 1,005,288 | 1,941,628 | 2,923,801 | 4,239,397 | 619,980 | 773,233 | 605,843 | 491,074 | 394,113 | 1,020,607 |
| Cost of property used for investment credit | 2,735,685 | 53,337 | 120,647 | 270,553 | 383,650 | 551,324 | 810,287 | 134,376 | 162,941 | 67,255 | 70,721 | 48,190 | 62,403 |
| Total receipts | 65,356,911 | 614,772 | 3,865,550 | 6,380,412 | 6,647,524 | 11,081,579 | 16,911,391 | 4,237,258 | 4,161,674 | 3,029,497 | 2,439,410 | 924,554 | 5,063,290 |
| Business receipts | 60,643,550 | 525,672 | 3,706,798 | 6,033,358 | 6,141,159 | 10,039,040 | 15,684,235 | 3,870,654 | 3,853,348 | 2,833,121 | 2,312,863 | 776,042 | 4,867,257 |
| Cost of sales and operations | 43,232,379 | 318,430 | 4,195,576 | 6,181,731 | 7,421,230 | 11,514,565 | 2,937,629 | 2,954,486 | 2,954,486 | 2,355,061 | 1,602,632 | 549,462 | 3,353,363 |
| Taxes paid | 1,289,220 | 16,633 | 112,548 | 124,070 | 159,882 | 205,463 | 333,065 | 74,391 | 64,117 | 64,117 | 32,904 | 25,715 | 113,758 |
| Interest paid | 3,048,844 | 78,408 | 71,738 | 370,803 | 380,803 | 524,694 | 962,430 | 241,820 | 213,940 | 108,033 | 90,023 | 83,563 | 123,108 |
| Depreciation | 2,892,300 | 52,913 | 154,531 | 301,654 | 457,876 | 565,165 | 1,418,595 | 184,713 | 161,483 | 72,397 | 65,156 | 122,607 | 67,587 |
| Pension, profit-sharing, stock bonus, and annuity plans | 148,932 | 467 | 9,981 | *10,475 | 18,092 | 15,997 | 42,437 | 7,443 | 7,396 | 8,463 | 10,823 | 2,417 | 15,240 |
| Employee benefit programs | 224,920 | 2,171 | 13,331 | 14,081 | 18,544 | 45,725 | 45,851 | 15,872 | 9,837 | 12,841 | 8,158 | 29,721 | 8,715 |
| Net income (less deficit) | -86,418 | -8,689 | -71,887 | 60,168 | -68,805 | -17,449 | -123,196 | 1,579 | -52,340 | 5,679 | 62,507 | -13,723 | 139,738 |
| Income subject to tax, total | 1,604,445 | 39,102 | 59,930 | 142,365 | 191,167 | 306,887 | 372,538 | 90,119 | 78,225 | 54,252 | 94,955 | 27,614 | 151,290 |
| Income tax, total | 502,671 | 13,228 | 10,585 | 27,775 | 37,086 | 75,995 | | | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 6 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets — Continued

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

| Industrial division, item | Total returns of active corporations | Size of total assets | | | | | | | | | | | |
|---|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
| | | Zero assets | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Mining | | | | | | | | | | | | | |
| Number of returns | 36,676 | 2,882 | 14,245 | 5,167 | 4,226 | 3,686 | 4,569 | 748 | 600 | 267 | 126 | 80 | 79 |
| Total assets | 192,380,473 | 3,482 | 501,408 | 848,971 | 1,528,709 | 2,576,956 | 10,059,565 | 5,147,544 | 9,333,273 | 9,222,755 | 11,043,198 | 12,611,816 | 129,506,316 |
| Notes and accounts receivable, net | 28,814,200 | — | 64,441 | 143,235 | 274,976 | 458,602 | 1,533,400 | 858,013 | 1,437,075 | 1,450,073 | 1,229,126 | 1,604,521 | 19,760,736 |
| Inventories | 8,852,449 | — | 16,191 | 35,447 | 76,900 | 97,009 | 321,454 | 153,554 | 356,158 | 361,722 | 556,758 | 604,354 | 6,267,900 |
| Cash, Government obligations and other current assets | 14,879,375 | — | 143,479 | 180,729 | 293,292 | 391,586 | 1,630,320 | 751,052 | 1,248,619 | 1,163,016 | 1,331,284 | 1,385,669 | 6,360,329 |
| Other investments and loans | 56,082,471 | — | 126,270 | 171,675 | 364,691 | 1,118,964 | 562,895 | 1,182,341 | 1,165,817 | 1,284,629 | 1,284,629 | 1,470,793 | 48,556,734 |
| Depreciable assets | 86,320,409 | — | 2,129,745 | 603,403 | 954,143 | 1,931,102 | 6,691,676 | 2,972,924 | 4,902,683 | 4,830,514 | 6,675,121 | 6,331,244 | 48,297,854 |
| Less: Accumulated depreciation | 32,325,073 | — | 1,967,654 | 321,449 | 464,986 | 1,020,314 | 3,143,406 | 1,318,557 | 2,111,870 | 2,007,395 | 2,307,464 | 2,258,122 | 15,403,857 |
| Other capital assets less reserves | 22,426,925 | — | 30,611 | 63,988 | 178,617 | 253,400 | 1,312,766 | 969,189 | 1,752,412 | 1,836,170 | 1,722,192 | 2,622,633 | 11,684,942 |
| Accounts and notes payable | 33,983,124 | — | 228,345 | 261,612 | 537,332 | 771,639 | 2,939,879 | 1,417,588 | 2,176,188 | 1,980,245 | 1,603,644 | 2,308,600 | 19,758,052 |
| Other current liabilities | 10,106,813 | — | 33,746 | 65,435 | 117,261 | 165,452 | 615,366 | 414,162 | 610,438 | 722,131 | 618,417 | 894,450 | 5,849,955 |
| Mortgages, notes, and bonds payable in one year or more | 48,020,816 | — | 162,866 | 171,502 | 397,501 | 727,856 | 2,214,289 | 1,017,906 | 2,331,738 | 2,595,964 | 3,466,478 | 3,575,602 | 31,359,115 |
| Net worth | 79,876,475 | — | 381,011 | 189,597 | 227,268 | 543,333 | 2,849,722 | 1,688,496 | 3,016,017 | 2,987,041 | 4,152,727 | 4,367,984 | 60,235,299 |
| Cost of property used for investment credit | 9,422,660 | 204,595 | 90,686 | 112,062 | 157,702 | 301,228 | 1,003,785 | 428,857 | 674,170 | 604,633 | 597,393 | 679,418 | 4,538,131 |
| Total receipts | 203,098,557 | 1,922,783 | 2,224,383 | 1,695,501 | 1,812,900 | 3,858,909 | 10,619,798 | 4,085,836 | 6,457,230 | 6,424,871 | 5,888,038 | 6,648,576 | 151,459,732 |
| Business receipts | 191,152,749 | 1,538,227 | 2,093,670 | 1,590,712 | 1,606,713 | 3,521,078 | 9,791,976 | 3,654,992 | 5,689,469 | 5,677,895 | 5,128,198 | 5,999,707 | 144,860,112 |
| Cost of sales and operations | 151,521,066 | 842,532 | 909,017 | 766,682 | 790,201 | 1,905,899 | 5,507,895 | 2,070,105 | 3,612,896 | 3,521,007 | 2,954,269 | 3,692,618 | 124,947,846 |
| Taxes paid | 4,267,442 | 92,751 | 71,882 | 73,303 | 82,534 | 123,157 | 332,208 | 154,082 | 225,930 | 270,996 | 348,017 | 2,271,155 | — |
| Interest paid | 7,623,777 | 116,813 | 46,591 | 46,527 | 72,426 | 148,842 | 493,666 | 254,016 | 449,217 | 488,308 | 643,100 | 750,462 | 4,113,809 |
| Depreciation | 7,306,899 | 152,860 | 71,456 | 96,049 | 118,325 | 267,184 | 831,662 | 346,205 | 517,867 | 529,693 | 425,065 | 592,329 | 3,397,304 |
| Pension, profit-sharing, stock bonus, and annuity plans | 863,489 | 11,020 | *327 | *474 | 30,711 | 14,920 | 49,255 | 17,032 | 21,762 | 21,355 | 28,331 | 36,542 | 631,490 |
| Employee benefit programs | 786,541 | 36,462 | *9,651 | 13,729 | 6,409 | 11,812 | 50,388 | 13,769 | 31,903 | 51,220 | 67,398 | 61,882 | 431,887 |
| Net income (less deficit) | 543,578 | -32,591 | -126,513 | -59,893 | -108,705 | -79,688 | -433,738 | -248,714 | -456,240 | -302,258 | -273,383 | -603,645 | 3,268,945 |
| Income subject to tax, total | 7,319,683 | 283,728 | 89,105 | 59,867 | 17,478 | 39,760 | 154,919 | 74,826 | 129,789 | 168,367 | 183,121 | 198,094 | 2,168,894 |
| Income tax, total | 3,330,610 | 139,846 | 20,330 | 16,186 | 17,478 | 39,760 | 154,919 | 74,826 | 129,789 | 168,367 | 183,121 | 198,094 | 2,168,894 |
| Additional tax for tax preferences | 81,151 | *538 | — | *161 | *1,908 | 2,400 | 9,736 | 3,649 | 9,857 | 7,779 | 10,328 | 7,442 | 27,355 |
| Foreign tax credit | 1,848,192 | 3,992 | — | — | *3 | — | *12 | *2,918 | *13,487 | 8,054 | 97,029 | 78,895 | 1,643,801 |
| U.S. possessions tax credit | 1,079 | — | — | — | — | — | — | — | — | — | — | — | — |
| Investment credit | 425,824 | 6,503 | 4,523 | 2,377 | 6,083 | 8,394 | 41,009 | 13,006 | 22,704 | 21,526 | 14,602 | 53,125 | 231,971 |
| Work incentive (WIN) credit | *99 | — | — | — | — | — | *45 | *38 | — | — | — | 14 | — |
| Jobs credit | 2,406 | — | *541 | — | — | — | *1,154 | *423 | *46 | 47 | 103 | 1 | 90 |
| Research activities credit | 8,437 | 1,021 | — | — | — | — | *250 | *37 | — | — | *88 | 69 | 6,765 |
| Employee stock ownership credit | 14 | — | — | — | — | — | — | — | — | — | — | — | — |
| Distributions to stockholders except in own stock | 3,926,230 | *198,529 | *79,885 | *106,080 | 17,150 | 43,499 | 81,719 | 51,655 | 124,936 | 198,417 | 276,564 | 73,773 | 2,674,023 |
| Construction | | | | | | | | | | | | | |
| Number of returns | 282,345 | 7,545 | 150,051 | 50,608 | 32,181 | 20,844 | 17,630 | 2,035 | 1,013 | 263 | 97 | 55 | 26 |
| Total assets | 153,085,046 | — | 4,962,225 | 8,152,042 | 11,445,814 | 14,687,347 | 35,218,693 | 14,009,211 | 15,136,885 | 8,791,158 | 6,771,555 | 8,690,515 | 25,219,602 |
| Notes and accounts receivable, net | 39,276,354 | — | 911,633 | 1,979,279 | 2,923,948 | 3,797,490 | 10,020,782 | 4,008,534 | 4,063,989 | 2,243,732 | 1,630,873 | 1,992,330 | 5,703,263 |
| Inventories | 22,865,508 | — | 513,811 | 1,077,442 | 1,738,069 | 2,670,357 | 6,036,308 | 2,376,513 | 2,520,734 | 1,519,479 | 1,049,848 | 1,579,290 | 13,823,657 |
| Cash, Government obligations and other current assets | 32,400,885 | — | 1,126,407 | 1,727,339 | 2,448,346 | 3,141,149 | 8,032,713 | 3,313,123 | 4,138,766 | 1,905,203 | 1,511,989 | 1,558,989 | 3,497,022 |
| Other investments and loans | 18,382,447 | — | 557,180 | 821,471 | 1,122,554 | 1,224,273 | 3,307,913 | 1,156,493 | 1,507,588 | 1,021,985 | 910,147 | 1,246,178 | 5,506,394 |
| Depreciable assets | 58,456,041 | — | 3,971,927 | 4,556,774 | 5,479,671 | 6,652,987 | 13,500,771 | 5,232,976 | 4,435,792 | 2,887,164 | 1,582,445 | 2,534,826 | 5,620,707 |
| Less: Accumulated depreciation | 30,214,182 | — | 2,409,599 | 2,647,051 | 3,074,383 | 3,727,551 | 7,760,871 | 2,962,925 | 2,398,856 | 1,477,701 | 750,607 | 1,052,671 | 1,951,968 |
| Other capital assets less reserves | 6,051,515 | — | 185,299 | 420,611 | 537,392 | 567,264 | 1,263,521 | 474,193 | 504,810 | 353,592 | 240,857 | 289,354 | 1,213,993 |
| Accounts and notes payable | 50,675,342 | — | 1,807,310 | 2,819,253 | 3,947,878 | 5,002,838 | 12,388,056 | 4,696,583 | 4,879,211 | 2,651,713 | 1,713,985 | 1,998,546 | 8,769,970 |
| Other current liabilities | 23,547,157 | — | 574,480 | 738,641 | 1,078,092 | 1,851,700 | 5,546,400 | 2,589,897 | 3,444,778 | 1,726,717 | 1,430,236 | 1,554,382 | 3,012,193 |
| Mortgages, notes, and bonds payable in one year or more | 23,362,735 | — | 1,036,629 | 1,240,279 | 1,742,999 | 2,056,685 | 4,944,994 | 1,970,051 | 1,851,469 | 1,482,415 | 1,274,683 | 1,640,789 | 4,121,744 |
| Net worth | 38,934,497 | — | 280,854 | 2,187,733 | 3,651,823 | 4,490,243 | 9,332,189 | 3,351,344 | 3,401,900 | 1,858,899 | 1,379,974 | 1,760,014 | 7,259,528 |
| Cost of property used for investment credit | 5,931,461 | 21,819 | 559,429 | 524,946 | 671,269 | 725,342 | 1,294,969 | 470,884 | 399,804 | 251,771 | 123,456 | 249,343 | 638,428 |
| Total receipts | 281,747,868 | 2,033,697 | 24,408,888 | 22,807,163 | 28,464,767 | 32,979,964 | 68,247,662 | 23,996,857 | 22,726,675 | 13,029,667 | 7,211,063 | 10,270,724 | 25,570,541 |
| Business receipts | 271,633,721 | 1,858,795 | 24,040,844 | 22,394,814 | 27,746,934 | 32,080,140 | 66,239,989 | 23,130,680 | 21,719,299 | 12,408,005 | 6,752,017 | 9,739,979 | 23,522,226 |
| Cost of sales and operations | 212,698,363 | 1,304,038 | 15,571,474 | 15,241,937 | 20,392,303 | 24,391,202 | 53,660,530 | 19,597,565 | 18,699,015 | 10,795,507 | 5,795,507 | 8,451,879 | 18,797,407 |
| Taxes paid | 5,627,719 | 35,112 | 674,065 | 644,903 | 774,229 | 1,362,449 | 4,190,779 | 1,362,449 | 353,500 | 175,127 | 107,001 | 107,001 | 265,246 |
| Interest paid | 5,455,056 | 59,895 | 320,502 | 380,518 | 461,074 | 548,555 | 1,104,102 | 419,079 | 373,624 | 265,366 | 231,718 | 276,625 | 1,013,978 |
| Depreciation | 6,033,363 | 34,892 | 628,851 | 625,534 | 665,932 | 765,084 | 1,398,064 | 476,171 | 412,665 | 220,409 | 112,665 | 219,313 | 469,792 |
| Pension, profit-sharing, stock bonus, and annuity plans | 1,490,286 | *1,171 | 60,399 | 62,069 | 154,694 | 217,699 | 439,252 | 115,253 | 109,532 | 52,066 | 26,368 | 43,358 | 208,424 |
| Employee benefit programs | 1,404,675 | 6,069 | 114,583 | 133,732 | 169,087 | 213,160 | 353,642 | 80,816 | 54,028 | 22,234 | 22,234 | 39,908 | 123,733 |
| Net income (less deficit) | 2,323,952 | 27,667 | -227,012 | 13,192 | 71,857 | 143,155 | 637,106 | 433,575 | 215,392 | 65,033 | 36,173 | 61,070 | 617,070 |
| Income subject to tax, total | 5,973,416 | 61,354 | 298,790 | 462,954 | 519,095 | 641,255 | 1,325,545 | 532,990 | 578,372 | 344,944 | 178,391 | 200,677 | 829,049 |
| Income tax, total | 2,114,820 | 22,344 | 52,829 | 91,484 | 115,278 | 174,922 | 474,599 | 225,642 | 255,613 | 150,262 | 78,734 | 89,772 | 383,339 |
| Additional tax for tax preferences | 8,040 | — | — | — | — | *21 | 156 | 395 | 506 | 636 | 582 | 1,240 | 4,505 |
| Foreign tax credit | 174,516 | — | — | — | — | *8 | *34 | *35 | *1,157 | — | 2,284 | 4,376 | 165,334 |
| U.S. possessions tax credit | 1,852 | 392 | 1 | — | — | 631 | 272 | 556 | — | — | — | — | — |
| Investment credit | 322,782 | 1,414 | 17,070 | 21,496 | 25,782 | 36,735 | 66,265 | 28,214 | 25,177 | 18,595 | 12,557 | 14,765 | 54,713 |
| Work incentive (WIN) credit | 4,103 | *47 | *54 | *113 | *376 | *322 | 2,525 | *264 | *19 | 307 | 8 | 67 | — |

RETURNS OF ACTIVE CORPORATIONS

Table 6 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets — Continued

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

| Industrial division, item | Total returns of active corporations | Size of total assets | | | | | | | | | | | |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
| | | Zero assets | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Manufacturing | | | | | | | | | | | | | |
| Number of returns..... | 259,106 | 7,784 | 92,564 | 49,984 | 34,480 | 26,708 | 34,383 | 5,789 | 4,033 | 1,439 | 706 | 554 | 657 |
| Total assets..... | 2,060,710,683 | — | 3,316,579 | 8,259,645 | 12,459,031 | 18,816,249 | 74,381,134 | 40,482,451 | 62,614,208 | 52,371,209 | 50,021,162 | 100,322,151 | 1,637,666,865 |
| Notes and accounts receivable, net..... | 439,300,826 | — | 723,208 | 2,052,949 | 3,097,123 | 4,984,182 | 18,387,150 | 9,267,633 | 13,916,393 | 9,919,797 | 9,919,797 | 18,373,812 | 347,397,880 |
| Inventories..... | 274,567,278 | — | 540,870 | 1,508,485 | 2,489,273 | 4,113,088 | 18,083,357 | 10,271,876 | 15,351,807 | 11,929,598 | 11,080,269 | 19,490,786 | 179,707,868 |
| Cash, Government obligations and other current assets..... | 160,152,933 | — | 618,643 | 1,407,033 | 2,045,973 | 2,931,779 | 10,812,055 | 5,505,627 | 8,255,618 | 6,686,086 | 6,925,970 | 11,268,258 | 103,677,891 |
| Other investments and loans..... | 424,461,632 | — | 192,485 | 465,841 | 707,855 | 1,143,858 | 4,261,836 | 2,631,493 | 4,921,771 | 5,323,077 | 5,088,266 | 15,979,634 | 383,745,514 |
| Depreciable assets..... | 1,013,344,737 | — | 2,712,941 | 5,451,794 | 8,111,092 | 11,088,766 | 40,874,965 | 21,035,372 | 31,016,033 | 25,029,532 | 24,145,513 | 46,913,199 | 796,965,530 |
| Less: Accumulated depreciation..... | 441,030,221 | — | 1,646,970 | 3,067,075 | 4,588,926 | 6,238,770 | 21,649,876 | 10,313,703 | 14,492,750 | 11,115,541 | 10,568,086 | 19,645,689 | 337,702,834 |
| Other capital assets less reserves..... | 97,210,150 | — | 89,350 | 193,687 | 289,816 | 421,385 | 2,127,785 | 1,118,649 | 1,921,859 | 1,644,487 | 1,644,487 | 6,643,428 | 40,707,216 |
| Accounts and notes payable..... | 412,720,543 | — | 1,086,408 | 2,587,537 | 3,575,621 | 5,484,624 | 20,847,186 | 10,544,544 | 14,559,273 | 10,583,323 | 8,678,009 | 17,151,020 | 317,622,997 |
| Other current liabilities..... | 172,970,669 | — | 403,582 | 821,856 | 1,113,193 | 1,801,734 | 7,163,830 | 3,787,611 | 5,987,637 | 4,963,276 | 4,856,220 | 10,085,048 | 131,586,681 |
| Mortgages, notes, and bonds payable in one year or more..... | 371,551,511 | — | 715,089 | 1,609,423 | 2,012,923 | 3,050,404 | 11,564,204 | 6,912,177 | 11,131,607 | 9,087,284 | 9,248,723 | 19,361,940 | 296,857,738 |
| Net worth..... | 896,871,145 | — | 49,266 | 2,167,458 | 4,441,178 | 7,060,865 | 31,336,643 | 17,491,844 | 27,944,560 | 24,926,846 | 24,446,451 | 45,812,147 | 711,193,885 |
| Cost of property used for investment credit..... | 111,395,875 | 609,220 | 287,528 | 658,587 | 899,302 | 1,132,210 | 3,971,697 | 1,987,076 | 2,914,007 | 2,571,535 | 2,306,777 | 5,006,987 | 89,036,943 |
| Total receipts..... | 2,488,331,915 | 28,018,402 | 11,462,175 | 22,456,614 | 29,563,903 | 42,706,346 | 158,890,032 | 75,929,614 | 108,804,805 | 81,071,457 | 76,016,822 | 128,748,622 | 1,723,643,573 |
| Business receipts..... | 2,357,973,509 | 27,082,055 | 11,271,954 | 22,137,991 | 29,102,963 | 42,017,566 | 156,073,661 | 74,184,359 | 105,981,319 | 78,525,841 | 73,517,876 | 123,608,929 | 1,613,516,185 |
| Cost of sales and operations..... | 1,660,537,002 | 22,196,984 | 6,169,491 | 13,820,511 | 19,145,272 | 28,433,238 | 111,148,220 | 54,081,287 | 76,637,993 | 56,232,704 | 52,700,662 | 84,694,235 | 1,134,669,107 |
| Taxes paid..... | 73,116,206 | 1,011,957 | 422,568 | 720,856 | 831,522 | 1,166,285 | 3,704,466 | 1,624,549 | 2,299,334 | 1,928,304 | 1,573,273 | 2,873,500 | 54,929,384 |
| Interest paid..... | 79,322,435 | 726,240 | 162,533 | 370,781 | 493,320 | 737,336 | 2,891,735 | 1,576,208 | 2,398,709 | 1,842,800 | 1,747,134 | 3,777,930 | 62,573,433 |
| Depreciation..... | 88,945,659 | 723,590 | 343,337 | 661,646 | 838,129 | 1,233,157 | 3,870,983 | 1,939,972 | 2,707,924 | 2,307,598 | 2,037,216 | 4,261,834 | 67,990,376 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 23,540,732 | 154,785 | 55,011 | 113,017 | 162,952 | 245,364 | 1,051,250 | 440,809 | 591,930 | 479,862 | 469,162 | 869,764 | 18,691,053 |
| Employee benefit programs..... | 28,657,767 | 133,024 | 84,729 | 141,400 | 216,603 | 315,220 | 1,213,275 | 657,675 | 1,026,812 | 826,276 | 951,592 | 1,537,035 | 21,540,576 |
| Net income (less deficit)..... | 75,791,264 | -919,250 | -260,129 | -252,915 | 71,873 | 120,242 | 2,700,604 | 1,838,187 | 3,157,290 | 2,534,682 | 2,550,701 | 3,915,161 | 59,985,196 |
| Income subject to tax, total..... | 102,157,505 | 299,684 | 174,874 | 445,847 | 694,509 | 1,124,644 | 4,833,138 | 2,833,960 | 4,434,679 | 3,649,724 | 3,769,872 | 5,933,116 | 73,907,258 |
| Income tax, total..... | 45,760,800 | 152,230 | 32,312 | 90,636 | 149,920 | 198,907 | 1,885,687 | 1,242,905 | 1,984,959 | 1,718,562 | 1,718,562 | 2,728,006 | 33,772,249 |
| Additional tax for tax preferences..... | 209,959 | 1,813 | — | 268 | — | 75 | 289 | 542 | 1,808 | 1,850 | 2,404 | 9,296 | 191,593 |
| Foreign tax credit..... | 14,791,200 | *2,901 | — | — | *19 | *172 | 3,441 | 4,811 | 16,185 | 32,528 | 64,885 | 229,941 | 14,436,317 |
| U.S. possessions tax credit..... | 1,890,760 | 2,633 | 17 | 359 | 1,704 | 43,536 | 69,300 | 177,009 | 296,247 | 371,853 | 327,494 | 596,290 | 5,445,008 |
| Investment credit..... | 6,724,483 | 7,842 | 10,675 | 22,958 | 43,414 | 64,465 | 232,756 | 115,744 | 186,464 | 149,569 | 296,342 | 5,445,008 | 5,445,008 |
| Work incentive (WIN) credit..... | 9,705 | 50 | — | *527 | *381 | *97 | 1,971 | 1,821 | 502 | 925 | 1,116 | 897 | — |
| Jobs credit..... | 90,387 | 2,418 | *2,584 | *1,049 | 4,029 | 6,875 | 21,646 | 5,820 | 8,100 | 4,448 | 4,250 | 1,116 | 22,302 |
| Research activities credit..... | 623,263 | 621 | *174 | 1,989 | 4,333 | 23,490 | 12,359 | 27,372 | 24,593 | 20,828 | 35,173 | 472,331 | 6,396 |
| Employee stock ownership credit..... | 7,633 | — | *55 | — | — | — | — | *92 | *126 | — | — | 965 | 6,396 |
| Distributions to stockholders except in own stock..... | 43,912,134 | 315,681 | 46,601 | 102,138 | 83,472 | 101,599 | 697,638 | 512,881 | 802,259 | 806,494 | 999,197 | 2,187,086 | 37,254,079 |
| Transportation and public utilities | | | | | | | | | | | | | |
| Number of returns..... | 115,470 | *** | 58,752 | *** | 12,835 | 8,187 | 7,600 | 943 | 637 | 244 | 123 | 109 | 284 |
| Total assets..... | 919,861,069 | — | 2,041,083 | *** | 4,536,689 | 5,736,249 | 15,673,817 | 6,550,444 | 9,818,619 | 8,619,973 | 8,945,961 | 17,225,449 | 837,407,764 |
| Notes and accounts receivable, net..... | 82,641,077 | — | 275,577 | *** | 891,859 | 1,010,831 | 2,731,581 | 1,079,027 | 1,545,387 | 1,358,516 | 1,138,654 | 2,012,485 | 70,000,159 |
| Inventories..... | 30,487,943 | — | 27,185 | *** | 93,065 | 99,707 | 414,531 | 132,564 | 246,784 | 238,963 | 311,018 | 632,001 | 28,182,162 |
| Cash, Government obligations and other current assets..... | 54,660,997 | — | 417,529 | *** | 740,786 | 900,295 | 2,382,439 | 991,426 | 1,256,082 | 1,010,783 | 946,238 | 1,498,803 | 43,954,903 |
| Other investments and loans..... | 88,687,353 | — | 153,441 | *** | 322,579 | 419,384 | 1,140,111 | 534,843 | 803,556 | 728,170 | 916,388 | 1,870,373 | 81,564,035 |
| Depreciable assets..... | 839,757,341 | — | 2,316,636 | *** | 4,347,627 | 5,798,222 | 14,213,986 | 5,556,563 | 8,801,634 | 7,198,249 | 7,405,066 | 13,351,038 | 767,600,210 |
| Less: Accumulated depreciation..... | 212,745,125 | — | 1,320,251 | *** | 2,288,130 | 3,029,596 | 6,493,787 | 2,322,362 | 3,649,895 | 2,840,412 | 2,614,723 | 4,062,900 | 182,451,123 |
| Other capital assets less reserves..... | 14,338,501 | — | 40,610 | *** | 219,118 | 249,741 | 781,062 | 248,053 | 396,768 | 416,940 | 365,309 | 524,658 | 10,964,240 |
| Accounts and notes payable..... | 98,101,573 | — | 585,775 | *** | 1,115,803 | 1,448,741 | 3,883,566 | 1,866,623 | 1,843,638 | 1,601,830 | 1,405,498 | 2,603,868 | 81,286,837 |
| Other current liabilities..... | 81,005,176 | — | 216,355 | *** | 349,910 | 371,774 | 1,266,533 | 568,548 | 837,267 | 761,950 | 641,914 | 1,490,602 | 74,264,508 |
| Mortgages, notes, and bonds payable in one year or more..... | 296,998,401 | — | 517,345 | *** | 1,265,906 | 1,697,044 | 4,878,725 | 2,081,385 | 3,232,002 | 3,006,519 | 3,016,161 | 5,848,429 | 270,685,643 |
| Net worth..... | 352,880,625 | — | 1,969,911 | *** | 1,249,031 | 1,685,367 | 4,137,813 | 1,948,886 | 3,045,890 | 2,441,568 | 2,768,129 | 5,326,989 | 329,437,704 |
| Cost of property used for investment credit..... | 74,115,762 | — | 265,153 | *** | 563,228 | 609,675 | 1,564,968 | 678,430 | 871,454 | 718,044 | 723,409 | 1,125,325 | 66,325,569 |
| Total receipts..... | 632,294,442 | — | 7,846,234 | *** | 10,736,726 | 11,186,191 | 25,854,020 | 8,360,371 | 12,610,719 | 10,416,783 | 9,291,412 | 15,351,185 | 507,809,391 |
| Business receipts..... | 606,039,657 | — | 7,893,537 | *** | 10,393,537 | 10,804,782 | 25,040,588 | 7,991,663 | 12,082,594 | 9,910,946 | 8,917,641 | 14,348,411 | 486,547,131 |
| Cost of sales and operations..... | 338,796,961 | — | 4,230,196 | *** | 5,444,980 | 5,641,579 | 13,489,268 | 4,080,422 | 6,659,709 | 5,242,308 | 5,439,787 | 7,853,407 | 273,140,804 |
| Taxes paid..... | 27,599,358 | — | 202,865 | *** | 461,068 | 373,556 | 832,189 | 317,099 | 440,329 | 320,360 | 306,748 | 602,066 | 23,408,278 |
| Interest paid..... | 36,839,460 | — | 117,430 | *** | 234,822 | 299,843 | 773,543 | 312,413 | 459,485 | 425,857 | 414,923 | 913,293 | 32,504,205 |
| Depreciation..... | 49,929,857 | — | 314,497 | *** | 544,443 | 648,254 | 1,404,036 | 543,559 | 757,524 | 606,612 | 552,529 | 1,011,128 | 42,945,796 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 8,502,834 | — | 22,290 | *** | 36,883 | 70,254 | 178,843 | 58,135 | 96,460 | 86,924 | 86,924 | 134,867 | 7,708,740 |
| Employee benefit programs..... | 6,501,687 | — | 26,374 | *** | 57,778 | 102,666 | 194,199 | 86,455 | 138,323 | 78,372 | 99,007 | 175,207 | 5,498,411 |
| Net income (less deficit)..... | 18,335,959 | — | -182,821 | *** | -73,901 | 67,541 | 103,862 | 81,673 | 282,023 | 197,994 | 40,585 | 111,647 | 18,003,649 |
| Income subject to tax, total..... | 25,955,886 | — | 95,576 | *** | 208,670 | 287,556 | 712,868 | 313,777 | 529,644 | 385,765 | 323,038 | 573,279 | 22,302,488 |
| Income tax, total..... | 11,638,542 | — | 20,056 | *** | 48,496 | 82,731 | 268,866 | 134,520 | 234,031 | 174,332 | 146,045 | 261,812 | 10,199,961 |
| Additional tax for tax preferences..... | 46,619 | — | — | *** | — | — | 185 | *188 | 737 | *266 | 461 | 855 | 43,677 |
| Foreign tax credit..... | 254,502 | — | — | *** | *95 | — | *2,759 | *457 | 1,369 | *1,297 | 366 | | |

RETURNS OF ACTIVE CORPORATIONS

Table 6 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets — Continued

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

| Industrial division, item | Total returns of active corporations | Size of total assets | | | | | | | | | | | |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
| | | Zero assets | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Wholesale and Retail Trade | | | | | | | | | | | | | |
| Number of returns..... | 839,547 | 25,533 | 377,186 | 181,412 | 106,466 | 72,254 | 64,941 | 6,501 | 3,337 | 984 | 446 | 289 | 198 |
| Total assets..... | 753,351,132 | — | 15,012,793 | 29,488,883 | 37,727,280 | 50,453,966 | 129,675,641 | 44,499,585 | 49,777,291 | 34,331,382 | 33,052,865 | 54,747,448 | 274,583,998 |
| Notes and accounts receivable, net..... | 175,241,736 | — | 4,733,850 | 7,419,262 | 7,419,262 | 10,887,173 | 31,302,715 | 12,121,649 | 13,552,025 | 9,561,236 | 8,400,475 | 12,790,257 | 62,721,650 |
| Inventories..... | 214,824,922 | — | 4,893,519 | 10,089,812 | 13,026,407 | 18,601,257 | 48,952,347 | 14,208,870 | 14,958,355 | 9,319,908 | 7,963,736 | 13,330,775 | 59,479,937 |
| Cash, Government obligations and other current assets..... | 101,115,850 | — | 2,636,171 | 4,490,064 | 5,628,225 | 6,524,429 | 14,715,766 | 4,990,623 | 5,483,513 | 3,739,607 | 3,755,505 | 5,181,857 | 43,970,092 |
| Other investments and loans..... | 84,208,632 | — | 947,935 | 1,945,460 | 2,505,667 | 3,090,459 | 8,024,772 | 3,358,706 | 4,141,628 | 3,155,617 | 3,440,407 | 8,921,207 | 44,676,775 |
| Depreciable assets..... | 224,287,114 | — | 7,995,886 | 12,563,947 | 14,080,905 | 17,770,151 | 39,900,451 | 13,542,278 | 15,049,187 | 10,277,521 | 11,574,842 | 15,343,603 | 76,188,564 |
| Less: Accumulated depreciation..... | 99,526,467 | — | 4,344,537 | 6,502,371 | 7,141,223 | 9,130,763 | 19,514,870 | 6,094,788 | 6,382,893 | 4,474,131 | 4,764,970 | 5,515,777 | 25,990,144 |
| Other capital assets less reserves..... | 22,006,490 | — | 321,261 | 998,183 | 1,130,740 | 1,442,638 | 3,452,944 | 1,299,226 | 1,553,568 | 1,200,912 | 1,133,109 | 2,312,381 | 7,161,527 |
| Accounts and notes payable..... | 247,343,998 | — | 4,790,866 | 8,519,550 | 11,609,519 | 17,920,179 | 53,509,914 | 17,569,540 | 18,392,348 | 11,779,282 | 10,539,704 | 15,728,454 | 77,085,643 |
| Other current liabilities..... | 90,424,038 | — | 1,273,578 | 2,189,793 | 2,685,560 | 3,726,027 | 9,483,503 | 3,332,286 | 3,818,082 | 2,878,044 | 2,699,374 | 4,452,689 | 53,885,102 |
| Mortgages, notes, and bonds payable in one year or more..... | 114,283,891 | — | 3,621,018 | 5,327,438 | 5,707,668 | 6,795,726 | 15,780,545 | 5,771,463 | 7,034,653 | 5,182,068 | 5,568,900 | 10,693,186 | 42,901,315 |
| Net worth..... | 251,417,099 | 184,450 | 378,626 | 8,906,018 | 13,865,292 | 18,378,377 | 44,703,546 | 15,934,622 | 18,218,161 | 12,812,110 | 12,199,175 | 20,532,385 | 85,488,787 |
| Cost of property used for investment credit..... | 26,206,566 | 184,450 | 1,010,730 | 1,403,446 | 1,575,012 | 1,905,776 | 4,484,368 | 1,487,055 | 1,737,194 | 1,105,343 | 1,238,937 | 1,764,312 | 8,309,673 |
| Total receipts..... | 2,017,701,364 | 19,038,002 | 72,535,584 | 106,415,159 | 125,596,207 | 165,741,626 | 438,171,165 | 135,796,473 | 140,905,935 | 86,830,609 | 83,593,445 | 137,278,076 | 505,858,083 |
| Business receipts..... | 1,972,305,356 | 18,436,703 | 71,551,163 | 105,006,532 | 123,472,713 | 162,946,591 | 430,731,905 | 133,008,091 | 137,663,720 | 84,578,761 | 81,055,820 | 133,743,268 | 490,119,091 |
| Cost of sales and operations..... | 1,556,263,179 | 15,169,924 | 47,650,534 | 73,380,839 | 91,124,439 | 125,980,137 | 349,553,703 | 108,260,431 | 112,054,910 | 67,773,423 | 66,009,475 | 110,887,465 | 388,417,599 |
| Taxes paid..... | 26,375,395 | 222,980 | 1,651,724 | 2,109,321 | 2,115,741 | 2,475,725 | 4,976,747 | 1,651,090 | 1,770,376 | 1,012,758 | 955,553 | 1,371,096 | 6,062,283 |
| Interest paid..... | 30,429,310 | 284,912 | 604,329 | 1,099,780 | 1,403,430 | 1,913,062 | 5,302,389 | 1,923,641 | 2,003,892 | 1,431,290 | 1,232,521 | 2,067,990 | 10,777,990 |
| Depreciation..... | 24,948,631 | 184,817 | 1,118,996 | 1,609,584 | 1,609,584 | 1,911,730 | 4,292,558 | 1,561,705 | 1,664,378 | 1,056,157 | 1,162,785 | 1,417,271 | 7,380,763 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 5,874,751 | 38,281 | 158,284 | 299,232 | 387,622 | 554,604 | 1,362,733 | 358,127 | 325,668 | 187,476 | 197,589 | 382,095 | 1,623,030 |
| Employee benefit programs..... | 7,001,152 | 66,968 | 168,800 | 259,721 | 340,774 | 549,567 | 1,286,119 | 375,057 | 396,699 | 288,384 | 299,093 | 489,025 | 2,480,945 |
| Net income (less deficit)..... | 28,442,678 | -18,865 | -731,496 | 550,921 | 1,145,997 | 1,478,553 | 4,797,952 | 2,711,356 | 2,711,816 | 1,979,252 | 1,739,012 | 2,931,569 | 9,784,611 |
| Income subject to tax, total..... | 30,107,672 | 290,109 | 752,244 | 1,556,922 | 1,881,283 | 2,222,210 | 5,490,747 | 2,015,503 | 2,329,356 | 1,442,749 | 1,405,409 | 2,137,996 | 8,582,903 |
| Income tax, total..... | 11,584,691 | 120,826 | 132,133 | 292,910 | 393,612 | 560,995 | 1,971,604 | 858,150 | 1,035,861 | 654,396 | 643,963 | 975,785 | 3,944,457 |
| Additional tax for tax preferences..... | 39,389 | 21 | — | *241 | *1 | *186 | 406 | 2,078 | 822 | 1,126 | 1,520 | 2,766 | 30,222 |
| Foreign tax credit..... | 393,077 | 1,197 | 1,379 | — | — | *5,047 | 2,244 | 1,320 | 4,866 | 3,833 | 1,735 | 351,604 | 30,222 |
| U.S. possessions tax credit..... | 91,928 | — | (1) | 3 | 9 | 641 | 567 | 3,864 | 7,890 | 20,576 | 10,402 | — | 47,977 |
| Investment credit..... | 1,574,988 | 8,679 | 29,383 | 52,978 | 71,924 | 101,565 | 229,667 | 81,101 | 101,506 | 70,745 | 76,752 | 121,287 | 629,402 |
| Work incentive (WIN) credit..... | 8,016 | 1 | *378 | *626 | 538 | 701 | 2,626 | 573 | 807 | 310 | 621 | 496 | 337 |
| Jobs credit..... | 107,419 | *520 | 3,996 | 7,306 | 7,524 | 10,966 | 17,746 | 6,314 | 3,270 | 3,278 | 7,588 | 5,087 | 33,824 |
| Research activities credit..... | 25,755 | 37 | *345 | *586 | *99 | *1,331 | 3,839 | 1,782 | 2,374 | 1,795 | 1,915 | 2,366 | 9,287 |
| Employee stock ownership credit..... | 3,815 | 159 | — | — | — | *56 | — | *29 | — | 37 | 25 | 77 | 284 |
| Distributions to stockholders except in own stock..... | 12,069,015 | 830,883 | 386,428 | 390,789 | 291,711 | 388,846 | 996,232 | 561,435 | 767,741 | 828,153 | 520,479 | 1,032,922 | 5,073,396 |
| Finance, Insurance, and Real Estate | | | | | | | | | | | | | |
| Number of returns..... | 461,630 | 27,455 | *** | *** | 47,258 | 30,221 | 27,591 | 5,679 | 7,337 | 5,305 | 3,769 | 2,260 | 1,875 |
| Total assets..... | 4,987,466,401 | — | — | — | 16,637,941 | 21,064,476 | 57,896,905 | 40,719,135 | 120,573,085 | 190,480,321 | 262,801,832 | 347,265,946 | 3,908,837,135 |
| Notes and accounts receivable, net..... | 1,568,156,224 | — | — | — | 2,096,544 | 2,808,913 | 8,215,441 | 10,355,651 | 41,083,046 | 72,601,485 | 90,334,154 | 84,630,334 | 1,253,604,215 |
| Inventories..... | 12,118,589 | — | — | — | 12,566 | 112,664 | 436,778 | 553,320 | 765,874 | 1,667,833 | 1,167,232 | 2,163,985 | 5,277,140 |
| Cash, Government obligations and other current assets..... | 1,171,922,115 | — | — | — | 3,067,413 | 3,795,604 | 10,588,332 | 9,772,206 | 34,920,910 | 55,363,379 | 68,814,590 | 78,564,500 | 902,222,775 |
| Other investments and loans..... | 1,868,294,508 | — | — | — | 4,022,578 | 5,002,126 | 16,266,984 | 10,677,640 | 30,357,555 | 47,207,899 | 86,960,434 | 160,683,156 | 1,502,713,383 |
| Depreciable assets..... | 180,555,387 | — | — | — | 7,616,711 | 9,064,787 | 20,550,289 | 8,069,291 | 10,576,699 | 10,088,257 | 11,632,929 | 13,018,247 | 78,768,264 |
| Less: Accumulated depreciation..... | 53,228,889 | — | — | — | 3,482,130 | 3,917,445 | 7,477,257 | 2,568,458 | 2,847,089 | 2,523,705 | 2,920,457 | 3,036,120 | 18,789,565 |
| Other capital assets less reserves..... | 44,357,447 | — | — | — | 2,688,368 | 3,330,197 | 7,149,370 | 2,643,684 | 3,205,993 | 2,458,945 | 2,435,607 | 3,426,003 | 13,701,582 |
| Accounts and notes payable..... | 441,205,075 | — | — | — | 2,828,723 | 3,779,219 | 11,090,420 | 6,624,589 | 8,660,940 | 22,191,313 | 16,272,842 | 21,469,261 | 339,107,561 |
| Other current liabilities..... | 2,812,233,442 | — | — | — | 971,482 | 1,143,599 | 5,015,413 | 11,784,057 | 64,704,262 | 119,779,337 | 183,239,838 | 232,527,937 | 2,191,655,057 |
| Mortgages, notes, and bonds payable in one year or more..... | 286,709,958 | — | — | — | 4,212,610 | 5,944,148 | 18,178,125 | 8,827,054 | 11,215,126 | 11,601,963 | 13,239,585 | 16,548,100 | 192,277,481 |
| Net worth..... | 766,939,210 | — | — | — | 6,232,915 | 7,048,116 | 16,386,457 | 9,209,426 | 22,977,065 | 26,926,419 | 37,172,855 | 52,585,204 | 581,398,666 |
| Cost of property used for investment credit..... | 16,175,810 | 242,474 | — | — | 221,032 | 210,243 | 557,797 | 262,621 | 521,188 | 566,830 | 705,486 | 918,490 | 11,428,243 |
| Total receipts..... | 949,867,877 | 35,573,370 | — | — | 8,174,321 | 8,266,048 | 20,355,411 | 12,353,396 | 23,725,344 | 32,158,244 | 40,952,518 | 60,656,781 | 684,038,952 |
| Business receipts..... | 337,493,098 | 4,487,622 | — | — | 5,163,612 | 4,556,863 | 11,872,344 | 7,070,428 | 9,791,166 | 11,608,384 | 12,395,322 | 25,444,646 | 228,428,164 |
| Cost of sales and operations..... | 169,435,894 | 1,824,333 | — | — | 1,539,435 | 1,048,160 | 4,419,832 | 3,831,987 | 5,025,804 | 6,461,523 | 6,936,179 | 8,228,279 | 118,679,638 |
| Taxes paid..... | 15,220,581 | 432,593 | — | — | 477,058 | 503,036 | 997,099 | 435,565 | 627,514 | 610,148 | 711,175 | 921,434 | 8,528,129 |
| Interest paid..... | 340,960,344 | 26,890,656 | — | — | 584,080 | 885,982 | 2,671,736 | 2,173,885 | 7,156,265 | 12,670,828 | 18,118,217 | 23,339,328 | 243,891,616 |
| Depreciation..... | 15,887,956 | 483,521 | — | — | 430,148 | 481,548 | 1,019,936 | 430,830 | 650,060 | 638,607 | 808,478 | 922,578 | 9,191,847 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 5,149,286 | 45,955 | — | — | 88,656 | 103,315 | 158,935 | 59,915 | 121,244 | 158,232 | 206,319 | 277,432 | 3,609,422 |
| Employee benefit programs..... | 3,883,970 | 56,665 | — | — | 39,316 | 47,707 | 112,800 | 60,822 | 125,592 | 159,173 | 213,909 | 277,926 | 2,624,461 |
| Net income (less deficit)..... | 21,804,088 | -1,400,838 | — | — | 544,447 | 3,083,487 | 5,722,110 | 2,623,939 | 649,478 | 300,334 | 381,124 | -90,483 | 19,743,718 |
| Income subject to tax, total..... | 19,973,233 | 764,888 | — | — | 713,799 | 786,617 | 1,623,692 | 702,970 | 1,290,793 | 1,045,881 | 1,168,653 | 1,005,563 | 9,642,319 |
| Income tax, total..... | 7,809,420 | 8,945 | — | — | 159,920 | 210,781 | 549,785 | 264,087 | 481,278 | 412,988 | 487,660 | 439,800 | 4,278,410 |
| Additional tax for tax preferences..... | 79,059 | 8,945 | — | — | *54 | *399 | 3,232 | 1,014 | 4,247 | 2,909 | 3,694 | 3,052 | 51,210 |
| Foreign tax credit..... | 1,458,076 | 30,019 | — | — | | | | | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 6 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Total Assets — Continued

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

| Industrial division, item | Total returns of active corporations | Size of total assets | | | | | | | | | | | |
|--|--------------------------------------|----------------------|---------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|-----------------------------------|-----------------------|
| | | Zero assets | \$1 under \$100,000 | \$100,000 under \$250,000 | \$250,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$25,000,000 | \$25,000,000 under \$50,000,000 | \$50,000,000 under \$100,000,000 | \$100,000,000 under \$250,000,000 | \$250,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Services | | | | | | | | | | | | | |
| Number of returns..... | 819,706 | *** | *** | 121,359 | 46,491 | 21,725 | 16,653 | 1,703 | 1,061 | 367 | 186 | 109 | 64 |
| Total assets..... | 237,876,895 | — | — | 18,958,659 | 16,132,937 | 15,131,499 | 32,643,302 | 12,006,872 | 15,909,446 | 13,029,939 | 13,472,352 | 17,802,731 | 64,750,222 |
| Notes and accounts receivable, net..... | 35,628,825 | — | — | 2,697,252 | 2,538,153 | 2,443,695 | 5,703,131 | 2,415,124 | 3,118,216 | 2,440,134 | 2,164,625 | 3,161,700 | 7,322,721 |
| Inventories..... | 12,179,103 | — | — | 853,218 | 879,356 | 811,926 | 1,834,909 | 637,238 | 715,108 | 621,798 | 569,376 | 772,806 | 3,682,616 |
| Cash, Government obligations and other current assets..... | 42,599,359 | — | — | 4,943,957 | 3,462,801 | 2,751,070 | 5,001,501 | 2,071,355 | 2,298,940 | 1,985,411 | 2,096,685 | 2,219,172 | 10,477,521 |
| Other investments and loans..... | 38,609,995 | — | — | 2,758,234 | 1,966,102 | 1,760,864 | 3,677,710 | 1,367,575 | 2,017,273 | 1,648,137 | 2,283,828 | 3,550,172 | 14,888,044 |
| Depreciable assets..... | 141,106,305 | — | — | 12,819,282 | 10,861,215 | 10,991,337 | 22,382,900 | 7,031,714 | 9,246,319 | 7,361,534 | 6,557,308 | 8,217,736 | 30,606,651 |
| Less: Accumulated depreciation..... | 58,050,041 | — | — | 6,738,569 | 5,266,115 | 5,148,890 | 9,602,956 | 2,825,735 | 3,572,794 | 2,672,689 | 1,994,511 | 2,575,483 | 9,017,582 |
| Other capital assets less reserves..... | 12,569,891 | — | — | 801,929 | 1,050,026 | 991,015 | 2,030,735 | 693,391 | 1,058,781 | 736,951 | 953,258 | 1,415,784 | 2,346,846 |
| Accounts and notes payable..... | 49,038,015 | — | — | 3,551,261 | 3,307,338 | 3,404,972 | 7,908,500 | 3,024,978 | 3,266,709 | 2,845,246 | 3,026,867 | 3,271,684 | 11,817,320 |
| Other current liabilities..... | 28,297,049 | — | — | 2,415,170 | 1,773,339 | 1,676,269 | 3,325,606 | 1,243,864 | 1,625,835 | 1,471,267 | 1,298,604 | 1,742,777 | 8,708,485 |
| Mortgages, notes, and bonds payable in one year or more..... | 66,153,599 | — | — | 3,565,863 | 3,962,290 | 4,210,344 | 10,016,036 | 3,476,698 | 4,803,160 | 4,047,750 | 3,663,166 | 6,118,776 | 19,106,849 |
| Net worth..... | 67,785,388 | — | — | 6,699,726 | 5,191,807 | 4,062,896 | 7,910,684 | 3,096,483 | 4,722,105 | 3,449,414 | 4,384,813 | 5,379,958 | 18,607,683 |
| Cost of property used for investment credit..... | 18,370,162 | — | — | 1,649,085 | 1,391,577 | 1,222,601 | 2,641,278 | 886,847 | 1,154,115 | 995,031 | 860,633 | 1,416,734 | 3,777,132 |
| Total receipts..... | 380,767,394 | — | — | 51,655,439 | 34,690,169 | 27,276,006 | 49,192,620 | 15,507,086 | 19,080,918 | 15,034,452 | 14,573,865 | 15,530,556 | 43,894,912 |
| Business receipts..... | 355,090,610 | — | — | 48,939,139 | 32,982,364 | 25,686,023 | 45,690,226 | 13,932,698 | 17,382,698 | 13,440,339 | 13,124,054 | 13,932,698 | 39,233,131 |
| Cost of sales and operations..... | 135,273,962 | — | — | 15,529,328 | 11,963,196 | 10,795,519 | 20,448,469 | 7,008,812 | 8,654,796 | 6,269,074 | 7,036,756 | 6,187,065 | 16,080,371 |
| Taxes paid..... | 12,283,144 | — | — | 1,637,531 | 1,221,118 | 971,303 | 1,608,156 | 505,080 | 611,552 | 467,759 | 411,842 | 479,960 | 1,253,459 |
| Interest paid..... | 11,265,412 | — | — | 707,440 | 662,645 | 719,260 | 1,661,234 | 622,643 | 746,264 | 624,679 | 624,679 | 789,758 | 3,232,672 |
| Depreciation..... | 17,117,669 | — | — | 1,603,803 | 1,244,703 | 1,277,221 | 2,500,579 | 795,415 | 1,058,459 | 840,462 | 695,014 | 950,042 | 3,755,260 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 8,642,312 | — | — | 1,985,199 | 829,681 | 330,582 | 520,898 | 113,797 | 122,340 | 100,555 | 102,667 | 103,269 | 212,045 |
| Employee benefit programs..... | 3,359,926 | — | — | 365,208 | 242,783 | 194,199 | 438,522 | 156,476 | 228,715 | 159,165 | 137,909 | 174,336 | 574,336 |
| Net income (less deficit)..... | 7,199,258 | — | — | 1,005,366 | 685,940 | 508,427 | 545,501 | 342,772 | 313,954 | 358,015 | 704,974 | 545,408 | 1,699,803 |
| Income subject to tax, total..... | 11,941,166 | — | — | 1,604,570 | 1,003,273 | 786,495 | 1,416,455 | 542,053 | 701,287 | 541,058 | 609,674 | 747,232 | 1,936,705 |
| Income tax, total..... | 3,982,538 | — | — | 311,396 | 231,107 | 221,013 | 533,990 | 232,221 | 310,072 | 238,878 | 276,006 | 323,437 | 888,635 |
| Additional tax for tax preferences..... | 12,924 | — | — | — | — | 213 | 683 | 1,222 | 845 | 534 | 1,124 | 2,826 | 5,437 |
| Foreign tax credit..... | 215,733 | — | — | — | — | 2,897 | 4,193 | 6,030 | 10,638 | 8,948 | 19,124 | 144,726 | — |
| U.S. possessions tax credit..... | 3,969 | — | — | 24 | — | 301 | 1,681 | 1,824 | 105 | 35 | — | — | — |
| Investment credit..... | 1,041,329 | — | — | 76,131 | 62,205 | 55,850 | 104,041 | 40,008 | 55,570 | 46,882 | 37,206 | 90,041 | 374,489 |
| Work incentive (WIN) credit..... | 4,271 | — | — | 189 | 475 | 1,710 | 1,009 | 306 | 295 | 219 | 124 | 241 | 165 |
| Jobs credit..... | 65,087 | — | — | 7,770 | 6,839 | 5,956 | 10,756 | 2,630 | 4,078 | 1,165 | 3,958 | 5,160 | 5,358 |
| Research activities credit..... | 33,313 | — | — | 1,524 | 3,262 | 449 | 2,822 | 3,355 | 3,240 | 5,922 | 1,836 | 1,692 | 8,623 |
| Employee stock ownership credit..... | 1,446 | — | — | — | — | — | — | — | 34 | — | 49 | 223 | 1,140 |
| Distributions to stockholders except in own stock..... | 3,269,285 | — | — | 148,227 | 155,005 | 150,004 | 242,730 | 83,554 | 209,216 | 78,130 | 211,436 | 230,427 | 823,537 |
| Nature of Business not Allocable | | | | | | | | | | | | | |
| Number of returns..... | 20,134 | 2,128 | 14,734 | 1,767 | 770 | 383 | 285 | 28 | 30 | 8 | — | — | — |
| Total assets..... | 643,568 | — | 335,716 | 249,674 | 297,720 | 269,846 | 566,999 | 191,871 | 440,959 | 290,783 | — | — | — |
| Notes and accounts receivable, net..... | 523,016 | — | 32,377 | 50,052 | 44,251 | 76,448 | 88,102 | 24,286 | 118,183 | 88,956 | — | — | — |
| Inventories..... | 373,676 | — | 38,863 | 32,522 | 70,161 | 19,304 | 67,002 | 25,117 | 74,946 | 45,760 | — | — | — |
| Cash, Government obligations and other current assets..... | 47,289 | — | 75,020 | 31,365 | 69,851 | 66,791 | 101,197 | 25,534 | 39,765 | 37,766 | — | — | — |
| Other investments and loans..... | 451,947 | — | 67,524 | 27,695 | 15,901 | 31,986 | 118,289 | 63,624 | 56,866 | 70,061 | — | — | — |
| Depreciable assets..... | 943,816 | — | 176,611 | 161,500 | 156,000 | 74,111 | 151,234 | 56,058 | 113,507 | 54,795 | — | — | — |
| Less: Accumulated depreciation..... | 431,670 | — | 105,240 | 93,368 | 78,242 | 28,077 | 51,551 | 12,211 | 39,457 | 23,525 | — | — | — |
| Other capital assets less reserves..... | 160,193 | — | 6,392 | 11,044 | 8,977 | 18,344 | 53,673 | 7,065 | 48,837 | 5,862 | — | — | — |
| Accounts and notes payable..... | 774,566 | — | 75,810 | 54,711 | 103,262 | 78,229 | 156,931 | 69,366 | 141,469 | 94,808 | — | — | — |
| Other current liabilities..... | 213,328 | — | 19,479 | 21,161 | 24,923 | 39,678 | 48,796 | 7,846 | 23,730 | 27,713 | — | — | — |
| Mortgages, notes, and bonds payable in one year or more..... | 555,909 | — | 83,993 | 98,867 | 55,327 | 37,776 | 96,445 | 8,262 | 137,033 | 38,205 | — | — | — |
| Net worth..... | 748,622 | 943 | 47,605 | 6,612 | 68,521 | 86,348 | 199,658 | 96,458 | 126,207 | 117,212 | — | — | — |
| Cost of property used for investment credit..... | 146,876 | 943 | 28,659 | 16,216 | 21,507 | 9,705 | 37,107 | 3,276 | 21,802 | 7,662 | — | — | — |
| Total receipts..... | 4,931,438 | 102,710 | 1,418,496 | 525,716 | 599,555 | 307,983 | 812,920 | 277,709 | 475,730 | 410,619 | — | — | — |
| Business receipts..... | 4,662,210 | 51,376 | 1,372,853 | 505,454 | 579,116 | 255,358 | 772,744 | 271,298 | 459,320 | 394,691 | — | — | — |
| Cost of sales and operations..... | 3,101,703 | 22,831 | 842,966 | 266,437 | 347,443 | 161,428 | 582,260 | 208,466 | 368,013 | 301,860 | — | — | — |
| Taxes paid..... | 99,289 | 3,308 | 21,628 | 21,309 | 7,417 | 14,495 | 5,077 | 5,343 | 2,286 | — | — | — | — |
| Interest paid..... | 88,029 | 8,021 | 8,109 | 11,411 | 6,891 | 9,320 | 14,708 | 5,549 | 13,526 | 10,493 | — | — | — |
| Depreciation..... | 116,825 | 5,030 | 21,704 | 13,546 | 17,521 | 7,754 | 29,562 | 5,176 | 12,052 | 4,479 | — | — | — |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 19,389 | 219 | 2,006 | 4,389 | 2,105 | 1,268 | 4,672 | 1,881 | 2,295 | 205 | — | — | — |
| Employee benefit programs..... | 18,245 | 2,225 | 3,132 | 4,341 | 2,620 | 1,348 | 3,488 | 2,791 | 1,491 | 297 | — | — | — |
| Net income (less deficit)..... | -20,216 | 18,229 | -18,558 | -16,277 | -14,354 | -6,226 | -3,042 | -10,600 | -3,666 | -6,881 | — | — | — |
| Income subject to tax, total..... | 143,002 | 40,075 | 17,343 | 14,117 | 15,356 | 7,244 | 37,041 | 2,373 | 7,108 | 2,345 | — | — | — |
| Income tax, total..... | 42,062 | 11,895 | 2,804 | 3,514 | 2,008 | 1,945 | 13,945 | 940 | 3,138 | 1,078 | — | — | — |
| Additional tax for tax preferences..... | 49 | — | — | — | — | — | 43 | — | 6 | — | — | — | — |
| Foreign tax credit..... | — | — | — | — | — | — | — | — | — | — | — | — | — |
| U.S. possessions tax credit..... | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Investment credit..... | 5,695 | 5 | 524 | 596 | 403 | 910 | 2,713 | 39 | 250 | 256 | — | — | — |
| Work incentive (WIN) credit..... | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Jobs credit..... | 492 | 46 | 237 | 183 | — | — | — | — | — | 26 | — | — | — |
| Research activities credit..... | 115 | — | — | — | — | — | — | — | — | 114 | — | — | — |
| Employee stock ownership credit..... | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Distributions to stockholders except in own stock..... | 32,525 | 2,445 | 26,664 | 1,198 | 297 | 1,639 | 42 | — | 213 | 26 | — | — | — |

*Estimate should be used with caution because of the small number of sample returns on which it is based.
 **Data were deleted to avoid disclosure of information for specific corporations and combined with data in another size class.
 ***Data were deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.
 †Less than \$500 per return.
 NOTE: Detail may not add to total because of rounding and the deletion of data. See text for "Explanation of terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 7 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts

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

| Industrial division, item | Total returns of active corporations | Size of business receipts | | | | | | | | | | | |
|--|--------------------------------------|------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------|
| | | Under \$100,000 ¹ | Under \$25,000 ¹ | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$2,000,000 | \$2,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 or more |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| All Industries | | | | | | | | | | | | | |
| Number of returns..... | 2,925,933 | 1,162,231 | 620,005 | 217,511 | 324,715 | 593,412 | 427,888 | 295,955 | 243,423 | 98,630 | 53,996 | 41,578 | 8,820 |
| Total assets..... | 9,357,784,804 | 125,841,676 | 71,864,369 | 20,312,795 | 33,664,512 | 78,923,680 | 96,113,836 | 128,276,092 | 266,588,411 | 305,830,377 | 395,460,043 | 941,425,664 | 7,019,325,024 |
| Notes and accounts receivable, net..... | 2,373,829,410 | 13,865,871 | 8,416,520 | 1,965,652 | 3,483,699 | 10,081,451 | 13,565,922 | 24,336,977 | 69,361,681 | 97,274,026 | 122,829,921 | 217,299,947 | 1,805,213,614 |
| Inventories..... | 581,241,455 | 6,424,671 | 3,906,385 | 704,694 | 1,813,592 | 6,517,020 | 11,302,914 | 18,523,857 | 35,387,683 | 31,817,585 | 35,509,481 | 75,260,409 | 360,497,836 |
| Cash, Government obligations, and other current assets..... | 1,582,925,121 | 21,995,616 | 12,964,607 | 3,328,469 | 5,702,540 | 14,054,511 | 18,350,172 | 23,271,147 | 55,077,677 | 70,755,121 | 88,321,219 | 175,046,329 | 1,116,053,329 |
| Other investments and loans..... | 2,585,463,211 | 31,063,690 | 18,856,051 | 5,283,386 | 6,924,254 | 13,848,477 | 14,778,000 | 18,974,866 | 42,396,634 | 54,213,964 | 91,338,011 | 325,366,778 | 1,993,482,791 |
| Depreciable assets..... | 2,583,060,326 | 50,934,038 | 24,395,710 | 8,854,888 | 17,683,440 | 42,560,191 | 50,609,246 | 59,659,227 | 91,658,672 | 72,653,397 | 75,103,660 | 176,429,561 | 1,963,452,333 |
| Less: Accumulated depreciation..... | 942,704,683 | 22,326,352 | 10,847,754 | 3,689,954 | 7,788,643 | 20,122,147 | 24,601,352 | 28,997,688 | 44,529,251 | 34,429,146 | 34,187,294 | 73,343,823 | 660,167,631 |
| Other capital assets less reserves..... | 231,823,855 | 17,741,852 | 10,280,507 | 3,093,245 | 4,368,100 | 8,603,953 | 8,293,247 | 7,852,905 | 10,208,019 | 7,552,726 | 7,928,296 | 19,966,132 | 143,676,725 |
| Accounts and notes payable..... | 1,345,691,238 | 23,721,757 | 14,054,155 | 3,350,104 | 6,317,497 | 15,494,412 | 21,334,556 | 30,949,667 | 61,663,388 | 61,512,285 | 62,877,306 | 134,331,921 | 933,805,947 |
| Other current liabilities..... | 3,220,923,530 | 10,197,951 | 6,909,684 | 1,081,301 | 2,206,967 | 6,272,999 | 8,471,572 | 16,484,386 | 70,799,795 | 126,276,611 | 193,537,155 | 435,054,316 | 2,353,828,745 |
| Mortgages, notes, and bonds payable in one year or more..... | 1,224,277,725 | 33,944,552 | 19,155,407 | 5,767,907 | 9,021,238 | 20,468,006 | 23,949,925 | 27,627,438 | 41,277,469 | 32,223,575 | 38,581,016 | 92,341,752 | 913,863,990 |
| Net worth..... | 2,469,572,984 | 31,431,151 | 16,302,267 | 5,244,075 | 9,884,808 | 23,106,572 | 29,614,674 | 40,483,965 | 74,737,425 | 71,458,184 | 82,690,850 | 221,751,986 | 1,894,298,177 |
| Cost of property used for investment credit..... | 264,500,876 | 5,123,118 | 2,630,093 | 768,866 | 1,724,159 | 3,938,739 | 5,005,413 | 5,976,214 | 9,314,549 | 7,674,662 | 7,715,958 | 17,821,947 | 201,930,277 |
| Total receipts..... | 7,024,097,766 | 51,528,403 | 16,532,700 | 9,172,563 | 25,823,110 | 103,005,654 | 156,245,335 | 214,100,939 | 387,529,999 | 351,052,302 | 383,973,100 | 829,147,963 | 4,547,514,071 |
| Business receipts..... | 6,156,994,009 | 31,019,672 | 2,911,668 | 6,599,701 | 21,508,302 | 94,319,381 | 147,735,767 | 203,301,341 | 364,918,102 | 323,973,156 | 346,279,991 | 745,119,933 | 3,900,327,807 |
| Cost of sales and operations..... | 4,270,850,310 | 11,607,375 | 1,328,081 | 2,425,727 | 7,853,567 | 37,629,195 | 69,287,243 | 114,012,331 | 234,259,389 | 229,951,323 | 257,203,489 | 560,684,559 | 2,756,215,406 |
| Taxes paid..... | 165,888,353 | 2,493,616 | 874,043 | 474,915 | 1,144,659 | 3,810,055 | 5,070,999 | 6,103,265 | 9,268,859 | 6,956,848 | 6,891,954 | 13,788,926 | 111,503,832 |
| Interest paid..... | 515,032,667 | 4,440,297 | 2,328,880 | 695,491 | 1,415,926 | 3,440,277 | 4,318,818 | 5,901,238 | 13,677,485 | 17,876,617 | 25,935,456 | 57,927,406 | 381,515,072 |
| Depreciation..... | 213,179,160 | 4,508,626 | 2,010,578 | 768,205 | 1,729,843 | 4,389,338 | 5,364,269 | 6,382,589 | 9,683,916 | 7,531,418 | 7,322,518 | 16,562,016 | 151,434,470 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 54,232,011 | 706,288 | 407,964 | 74,473 | 223,851 | 2,004,919 | 2,829,621 | 2,261,621 | 2,809,442 | 2,081,202 | 1,765,931 | 3,413,576 | 36,361,342 |
| Employee benefit programs..... | 151,838,884 | 390,705 | 175,533 | 52,109 | 163,062 | 577,346 | 757,754 | 1,094,937 | 1,982,036 | 1,889,410 | 1,895,509 | 4,395,264 | 38,855,923 |
| Net income (less deficit)..... | 154,334,143 | -5,451,710 | -4,179,933 | -760,929 | -510,848 | -351,998 | 743,103 | 1,886,808 | 4,430,621 | 4,547,037 | 5,677,569 | 14,608,718 | 128,243,695 |
| Income subject to tax, total..... | 205,175,407 | 3,452,668 | 1,512,841 | 607,364 | 1,332,463 | 3,479,455 | 4,176,724 | 5,260,693 | 8,533,530 | 7,751,642 | 8,454,105 | 20,353,047 | 143,713,543 |
| Income tax, total..... | 86,766,154 | 852,930 | 453,805 | 121,957 | 277,168 | 720,261 | 890,645 | 1,274,459 | 2,445,376 | 2,742,694 | 3,332,058 | 8,892,649 | 65,615,082 |
| Additional tax for tax preferences..... | 478,457 | 3,147 | 1,861 | 660 | 626 | 2,859 | 2,469 | 3,758 | 9,361 | 9,018 | 11,303 | 36,006 | 397,536 |
| Foreign tax credit..... | 19,137,201 | 10,491 | 8,329 | 1,287 | 879 | 489 | 379 | 536 | 12,508 | 80,265 | 21,295 | 108,283 | 18,899,955 |
| U.S. possessions tax credit..... | 2,026,980 | 9,728 | 9,725 | — | 3 | 52 | 664 | 1,948 | 12,830 | 34,723 | 103,217 | 698,881 | 1,164,938 |
| Investment credit..... | 17,312,702 | 105,364 | 45,085 | 14,647 | 45,633 | 124,225 | 188,656 | 247,065 | 447,653 | 395,977 | 415,125 | 943,395 | 14,445,241 |
| Work incentive (WIN) credit..... | 29,020 | 952 | 371 | 302 | 279 | 478 | 1,351 | 1,510 | 2,314 | 4,959 | 3,812 | 6,700 | 6,944 |
| Jobs credit..... | 327,285 | 8,087 | 5,700 | 868 | 1,519 | 6,785 | 12,931 | 21,505 | 38,632 | 31,205 | 32,806 | 49,959 | 125,373 |
| Research activities credit..... | 839,220 | 875 | 553 | 208 | 114 | 101 | 129 | 218 | 12,127 | 14,893 | 18,117 | 69,380 | 720,294 |
| Employee stock ownership credit..... | 14,450 | — | — | — | — | — | — | — | 56 | 7 | 29 | 239 | 14,065 |
| Distributions to stockholders except in own stock..... | 132,478,411 | 2,911,943 | 1,704,831 | 550,643 | 656,469 | 1,388,603 | 1,096,162 | 1,473,046 | 2,609,735 | 2,618,164 | 3,278,898 | 10,773,567 | 106,328,293 |
| Agriculture, Forestry, and Fishing | | | | | | | | | | | | | |
| Number of returns..... | 91,320 | 40,643 | 21,643 | 7,844 | 11,156 | 19,395 | 15,168 | 8,076 | 4,607 | 1,871 | 759 | 705 | 96 |
| Total assets..... | 50,409,537 | 9,213,352 | 4,885,713 | 1,682,520 | 2,645,119 | 6,944,484 | 7,047,920 | 5,614,158 | 5,758,439 | 3,556,124 | 2,719,252 | 4,578,453 | 5,427,355 |
| Notes and accounts receivable, net..... | 4,247,152 | 439,010 | 263,470 | 64,485 | 111,055 | 308,491 | 348,172 | 347,915 | 405,195 | 460,159 | 415,275 | 625,596 | 897,339 |
| Inventories..... | 4,971,985 | 289,186 | 134,289 | 33,451 | 121,446 | 309,573 | 403,086 | 513,579 | 744,617 | 442,984 | 397,441 | 799,209 | 1,072,310 |
| Cash, Government obligations, and other current assets..... | 4,746,518 | 811,708 | 457,298 | 134,135 | 220,275 | 552,449 | 631,186 | 552,563 | 511,346 | 492,686 | 387,718 | 555,835 | 355,028 |
| Other investments and loans..... | 6,284,227 | 1,003,951 | 616,713 | 138,037 | 249,201 | 725,420 | 726,681 | 486,500 | 756,895 | 325,752 | 344,921 | 610,988 | 1,303,119 |
| Depreciable assets..... | 30,289,176 | 4,349,196 | 2,106,645 | 776,372 | 1,466,178 | 3,863,116 | 4,997,188 | 4,070,117 | 3,851,754 | 2,490,674 | 1,498,970 | 2,644,946 | 2,523,215 |
| Less: Accumulated depreciation..... | 15,153,014 | 2,111,240 | 1,019,774 | 367,236 | 724,230 | 1,940,437 | 2,490,236 | 2,137,097 | 1,969,733 | 1,272,750 | 725,623 | 1,293,757 | 1,212,141 |
| Other capital assets less reserves..... | 12,702,743 | 3,826,588 | 2,012,304 | 808,908 | 1,005,376 | 2,204,079 | 2,135,980 | 1,493,365 | 1,302,802 | 504,381 | 440,119 | 482,938 | 312,489 |
| Other current liabilities..... | 11,848,982 | 1,185,296 | 608,795 | 188,726 | 387,775 | 993,393 | 1,293,855 | 1,556,050 | 1,537,833 | 1,238,217 | 875,451 | 1,772,890 | 1,389,998 |
| Mortgages, notes, and bonds payable in one year or more..... | 2,125,858 | 202,768 | 102,614 | 22,215 | 77,940 | 176,505 | 197,479 | 174,951 | 200,771 | 196,773 | 183,311 | 308,495 | 478,805 |
| Net worth..... | 16,640,904 | 2,687,456 | 1,390,534 | 441,568 | 855,353 | 2,211,738 | 2,613,900 | 2,268,196 | 2,323,915 | 1,127,570 | 733,115 | 1,256,220 | 1,418,793 |
| Cost of property used for investment credit..... | 14,119,923 | 3,409,500 | 1,837,312 | 655,308 | 916,879 | 2,337,383 | 1,946,263 | 1,124,508 | 1,206,625 | 656,480 | 653,040 | 1,835,281 | 1,835,281 |
| Total receipts..... | 2,735,665 | 383,407 | 178,095 | 83,301 | 122,011 | 384,103 | 460,352 | 384,705 | 298,134 | 239,180 | 140,053 | 219,756 | 225,996 |
| Business receipts..... | 65,356,911 | 2,688,074 | 1,194,775 | 458,826 | 1,034,473 | 3,662,744 | 5,819,716 | 6,064,985 | 7,234,067 | 6,642,465 | 5,461,767 | 14,218,194 | 13,564,900 |
| Cost of sales and operations..... | 60,643,550 | 1,200,233 | 106,328 | 284,615 | 809,289 | 3,182,708 | 5,286,535 | 5,633,060 | 6,791,501 | 6,409,774 | 5,205,130 | 13,799,157 | 13,135,451 |
| Taxes paid..... | 4,222,379 | 700,914 | 163,515 | 144,629 | 392,770 | 1,407,003 | 2,571,730 | 3,027,363 | 4,408,890 | 4,731,525 | 4,315,197 | 11,938,444 | 10,121,313 |
| Interest paid..... | 1,299,220 | 123,235 | 51,982 | 25,893 | 45,359 | 149,915 | 192,960 | 151,757 | 160,291 | 118,838 | 77,815 | 131,867 | 192,542 |
| Depreciation..... | 3,048,844 | 343,314 | 144,180 | 69,321 | 129,833 | 338,491 | 447,463 | 454,980 | 424,327 | 236,724 | 182,228 | 327,839 | 293,478 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 2,892,300 | 346,394 | 137,086 | 69,143 | 142,165 | 413,853 | 525,384 | 445,061 | 378,959 | 238,429 | 129,494 | 229,587 | 183,139 |
| Employee benefit programs..... | 146,932 | 2,514 | 1,051 | 265 | 593 | 15,437 | 15,949 | 20,508 | 15,923 | 13,431 | 11,393 | 20,631 | 33,146 |
| Net income (less deficit)..... | 224,920 | 33,685 | 25,051 | 2,655 | 5,979 | 19,694 | 17,150 | 14,224 | 17,464 | 23,264 | 13,647 | 30,055 | 55,737 |
| Income subject to tax, total..... | -86,418 | -206,830 | -77,724 | -68,857 | -60,249 | -64,678 | -81,585 | 16,994 | -47,912 | -28,562 | -11,539 | 101,350 | 236,343 |
| Income tax, total..... | 1,604,445 | 217,137 | 129,807 | 32,910 | 54,420 | 212,887 | 205,075 | 166,237 | 157,973 | 93,411 | 88,067 | | |

RETURNS OF ACTIVE CORPORATIONS

Table 7.—Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts—Continued

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

| Industrial division, item | Total returns of active corporations | Size of business receipts | | | | | | | | | | | |
|--|--------------------------------------|------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------|
| | | Under \$100,000 ¹ | Under \$25,000 ² | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$2,000,000 | \$2,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Mining | | | | | | | | | | | | | |
| Number of returns..... | 36,676 | 17,192 | 11,832 | 1,433 | 3,927 | 5,291 | 3,955 | 3,357 | 3,756 | 1,522 | 805 | 610 | 189 |
| Total assets..... | 192,380,473 | 5,470,666 | 4,003,788 | 371,015 | 1,095,863 | 1,837,373 | 3,162,716 | 3,023,588 | 6,742,383 | 6,399,839 | 6,770,451 | 19,793,210 | 139,180,248 |
| Notes and accounts receivable, net..... | 28,814,200 | 702,085 | 462,840 | 65,482 | 173,763 | 236,556 | 432,705 | 501,156 | 1,005,988 | 993,866 | 1,002,183 | 2,637,957 | 21,301,704 |
| Inventories..... | 8,852,449 | 95,678 | 86,182 | *3,369 | 6,127 | 73,774 | 46,625 | 143,376 | 207,740 | 153,326 | 223,118 | 790,304 | 7,118,508 |
| Cash, Government obligations, and other current assets..... | 14,879,375 | 883,970 | 670,917 | 63,895 | 149,158 | 304,120 | 409,055 | 332,962 | 1,131,640 | 1,037,715 | 1,048,574 | 2,157,844 | 7,573,495 |
| Other investments and loans..... | 56,082,471 | 1,519,074 | 1,263,936 | 60,181 | 194,958 | 305,871 | 1,035,336 | 290,233 | 724,224 | 796,383 | 661,265 | 2,822,365 | 47,927,719 |
| Depreciable assets..... | 86,320,409 | 3,071,302 | 2,510,772 | 88,016 | 472,514 | 704,729 | 970,256 | 1,728,771 | 3,838,574 | 3,534,369 | 3,947,208 | 11,563,859 | 56,961,342 |
| Less: Accumulated depreciation..... | 32,325,073 | 2,138,950 | 1,996,774 | 15,227 | 126,949 | 290,628 | 486,013 | 798,974 | 1,779,740 | 1,514,690 | 1,663,614 | 4,567,844 | 19,084,618 |
| Other capital assets less reserves..... | 22,426,954 | 1,008,364 | 746,241 | 87,587 | 174,536 | 407,090 | 637,441 | 604,129 | 1,203,343 | 1,170,277 | 1,162,322 | 3,560,605 | 12,673,354 |
| Accounts and notes payable..... | 33,983,124 | 1,090,344 | 794,362 | 90,989 | 204,994 | 534,168 | 768,548 | 1,035,437 | 1,941,620 | 1,714,754 | 1,605,186 | 4,032,491 | 21,260,575 |
| Other current liabilities..... | 10,106,813 | 446,842 | 309,003 | 28,479 | 109,359 | 109,574 | 217,475 | 165,636 | 457,274 | 522,683 | 456,145 | 1,198,878 | 6,532,306 |
| Mortgages, notes, and bonds payable in one year or more..... | 48,020,816 | 1,445,447 | 1,035,245 | 130,155 | 279,647 | 389,418 | 617,258 | 773,312 | 1,769,841 | 1,688,199 | 1,871,509 | 5,698,750 | 33,767,482 |
| Net worth..... | 79,876,475 | 764,027 | 610,186 | -92,710 | 246,551 | 310,835 | 1,057,293 | 625,629 | 1,847,319 | 2,014,819 | 2,093,983 | 6,858,062 | 64,304,507 |
| Cost of property used for investment credit..... | 9,422,660 | 269,867 | 149,378 | 26,527 | 93,962 | 119,751 | 211,814 | 246,721 | 582,208 | 691,099 | 543,277 | 1,508,227 | 5,249,695 |
| Total receipts..... | 203,098,557 | 1,208,192 | 609,407 | 93,742 | 505,043 | 1,068,869 | 1,827,587 | 2,637,602 | 6,522,645 | 5,961,243 | 5,918,770 | 13,462,184 | 164,491,467 |
| Business receipts..... | 191,152,749 | 385,160 | 46,380 | 48,545 | 290,236 | 854,617 | 1,442,458 | 2,389,961 | 5,879,185 | 5,333,835 | 5,484,192 | 12,357,779 | 157,025,563 |
| Cost of sales and operations..... | 151,521,066 | 166,543 | 26,118 | 43,887 | 96,538 | 369,937 | 730,813 | 960,885 | 2,812,093 | 3,007,121 | 2,928,471 | 7,270,915 | 133,274,289 |
| Taxes paid..... | 4,267,442 | 73,753 | 45,250 | 3,811 | 24,692 | 52,550 | 66,712 | 100,147 | 263,179 | 192,776 | 209,449 | 504,140 | 2,804,736 |
| Interest paid..... | 7,623,777 | 210,539 | 171,127 | 9,883 | 29,729 | 74,820 | 178,930 | 160,774 | 367,497 | 349,649 | 406,397 | 1,122,047 | 4,753,124 |
| Depreciation..... | 7,306,899 | 127,358 | 62,605 | 8,144 | 56,609 | 75,626 | 118,666 | 231,071 | 491,005 | 474,843 | 458,680 | 1,175,187 | 4,154,665 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 863,489 | 8,535 | *4,360 | *1,744 | *2,431 | *7,084 | 17,743 | 13,737 | 26,276 | 25,176 | 18,486 | 44,745 | 701,706 |
| Employee benefit programs..... | 786,541 | 4,172 | 1,159 | *179 | 2,833 | 2,329 | 7,525 | 18,576 | 30,489 | 24,732 | 33,517 | 78,585 | 588,616 |
| Net income (less deficit)..... | 543,578 | -783,401 | -654,734 | -93,616 | -35,052 | -268,244 | -317,696 | -239,105 | -323,267 | -144,232 | -256,640 | -781,291 | 3,857,655 |
| Income subject to tax, total..... | 7,319,683 | 183,428 | 87,282 | *9,037 | 87,109 | 70,735 | 55,147 | 82,238 | 244,207 | 381,551 | 159,000 | 552,688 | 5,590,690 |
| Income tax, total..... | 3,330,610 | 67,525 | 30,217 | *2,585 | 34,724 | 19,087 | 16,599 | 24,153 | 93,415 | 164,523 | 72,330 | 259,445 | 2,613,534 |
| Additional tax for tax preferences..... | 81,151 | 2,298 | 1,384 | *492 | *422 | 1,237 | *1,068 | 1,966 | 6,102 | 4,318 | 6,001 | 14,230 | 43,930 |
| Foreign tax credit..... | 1,848,192 | 2,942 | *2,942 | — | — | — | *3 | *10 | *180 | 69,539 | *323 | 20,771 | 1,754,424 |
| U.S. possessions tax credit..... | 1,079 | — | — | — | — | — | — | — | — | — | — | — | — |
| Investment credit..... | 425,824 | 5,934 | 2,292 | *432 | 3,210 | 3,138 | 3,156 | 7,467 | 18,512 | 25,101 | 18,980 | 50,407 | 293,128 |
| Work incentive (WIN) credit..... | 99 | 45 | *45 | — | — | — | — | — | — | — | — | — | 14 |
| Jobs credit..... | 2,406 | — | — | — | — | — | *541 | — | — | *622 | *391 | *510 | *222 |
| Research activities credit..... | 8,437 | — | — | — | — | — | — | — | — | *250 | *37 | — | 238 |
| Employee stock ownership credit..... | 14 | — | — | — | — | — | — | — | — | — | — | — | 121 |
| Distributions to stockholders except in own stock..... | 3,926,230 | 228,602 | 219,643 | — | *8,959 | 106,089 | *11,211 | 98,168 | 39,100 | 44,197 | 141,917 | 209,364 | 3,047,582 |
| Construction | | | | | | | | | | | | | |
| Number of returns..... | 282,345 | 97,307 | 48,258 | 20,355 | 28,694 | 56,852 | 47,396 | 34,587 | 27,444 | 10,986 | 4,664 | 2,812 | 296 |
| Total assets..... | 153,085,046 | 10,159,077 | 7,364,329 | 944,487 | 1,850,261 | 5,379,891 | 7,861,395 | 11,781,083 | 20,124,388 | 15,864,225 | 15,044,245 | 27,935,471 | 38,935,270 |
| Notes and accounts receivable, net..... | 39,276,354 | 1,499,738 | 1,119,744 | 117,738 | 262,257 | 809,123 | 1,486,407 | 2,715,433 | 5,058,092 | 4,530,514 | 4,632,993 | 8,361,950 | 10,182,106 |
| Inventories..... | 22,865,508 | 2,196,483 | 1,810,273 | 119,513 | 266,977 | 863,975 | 1,426,802 | 2,293,666 | 3,812,068 | 2,685,417 | 2,457,531 | 3,922,329 | 3,207,237 |
| Cash, Government obligations, and other current assets..... | 32,400,685 | 2,209,359 | 1,617,693 | 222,350 | 369,619 | 940,846 | 1,757,976 | 2,442,030 | 4,720,288 | 3,795,630 | 3,768,868 | 6,631,078 | 6,134,610 |
| Other investments and loans..... | 18,382,447 | 1,579,655 | 1,073,699 | 177,452 | 328,503 | 708,919 | 899,494 | 1,049,501 | 1,759,852 | 1,467,000 | 1,038,458 | 2,734,606 | 7,144,963 |
| Depreciable assets..... | 56,456,041 | 2,992,200 | 1,526,153 | 459,754 | 1,006,293 | 3,285,804 | 3,948,465 | 5,670,467 | 8,406,116 | 5,955,711 | 5,459,820 | 10,238,460 | 10,498,998 |
| Less: Accumulated depreciation..... | 30,214,182 | 1,515,213 | 694,729 | 241,520 | 578,963 | 1,797,775 | 2,264,390 | 3,132,229 | 4,785,356 | 3,394,944 | 3,189,549 | 5,726,915 | 4,407,805 |
| Other capital assets less reserves..... | 6,051,515 | 843,800 | 634,291 | 60,252 | 149,256 | 426,416 | 369,079 | 429,892 | 730,213 | 428,068 | 449,447 | 799,194 | 1,575,406 |
| Accounts and notes payable..... | 50,675,342 | 3,149,918 | 2,290,030 | 291,225 | 568,659 | 1,764,535 | 2,687,799 | 3,924,475 | 7,002,247 | 5,445,203 | 5,119,410 | 8,557,483 | 13,024,272 |
| Other current liabilities..... | 23,547,157 | 1,153,285 | 902,616 | 130,201 | 120,467 | 486,005 | 819,507 | 1,532,564 | 2,981,538 | 2,556,108 | 2,921,691 | 5,568,925 | 5,527,534 |
| Mortgages, notes, and bonds payable in one year or more..... | 23,362,735 | 2,680,050 | 2,041,886 | 216,344 | 421,230 | 1,112,115 | 1,469,519 | 1,853,396 | 2,756,178 | 1,971,526 | 1,784,399 | 4,131,600 | 5,603,944 |
| Net worth..... | 38,934,497 | 1,197,429 | 713,383 | 80,996 | 403,071 | 1,050,948 | 1,842,100 | 3,284,971 | 5,688,276 | 4,380,040 | 3,859,496 | 6,841,014 | 10,790,222 |
| Cost of property used for investment credit..... | 5,931,461 | 270,790 | 116,998 | 46,520 | 107,872 | 315,022 | 465,251 | 647,887 | 941,189 | 689,930 | 531,306 | 944,160 | 1,125,927 |
| Total receipts..... | 281,747,868 | 4,983,188 | 1,890,045 | 852,219 | 2,220,924 | 9,867,724 | 17,123,384 | 24,654,462 | 42,654,413 | 39,029,664 | 33,329,542 | 53,689,171 | 56,436,319 |
| Business receipts..... | 271,633,721 | 3,069,196 | 216,712 | 751,612 | 2,100,861 | 9,509,945 | 16,642,446 | 24,109,480 | 41,663,875 | 38,229,349 | 32,607,083 | 51,914,441 | 53,887,936 |
| Cost of sales and operations..... | 212,698,363 | 1,691,419 | 141,252 | 442,182 | 1,107,985 | 5,483,111 | 10,810,719 | 16,389,484 | 30,827,004 | 30,512,634 | 26,954,672 | 44,222,225 | 45,806,896 |
| Taxes paid..... | 5,627,719 | 225,789 | 115,115 | 34,170 | 76,503 | 320,604 | 517,248 | 717,937 | 1,037,877 | 813,966 | 606,559 | 1,130,074 | 1,330,074 |
| Interest paid..... | 5,455,056 | 428,995 | 303,064 | 52,655 | 73,276 | 284,211 | 372,330 | 504,666 | 744,867 | 548,219 | 416,134 | 821,156 | 576,645 |
| Depreciation..... | 6,030,363 | 321,541 | 137,918 | 53,479 | 130,144 | 408,786 | 502,226 | 694,133 | 987,962 | 697,210 | 591,743 | 949,155 | 880,622 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 1,490,216 | 28,988 | 26,024 | *1,567 | *1,398 | 20,816 | 51,748 | 122,726 | 285,319 | 220,072 | 188,712 | 254,958 | 316,946 |
| Employee benefit programs..... | 1,404,875 | 48,161 | 28,810 | *3,062 | 15,289 | 54,270 | 81,726 | 157,146 | 268,075 | 209,296 | 149,091 | 222,679 | 214,232 |
| Net income (less deficit)..... | 2,323,952 | -513,320 | -344,073 | -85,837 | -83,410 | -130,692 | -38,114 | 10,039 | 292,937 | 275,830 | 455,374 | 814,095 | 1,157,802 |
| Income subject to tax, total..... | 5,973,416 | 178,480 | 109,722 | 17,289 | 51,470 | 238,152 | 328,409 | 530,342 | 837,585 | 638,700 | 620,078 | 1,166,273 | 1,435,397 |
| Income tax, total..... | 2,114,820 | 53,265 | 36,245 | 6,538 | 10,462 | 53,056 | 64,678 | 118,991 | 223,957 | 206,991 | 236,869 | 500,682 | 654,330 |
| Additional tax for tax preferences..... | 6,040 | 81 | *73 | *8 | — | — | *236 | *38 | — | *17 | *129 | 1,170 | 6,056 |
| Foreign tax credit..... | 174,516 | 81 | — | — | — | — | — | 19 | — | — | — | — | 173,617 |
| U.S. possessions tax credit..... | 1,852 | — | — | — | — | — | — | — | — | — | — | — | — |
| Investment credit..... | 322,782 | 5,561 | 2,985 | *238 | 2,338 | 8,898 | 15,840 | 24,743 | 46,945 | 34,353 | 33,643 | 58,265 | 94,534 |
| Work incentive (WIN) credit..... | 4,103 | 141 | — | *54 | | | | | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 7 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial Division, by Size of Business Receipts — Continued

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

| Industrial division, item | Total returns of active corporations | Size of business receipts | | | | | | | | | | | |
|---|--------------------------------------|------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------|
| | | Under \$100,000 ¹ | Under \$25,000 ¹ | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$2,000,000 | \$2,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 or more |
| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
| Manufacturing | | | | | | | | | | | | | |
| Number of returns | 259,106 | 62,924 | 34,370 | 11,577 | 16,977 | 43,694 | 38,006 | 35,611 | 37,530 | 17,745 | 11,085 | 9,743 | 2,767 |
| Total assets | 2,060,710,683 | 6,204,860 | 4,447,908 | 621,501 | 1,135,451 | 4,413,909 | 7,146,596 | 12,942,273 | 30,113,536 | 32,952,511 | 42,113,536 | 121,279,784 | 1,803,541,950 |
| Notes and accounts receivable, net | 439,300,826 | 876,615 | 684,024 | 65,433 | 127,157 | 766,340 | 1,471,119 | 3,005,852 | 7,251,557 | 7,796,425 | 9,862,137 | 27,038,383 | 381,232,397 |
| Inventories | 274,567,278 | 826,024 | 302,574 | 68,815 | 254,836 | 705,132 | 1,261,429 | 2,498,934 | 6,458,320 | 7,593,473 | 10,499,853 | 28,602,618 | 216,321,496 |
| Cash, Government obligations, and other current assets | 160,152,933 | 1,367,737 | 1,052,980 | 92,550 | 222,207 | 757,040 | 1,263,397 | 2,154,345 | 4,745,497 | 4,883,902 | 6,101,014 | 16,757,774 | 122,122,229 |
| Other investments and loans | 424,461,632 | 1,041,253 | 864,556 | 71,480 | 105,217 | 379,084 | 454,370 | 879,719 | 2,010,804 | 2,320,353 | 3,006,174 | 11,179,659 | 403,190,218 |
| Depreciable assets | 1,013,344,737 | 2,572,934 | 1,571,663 | 408,049 | 593,223 | 2,957,671 | 4,977,704 | 8,292,686 | 17,779,512 | 18,307,631 | 21,197,753 | 58,217,981 | 879,040,865 |
| Less: Accumulated depreciation | 441,000,291 | 914,057 | 521,263 | 140,853 | 251,941 | 1,573,214 | 2,742,337 | 4,514,348 | 9,708,610 | 9,635,036 | 10,706,197 | 27,357,419 | 373,879,002 |
| Other capital assets less reserves | 97,210,150 | 159,147 | 222,695 | 40,481 | 55,970 | 267,991 | 233,099 | 309,890 | 871,910 | 980,382 | 1,204,524 | 3,566,026 | 89,457,181 |
| Accounts and notes payable | 412,720,543 | 1,553,163 | 1,001,481 | 217,032 | 334,850 | 1,169,543 | 1,936,794 | 3,429,819 | 8,196,108 | 8,757,405 | 11,552,989 | 27,432,813 | 348,691,910 |
| Other current liabilities | 172,970,669 | 907,869 | 747,875 | 48,343 | 111,652 | 375,547 | 704,624 | 1,170,427 | 2,776,761 | 3,051,944 | 3,953,353 | 11,400,133 | 146,630,010 |
| Mortgages, notes, and bonds payable in one year or more | 371,551,511 | 1,338,562 | 907,832 | 162,181 | 268,548 | 1,057,138 | 1,575,761 | 2,469,045 | 4,921,773 | 5,417,129 | 6,825,837 | 20,438,166 | 327,508,101 |
| Net worth | 896,871,145 | 1,208,781 | 1,101,880 | -21,675 | 128,777 | 870,186 | 1,919,771 | 4,652,153 | 12,246,410 | 13,958,492 | 18,064,738 | 56,528,192 | 787,422,421 |
| Cost of property used for investment credit | 111,395,875 | 372,115 | 212,418 | 78,476 | 81,221 | 325,633 | 600,626 | 874,070 | 1,691,325 | 1,725,220 | 2,080,856 | 5,724,643 | 98,001,386 |
| Total receipts | 2,488,331,915 | 2,706,731 | 874,869 | 446,559 | 1,385,304 | 7,579,237 | 13,955,076 | 26,237,210 | 60,845,855 | 64,045,795 | 79,366,326 | 204,617,758 | 2,028,979,926 |
| Business receipts | 2,357,973,059 | 1,904,642 | 409,826 | 1,286,395 | 7,353,310 | 13,680,284 | 25,697,926 | 59,639,457 | 62,648,627 | 77,679,482 | 99,313,488 | 191,055,643 | 1,910,955,643 |
| Cost of sales and operations | 1,660,537,000 | 1,042,672 | 167,321 | 661,064 | 1,244,288 | 3,843,522 | 7,640,701 | 16,189,144 | 39,802,128 | 42,873,945 | 55,142,044 | 142,433,252 | 1,351,569,764 |
| Taxes paid | 73,116,206 | 120,272 | 46,844 | 19,338 | 54,090 | 282,922 | 508,086 | 857,521 | 1,731,108 | 1,623,095 | 1,859,566 | 4,324,842 | 61,808,792 |
| Interest paid | 79,322,435 | 199,951 | 120,502 | 28,821 | 50,628 | 191,242 | 332,998 | 533,853 | 1,150,417 | 1,264,679 | 1,638,060 | 4,606,545 | 69,404,691 |
| Depreciation | 88,945,659 | 221,700 | 98,036 | 49,134 | 74,531 | 330,544 | 554,195 | 870,262 | 1,799,977 | 1,823,381 | 1,899,596 | 5,300,833 | 76,145,106 |
| Pension, profit-sharing, stock bonus, and annuity plans | 23,540,732 | 37,998 | 30,948 | *315 | 6,736 | 40,972 | 81,162 | 166,004 | 440,349 | 473,286 | 505,204 | 1,183,104 | 20,612,654 |
| Employee benefit programs | 28,657,767 | 40,124 | 24,854 | 5,407 | 9,863 | 66,366 | 90,643 | 193,931 | 496,082 | 526,570 | 647,349 | 1,904,983 | 24,691,718 |
| Net income (less deficit) | 75,791,264 | -777,342 | -498,576 | -146,539 | -132,227 | -427,391 | -314,119 | -98,563 | 652,586 | 1,063,320 | 1,883,584 | 6,709,888 | 67,099,031 |
| Income subject to tax, total | 102,157,505 | 176,917 | 135,115 | 13,184 | 28,618 | 152,592 | 333,566 | 711,732 | 1,655,475 | 2,040,813 | 2,833,070 | 9,095,155 | 85,158,186 |
| Income tax, total | 45,760,800 | 73,779 | 64,224 | 2,347 | 7,207 | 30,606 | 69,117 | 163,167 | 492,188 | 764,537 | 1,175,599 | 4,062,436 | 38,929,012 |
| Additional tax for tax preferences | 209,959 | 27 | *27 | — | — | — | — | — | — | — | — | — | — |
| Foreign tax credit | 14,791,200 | 109 | *109 | — | — | — | — | — | — | — | — | — | — |
| U.S. possessions tax credit | 1,890,760 | 9,720 | 9,720 | — | — | — | — | — | — | — | — | — | — |
| Investment credit | 6,724,483 | 2,328 | 1,155 | *272 | 901 | 2,249 | 20,472 | 40,336 | 94,557 | 98,516 | 122,256 | 354,125 | 5,984,850 |
| Work incentive (WIN) credit | 9,705 | (³) | (³) | — | — | — | — | — | — | — | — | — | — |
| Jobs credit | 90,387 | 2,062 | *2,025 | — | *37 | *452 | *680 | 1,836 | 9,829 | 9,429 | 10,280 | 17,176 | 38,643 |
| Research activities credit | 623,263 | — | — | — | — | — | — | *234 | 1,369 | 8,283 | 9,702 | 11,854 | 53,026 |
| Employee stock ownership credit | 7,633 | — | — | — | — | — | — | *55 | — | — | — | — | 128 |
| Distributions to stockholders except in own stock | 43,912,134 | 138,298 | 106,957 | *3,875 | *27,465 | 45,058 | 29,459 | 127,497 | 168,602 | 294,481 | 573,894 | 1,809,857 | 40,724,988 |
| Transportation and Public Utilities | | | | | | | | | | | | | |
| Number of returns | 115,470 | 50,084 | 28,154 | 8,374 | 13,556 | 20,057 | 15,377 | 12,696 | 10,169 | 3,226 | 2,001 | 1,308 | 553 |
| Total assets | 919,861,069 | 5,735,911 | 4,019,179 | 736,017 | 980,175 | 2,875,225 | 3,758,785 | 5,675,281 | 9,033,049 | 6,914,065 | 8,367,346 | 22,843,059 | 854,658,348 |
| Notes and accounts receivable, net | 82,641,077 | 464,311 | 320,285 | 81,556 | 62,470 | 336,651 | 462,685 | 892,262 | 1,469,925 | 1,277,142 | 1,303,139 | 2,921,442 | 73,513,520 |
| Inventories | 30,487,943 | 32,878 | 10,601 | *797 | *21,480 | 23,843 | 70,040 | 131,033 | 189,779 | 185,904 | 221,418 | 510,157 | 19,122,891 |
| Cash, Government obligations, and other current assets | 54,660,997 | 768,536 | 525,003 | 99,388 | 144,145 | 439,217 | 556,663 | 792,852 | 1,222,832 | 988,721 | 1,474,008 | 2,438,542 | 45,979,625 |
| Other investments and loans | 88,687,353 | 1,081,275 | 977,392 | 56,283 | 47,599 | 253,650 | 317,382 | 574,564 | 611,397 | 450,587 | 944,551 | 2,683,129 | 81,770,819 |
| Depreciable assets | 839,757,341 | 3,841,425 | 2,257,546 | 598,636 | 985,242 | 2,803,151 | 3,688,207 | 5,461,312 | 8,782,124 | 6,610,871 | 6,819,175 | 18,550,078 | 783,200,999 |
| Less: Accumulated depreciation | 212,745,125 | 1,425,081 | 847,549 | 181,690 | 395,841 | 1,243,783 | 2,696,380 | 4,046,236 | 6,154,885 | 2,995,948 | 6,468,026 | 18,948,333 | 188,948,933 |
| Other capital assets less reserves | 14,338,501 | 282,090 | 210,251 | 25,323 | 45,516 | 118,186 | 193,235 | 247,534 | 397,630 | 297,626 | 296,615 | 907,944 | 11,597,642 |
| Accounts and notes payable | 98,101,573 | 853,314 | 458,348 | 208,225 | 186,742 | 663,791 | 1,309,100 | 2,059,350 | 5,593,005 | 5,345,511 | 1,942,719 | 3,841,002 | 85,100,913 |
| Other current liabilities | 81,005,176 | 155,391 | 106,703 | 79,424 | 174,565 | 525,216 | 835,216 | 1,359,285 | 3,005,295 | 2,264,337 | 2,744,851 | 6,822,560 | 274,232,331 |
| Mortgages, notes, and bonds payable in one year or more | 296,998,401 | 1,912,985 | 1,324,216 | 239,859 | 348,910 | 955,292 | 1,288,747 | 1,796,494 | 3,043,804 | 3,043,804 | 2,264,337 | 2,744,851 | 8,222,560 |
| Net worth | 352,880,625 | 981,562 | 1,179,460 | -268,889 | 70,785 | 534,403 | 907,230 | 1,520,460 | 2,494,047 | 2,068,895 | 2,099,073 | 6,014,578 | 336,260,576 |
| Cost of property used for investment credit | 74,115,782 | 903,706 | 646,487 | 90,154 | 167,065 | 384,660 | 469,272 | 661,598 | 914,735 | 694,175 | 802,500 | 1,874,345 | 67,410,790 |
| Total receipts | 632,294,442 | 2,655,971 | 1,261,571 | 349,046 | 1,045,353 | 3,466,172 | 5,805,806 | 9,395,440 | 16,870,648 | 11,809,942 | 14,117,283 | 26,611,102 | 541,562,078 |
| Business receipts | 606,039,657 | 1,501,022 | 178,820 | 312,122 | 1,010,081 | 3,342,723 | 5,609,444 | 9,147,094 | 16,484,259 | 11,458,154 | 13,455,734 | 25,601,192 | 519,440,034 |
| Cost of sales and operations | 338,796,961 | 467,771 | 41,252 | 93,597 | 332,923 | 1,186,373 | 2,456,757 | 4,509,501 | 8,309,501 | 6,076,719 | 7,525,128 | 14,923,485 | 293,370,563 |
| Taxes paid | 27,599,358 | 117,703 | 56,733 | 15,905 | 45,065 | 133,587 | 229,253 | 347,503 | 543,204 | 400,685 | 516,678 | 1,065,883 | 24,459,506 |
| Interest paid | 36,839,460 | 309,687 | 212,677 | 35,407 | 61,602 | 148,146 | 207,519 | 300,411 | 476,461 | 369,235 | 397,143 | 1,446,152 | 33,565,075 |
| Depreciation | 49,929,857 | 364,472 | 179,123 | 60,806 | 124,542 | 303,854 | 426,175 | 611,377 | 902,267 | 654,320 | 751,735 | 1,625,996 | 7,966,419 |
| Pension, profit-sharing, stock bonus, and annuity plans | 8,502,834 | 38,521 | 32,382 | *1,609 | *4,530 | 10,115 | 17,682 | 31,567 | 55,683 | 91,662 | 88,589 | 152,596 | 1,446,152 |
| Employee benefit programs | 6,501,687 | 16,827 | 12,982 | *414 | 3,431 | 21,644 | 28,420 | 44,545 | 129,155 | 96,198 | 103,045 | 245,843 | 5,816,009 |
| Net income (less deficit) | 18,335,959 | -310,187 | -192,524 | -72,783 | -44,880 | -132,048 | -96,323 | -79,064 | 88,090 | 144,820 | -182,078 | 241,477 | 18,191,315 |
| Income subject to tax, total | 25,955,886 | 155,253 | 115,593 | 12,673 | 26,987 | 89,923 | 139,420 | 250,951 | 419,111 | 335,363 | 425,441 | 897,850 | 23,242,574 |
| Income tax, total | 11,638,542 | 45,137 | 36,885 | 2,635 | 5,617 | 19,005 | 32,607 | 67,553 | 133,944 | 129,676 | 174,983 | 406,008 | 10,629,128 |
| Additional tax for tax preferences | 46,619 | 56 | 38 | — | — | — | — | — | — | — | — | — | — |
| Foreign tax credit | 254,502 | 493 | *399 | — | — | — | — | — | — | — | — | — | — |
| U.S. possessions tax credit | 33,814 | — | — | — | — | — | — | — | — | — | — | — | — |
| Investment credit | 6,287,196 | 8,458 | 5,32 | | | | | | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 7 — Selected Balance Sheet, Income Statement, Tax Items, and Distributions to Stockholders, by Industrial-Division, by Size of Business Receipts — Continued

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

| Industrial division, item | Total returns of active corporations | Size of business receipts | | | | | | | | | | | |
|---|--------------------------------------|------------------------------|-----------------------------|-------------------------|--------------------------|---------------------------|---------------------------|-----------------------------|-------------------------------|-------------------------------|--------------------------------|---------------------------------|----------------------|
| | | Under \$100,000 ¹ | Under \$25,000 ¹ | \$25,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 under \$200,000 | \$200,000 under \$500,000 | \$500,000 under \$1,000,000 | \$1,000,000 under \$2,000,000 | \$2,000,000 under \$5,000,000 | \$5,000,000 under \$10,000,000 | \$10,000,000 under \$50,000,000 | \$50,000,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) |
| Wholesale and Retail Trade | | | | | | | | | | | | | |
| Number of returns | 839,547 | 205,508 | 96,128 | 37,339 | 72,041 | 163,873 | 139,538 | 123,214 | 111,531 | 47,077 | 26,174 | 19,764 | 2,867 |
| Total assets | 753,351,132 | 11,624,821 | 6,277,997 | 1,674,971 | 3,671,653 | 13,605,604 | 20,661,164 | 34,625,921 | 62,161,846 | 52,584,893 | 57,172,053 | 113,968,344 | 386,946,687 |
| Notes and accounts receivable, net | 175,241,736 | 2,161,580 | 1,415,380 | 216,294 | 529,906 | 2,347,186 | 3,235,465 | 6,655,775 | 13,603,069 | 12,292,625 | 14,354,457 | 31,270,380 | 89,321,199 |
| Inventories | 214,824,922 | 1,968,715 | 689,391 | 365,711 | 913,613 | 3,909,066 | 7,120,083 | 11,826,570 | 22,160,982 | 19,455,503 | 20,130,587 | 36,096,461 | 92,156,956 |
| Cash, Government obligations, and other current assets | 101,115,580 | 1,848,795 | 939,266 | 303,429 | 606,099 | 1,961,912 | 2,955,405 | 4,870,278 | 8,295,578 | 6,466,354 | 6,244,214 | 12,161,117 | 56,312,196 |
| Other investments and loans | 84,208,632 | 2,229,004 | 1,671,529 | 222,626 | 334,849 | 1,342,634 | 1,537,196 | 2,777,472 | 4,484,105 | 3,654,799 | 4,596,342 | 8,648,237 | 54,938,844 |
| Depreciable assets | 234,287,114 | 3,538,043 | 1,478,846 | 575,121 | 1,484,076 | 5,489,990 | 8,690,118 | 12,492,710 | 21,152,732 | 16,577,943 | 17,584,176 | 34,666,976 | 114,094,426 |
| Less: Accumulated depreciation | 99,526,467 | 1,901,532 | 530,704 | 227,228 | 543,601 | 2,623,294 | 4,366,943 | 6,368,216 | 10,877,409 | 8,452,645 | 8,633,967 | 15,624,634 | 41,277,827 |
| Other capital assets less reserves | 22,006,490 | 474,950 | 262,963 | 71,959 | 140,028 | 504,468 | 727,231 | 1,070,504 | 1,630,286 | 1,275,023 | 1,528,152 | 3,227,735 | 11,568,140 |
| Accounts and notes payable | 247,343,998 | 2,596,280 | 1,486,258 | 371,605 | 738,417 | 3,195,159 | 5,511,048 | 9,936,903 | 21,859,158 | 20,174,307 | 22,246,607 | 44,591,436 | 117,233,101 |
| Other current liabilities | 90,424,038 | 684,551 | 404,226 | 78,862 | 201,464 | 860,669 | 1,438,941 | 2,500,975 | 4,378,278 | 3,706,425 | 4,068,219 | 8,917,140 | 63,868,840 |
| Mortgages, notes, and bonds payable in one year or more | 114,283,891 | 2,985,253 | 1,826,078 | 294,209 | 864,966 | 2,664,214 | 3,730,044 | 5,470,772 | 8,518,129 | 6,418,104 | 7,784,761 | 14,699,761 | 61,812,851 |
| Net worth | 251,417,099 | 1,895,617 | 910,389 | 189,008 | 796,220 | 3,136,208 | 6,621,867 | 13,008,179 | 22,772,939 | 19,233,267 | 20,129,737 | 41,281,080 | 123,338,383 |
| Cost of property used for investment credit | 26,206,566 | 590,412 | 204,744 | 107,697 | 277,971 | 1,046,206 | 1,009,200 | 1,164,503 | 2,374,444 | 1,836,104 | 1,906,499 | 4,039,416 | 12,639,960 |
| Total receipts | 2,017,701,364 | 8,998,878 | 1,729,462 | 1,556,804 | 5,712,613 | 28,777,584 | 51,831,802 | 89,298,318 | 177,696,596 | 166,111,402 | 185,172,684 | 381,433,043 | 928,381,056 |
| Business receipts | 1,972,305,356 | 7,364,030 | 591,049 | 1,384,024 | 5,368,957 | 27,879,291 | 50,691,429 | 87,429,925 | 174,354,294 | 163,294,003 | 181,900,305 | 374,081,710 | 905,310,369 |
| Cost of sales and operations | 1,556,263,179 | 4,082,378 | 368,479 | 749,914 | 2,963,985 | 16,127,468 | 31,195,319 | 57,783,128 | 126,039,901 | 127,412,001 | 146,302,769 | 307,013,850 | 740,306,365 |
| Taxes paid | 26,375,395 | 300,988 | 77,751 | 48,418 | 174,820 | 830,348 | 1,326,045 | 1,897,607 | 3,088,867 | 2,199,677 | 2,217,571 | 4,229,111 | 10,285,183 |
| Interest paid | 30,429,310 | 304,664 | 138,608 | 43,731 | 122,325 | 525,963 | 765,200 | 1,239,070 | 2,326,192 | 2,059,179 | 2,383,907 | 4,914,308 | 15,910,826 |
| Depreciation | 24,948,631 | 411,899 | 150,322 | 73,559 | 187,818 | 682,374 | 1,055,467 | 1,465,178 | 2,376,401 | 1,799,608 | 1,906,072 | 3,940,008 | 11,311,823 |
| Pension, profit-sharing, stock bonus, and annuity plans | 5,874,751 | 49,783 | 34,913 | 5,470 | 9,400 | 68,638 | 177,508 | 315,561 | 664,714 | 575,895 | 557,932 | 927,686 | 2,597,034 |
| Employee benefit programs | 7,001,152 | 33,777 | 8,175 | 5,995 | 19,607 | 85,316 | 138,024 | 263,272 | 548,177 | 558,971 | 555,630 | 1,069,249 | 3,478,736 |
| Net income (less deficit) | 28,442,678 | -730,538 | -244,621 | -195,654 | -290,263 | -369,885 | 401,882 | 1,091,376 | 2,316,107 | 2,096,022 | 2,377,138 | 6,181,487 | 15,079,089 |
| Income subject to tax, total | 30,107,072 | 334,848 | 194,684 | 30,978 | 109,165 | 467,977 | 923,859 | 1,700,963 | 2,808,811 | 2,259,627 | 2,328,492 | 5,053,840 | 14,228,655 |
| Income tax, total | 11,584,691 | 90,413 | 64,613 | 5,908 | 19,892 | 86,147 | 167,311 | 373,185 | 685,469 | 702,434 | 840,514 | 2,130,975 | 6,508,243 |
| Additional tax for tax preferences | 39,389 | 110 | *110 | — | — | *106 | *135 | *35 | 295 | 325 | 299 | 2,952 | 35,131 |
| Foreign tax credit | 393,077 | 2,048 | *2,048 | — | — | — | 9 | *48 | *5,640 | *268 | *1,676 | 9,609 | 373,780 |
| U.S. possessions tax credit | 91,928 | 4 | 4 | — | — | — | 3 | 83 | 430 | 547 | 2,540 | 18,582 | 69,691 |
| Investment credit | 1,574,988 | 7,169 | 2,242 | 1,120 | 3,807 | 16,574 | 35,818 | 52,385 | 115,416 | 99,294 | 102,549 | 218,092 | 927,690 |
| Work incentive (WIN) credit | 8,016 | — | — | — | — | *1 | *673 | 426 | 564 | 1,201 | 1,229 | 1,789 | 2,133 |
| Jobs credit | 107,419 | 1,075 | *950 | — | *124 | 1,294 | 2,550 | 7,267 | 11,503 | 10,220 | 8,247 | 14,617 | 50,645 |
| Research activities credit | 25,755 | — | — | — | — | — | *383 | — | *1,895 | 1,114 | 2,320 | 4,503 | 15,540 |
| Employee stock ownership credit | 3,815 | — | — | — | — | — | — | *56 | *29 | — | — | 26 | 3,705 |
| Distributions to stockholders except in own stock | 12,069,015 | 687,461 | 578,937 | 35,658 | 72,867 | 176,410 | 278,226 | 500,429 | 665,214 | 709,048 | 698,960 | 1,667,275 | 6,685,991 |
| Finance, Insurance, and Real Estate² | | | | | | | | | | | | | |
| Number of returns | 461,630 | 311,392 | 182,936 | 65,143 | 63,312 | 65,729 | 34,368 | 17,207 | 13,935 | 7,365 | 5,467 | 4,490 | 1,677 |
| Total assets | 4,987,466,401 | 50,482,490 | 23,110,572 | 11,576,963 | 15,794,955 | 27,589,877 | 28,982,922 | 37,248,506 | 108,838,190 | 172,089,501 | 249,656,359 | 603,210,992 | 3,709,368,203 |
| Notes and accounts receivable, net | 1,568,156,224 | 4,434,252 | 1,815,166 | 1,112,839 | 1,506,247 | 3,416,916 | 3,963,873 | 7,626,763 | 36,404,236 | 66,961,804 | 88,389,415 | 138,912,240 | 1,218,046,726 |
| Inventories | 12,118,589 | 44,791 | *37,608 | *256 | 2,609 | 26,097 | 110,948 | 171,655 | 530,056 | 438,010 | 829,407 | 2,984,786 | 6,982,838 |
| Cash, Government obligations, and other current assets | 1,171,922,115 | 7,712,213 | 3,335,912 | 1,807,125 | 2,569,176 | 5,118,322 | 6,763,582 | 8,514,396 | 30,225,530 | 50,344,956 | 67,200,060 | 130,286,530 | 865,756,707 |
| Other investments and loans | 1,868,294,508 | 17,447,251 | 8,663,780 | 4,079,992 | 4,703,479 | 7,344,853 | 7,425,829 | 10,857,011 | 29,093,639 | 43,774,278 | 79,046,481 | 293,173,144 | 1,380,132,023 |
| Depreciable assets | 180,555,387 | 15,997,697 | 4,784,483 | 4,156,970 | 7,056,243 | 11,564,872 | 10,600,729 | 9,724,425 | 11,598,526 | 8,736,579 | 11,003,928 | 24,532,039 | 76,796,591 |
| Less: Accumulated depreciation | 53,228,889 | 6,388,939 | 1,697,825 | 1,714,260 | 2,976,853 | 4,633,950 | 3,892,004 | 3,516,315 | 3,989,415 | 2,566,802 | 3,232,665 | 6,258,029 | 18,750,770 |
| Other capital assets less reserves | 44,357,447 | 9,413,159 | 5,171,973 | 1,840,879 | 2,400,307 | 3,798,992 | 3,020,424 | 2,734,314 | 2,855,233 | 2,036,727 | 2,042,060 | 5,830,532 | 12,626,005 |
| Accounts and notes payable | 441,205,075 | 7,096,258 | 3,170,383 | 1,330,868 | 2,595,007 | 4,216,213 | 5,182,774 | 5,917,503 | 13,707,842 | 18,919,085 | 15,927,500 | 38,130,647 | 332,107,255 |
| Other current liabilities | 2,812,233,442 | 2,436,977 | 1,134,325 | 470,230 | 832,422 | 1,900,539 | 2,715,012 | 8,667,427 | 56,775,537 | 114,026,000 | 179,756,809 | 402,942,539 | 2,043,012,603 |
| Mortgages, notes, and bonds payable in one year or more | 286,709,958 | 14,450,749 | 6,439,708 | 3,573,335 | 4,437,706 | 7,962,426 | 8,122,622 | 8,555,654 | 10,595,892 | 8,716,603 | 12,980,796 | 29,447,493 | 185,877,722 |
| Net worth | 766,939,210 | 17,130,429 | 7,227,430 | 4,213,887 | 5,689,112 | 9,749,095 | 9,910,846 | 11,122,566 | 22,090,338 | 25,121,626 | 32,250,782 | 95,015,134 | 544,548,394 |
| Cost of property used for investment credit | 16,175,810 | 390,706 | 175,603 | 49,557 | 165,547 | 331,111 | 286,300 | 334,046 | 496,878 | 611,142 | 1,542,162 | 11,695,530 | |
| Total receipts | 949,867,877 | 8,297,686 | 1,385,720 | 2,366,578 | 4,545,388 | 10,518,651 | 11,853,051 | 12,087,203 | 22,154,456 | 26,065,467 | 38,250,438 | 92,317,500 | 728,323,426 |
| Business receipts | 337,493,098 | 3,529,959 | 394,797 | 993,340 | 2,141,822 | 5,804,421 | 7,700,363 | 6,599,292 | 8,476,387 | 6,489,184 | 9,152,970 | 27,916,470 | 261,824,052 |
| Cost of sales and operations | 169,435,694 | 366,337 | 29,157 | 114,002 | 223,177 | 684,409 | 1,370,382 | 1,570,562 | 2,116,021 | 2,048,486 | 4,402,960 | 13,717,280 | 143,159,256 |
| Taxes paid | 15,220,581 | 804,155 | 227,336 | 216,010 | 360,809 | 638,206 | 607,623 | 563,195 | 732,498 | 593,746 | 711,333 | 1,623,923 | 8,945,872 |
| Interest paid | 340,960,344 | 1,628,675 | 594,340 | 368,156 | 666,179 | 1,196,962 | 1,282,363 | 1,854,395 | 7,039,786 | 12,260,944 | 19,776,992 | 43,696,213 | 252,224,914 |
| Depreciation | 15,887,956 | 837,690 | 228,795 | 220,922 | 387,973 | 670,468 | 600,709 | 554,692 | 737,707 | 617,315 | 770,198 | 1,704,132 | 9,445,046 |
| Pension, profit-sharing, stock bonus, and annuity plans | 5,149,286 | 36,407 | 1,141 | 17,104 | 18,162 | 187,505 | 170,015 | 106,713 | 182,339 | 154,760 | 176,942 | 445,038 | 3,689,566 |
| Employee benefit programs | 3,883,970 | 38,402 | 4,738 | 8,409 | 15,266 | 50,403 | 67,344 | 63,729 | 110,151 | 214,984 | 185,070 | 435,431 | 2,718,457 |
| Net income (less deficit) | 21,804,088 | -1,208,329 | -1,414,532 | 28,278 | 177,924 | 414,384 | 317,873 | 449,952 | 828,824 | 639,916 | 463,769 | 308,453 | 19,589,246 |
| Income subject to tax, total | 19,973,233 | 1,133,062 | 208,115 | 337,305 | 587,643 | 1,065,018 | 820,988 | 703,012 | 1,256,880 | 1,186,958 | 1,334,081 | 2,090,902 | 10,352,332 |
| Income tax, total | 7,809,420 | 212,568 | 37,277 | 62,178 | 113,114 | 254,773 | 228,518 | 227, | | | | | |

RETURNS OF ACTIVE CORPORATIONS

Table 8 — Total Receipts, Net Income, Statutory Special Deductions, Income Tax, Selected Credits, and Taxpayment Items, by Accounting Period Ended

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

| Item | Total returns of active corporations | | Accounting period ended ¹ | | | | | | | | | | | |
|---|--------------------------------------|---------------|--------------------------------------|-------------|----------------|--------------|---------------|---------------|--------------|---------------|-------------|-------------|-------------|-------------|
| | Number of returns | Amount | July 1982 | August 1982 | September 1982 | October 1982 | November 1982 | December 1982 | January 1983 | February 1983 | March 1983 | April 1983 | May 1983 | June 1983 |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) |
| Returns With and Without Net Income | | | | | | | | | | | | | | |
| Number of returns | 2,925,933 | — | 112,466 | 120,146 | 267,407 | 165,592 | 107,774 | 1,117,458 | 119,765 | 97,344 | 229,449 | 115,502 | 118,021 | 355,007 |
| Total receipts | 2,809,012 | 7,024,097,766 | 174,082,217 | 182,342,737 | 413,439,384 | 238,804,936 | 127,229,439 | 4,295,627,478 | 290,939,288 | 122,546,817 | 379,170,801 | 143,492,944 | 178,433,073 | 477,986,651 |
| Net income (less deficit) | 2,904,381 | 154,334,143 | 4,874,037 | 3,361,026 | 6,370,052 | 4,264,834 | 4,742,896 | 97,927,288 | 9,299,624 | 2,571,184 | 6,290,914 | 2,465,948 | 3,286,422 | 8,879,918 |
| Total income tax | 1,187,962 | 86,766,154 | 1,696,692 | 1,657,090 | 4,060,742 | 2,236,182 | 1,430,771 | 61,347,873 | 2,753,510 | 1,327,491 | 2,601,821 | 1,287,307 | 1,434,777 | 4,931,900 |
| Returns With and Without Net Income Other Than Forms 1120S and 1120 — DISC | | | | | | | | | | | | | | |
| Number of returns | 2,352,051 | — | 93,550 | 98,960 | 223,037 | 139,404 | 86,191 | 848,041 | 90,534 | 80,600 | 193,672 | 98,179 | 99,417 | 300,465 |
| Total receipts | 2,273,864 | 6,737,959,502 | 160,739,032 | 171,647,522 | 393,208,672 | 223,511,070 | 116,324,414 | 4,187,832,148 | 265,326,390 | 112,122,879 | 361,029,686 | 134,071,204 | 167,150,685 | 444,995,889 |
| Net income (less deficit) | 2,335,902 | 141,144,694 | 4,309,280 | 2,954,800 | 5,869,227 | 3,722,829 | 4,352,546 | 95,390,990 | 5,045,926 | 1,763,239 | 5,334,297 | 1,899,645 | 2,679,771 | 7,832,144 |
| Statutory special deductions, total | 415,919 | 19,514,093 | 513,287 | 442,052 | 1,088,609 | 641,781 | 429,825 | 12,241,706 | 563,624 | 428,331 | 849,877 | 508,994 | 398,142 | 1,407,865 |
| Net operating loss deduction | 308,218 | 11,373,472 | 350,758 | 388,867 | 827,656 | 467,018 | 276,334 | 5,894,256 | 361,818 | 372,241 | 703,754 | 355,135 | 342,891 | 1,032,743 |
| Total special deductions | 117,310 | 8,140,621 | 162,529 | 53,186 | 260,954 | 174,763 | 153,490 | 6,347,450 | 201,806 | 56,089 | 146,123 | 153,858 | 55,251 | 375,123 |
| Income subject to tax, total | 1,136,337 | 205,157,402 | 4,349,303 | 4,268,007 | 10,319,820 | 5,785,897 | 3,643,427 | 139,986,573 | 6,577,123 | 3,406,957 | 6,814,211 | 3,399,989 | 3,775,797 | 12,830,296 |
| Net long-term capital gain taxed at alternative rates | 25,001 | 12,021,306 | 290,871 | 155,919 | 391,579 | 189,654 | 103,490 | 9,485,412 | 212,464 | 111,787 | 223,932 | 129,459 | 207,766 | 518,972 |
| Income taxed at regular rates | 1,135,405 | 193,136,096 | 4,058,432 | 4,112,087 | 9,928,241 | 5,596,243 | 3,539,937 | 130,501,161 | 6,364,659 | 3,295,170 | 6,590,279 | 3,270,531 | 3,568,031 | 12,311,324 |
| Income tax, total | 1,187,466 | 86,763,370 | 1,696,692 | 1,657,090 | 4,060,552 | 2,236,182 | 1,430,771 | 61,346,122 | 2,753,506 | 1,327,491 | 2,601,743 | 1,287,303 | 1,434,021 | 4,931,898 |
| Regular and alternative tax | 1,136,337 | 85,075,184 | 1,671,642 | 1,622,162 | 3,982,102 | 2,182,386 | 1,410,216 | 60,156,054 | 2,710,869 | 1,306,829 | 2,525,723 | 1,261,319 | 1,404,283 | 4,841,599 |
| Personal holding company tax | 2,559 | 6,802 | *28 | *343 | *354 | *58 | *279 | *907 | *907 | *869 | *869 | *169 | *283 | 312 |
| Tax from recomputing prior-year investment credit | 185,705 | 1,181,074 | 20,505 | 25,568 | 64,562 | 35,458 | 17,412 | 793,313 | 30,477 | 18,005 | 57,876 | 21,159 | 24,401 | 72,335 |
| Additional tax for tax preferences | 7,631 | 478,191 | 4,517 | 8,086 | 13,298 | 15,005 | 2,863 | 380,599 | 11,253 | 2,635 | 13,466 | 3,519 | 5,301 | 17,650 |
| Foreign tax credit | 4,927 | 19,137,201 | 66,248 | 73,593 | 336,188 | 272,749 | 57,236 | 17,587,090 | 147,372 | 54,942 | 129,085 | 41,690 | 27,524 | 343,485 |
| U.S. possessions tax credit | 541 | 2,026,980 | 28,207 | 9,246 | 33,033 | 31,228 | 238,421 | 1,518,543 | 7,679 | 9,676 | 33,685 | 16,745 | 17,998 | 82,518 |
| Investment credit | 761,013 | 17,312,702 | 270,812 | 316,295 | 689,379 | 312,554 | 148,946 | 13,323,530 | 429,252 | 157,591 | 466,643 | 188,883 | 274,504 | 733,736 |
| Work incentive (WIN) credit | 7,512 | 29,020 | 1,136 | 780 | 1,854 | 792 | 211 | 13,335 | 1,954 | 604 | 2,479 | 1,534 | 761 | 3,582 |
| Jobs credit | 52,197 | 327,285 | 13,011 | 10,110 | 35,072 | 23,373 | 8,556 | 119,808 | 23,251 | 9,460 | 19,424 | 14,100 | 17,408 | 33,638 |
| Research activities credit | 9,849 | 839,220 | 14,041 | 9,006 | 42,570 | 33,390 | 12,398 | 609,131 | 12,121 | 8,942 | 23,230 | 8,437 | 13,983 | 51,971 |
| Employee stock ownership | 239 | 14,450 | 34 | *29 | — | *69 | 6 | *771 | 1,949 | 304 | 824 | 891 | 1,310 | 8,264 |
| Total income tax after credits ² | 970,411 | 47,069,124 | 1,303,195 | 1,238,030 | 2,922,220 | 1,561,415 | 964,715 | 28,169,577 | 2,129,807 | 1,085,706 | 1,926,374 | 1,015,023 | 1,080,532 | 3,672,531 |
| Returns With Net Income Other Than Forms 1120S and 1120 — DISC | | | | | | | | | | | | | | |
| Number of returns | 1,339,327 | — | 54,198 | 56,810 | 136,046 | 82,307 | 48,048 | 460,395 | 53,790 | 45,368 | 110,114 | 53,438 | 62,248 | 176,565 |
| Net income | 1,339,327 | 253,191,950 | 6,788,773 | 5,544,190 | 13,545,000 | 8,158,670 | 7,012,102 | 164,084,973 | 7,666,771 | 4,066,089 | 11,616,611 | 4,331,328 | 4,858,772 | 15,518,670 |
| Statutory special deductions, total | 390,874 | 17,711,778 | 508,056 | 431,711 | 1,049,726 | 606,685 | 407,376 | 10,674,002 | 525,424 | 423,632 | 818,224 | 500,573 | 391,316 | 1,375,055 |
| Total special deductions | 92,265 | 6,389,509 | 157,298 | 42,844 | 1,049,726 | 139,666 | 131,042 | 4,830,948 | 163,606 | 51,390 | 114,469 | 145,437 | 48,424 | 342,312 |
| Income subject to tax, total | 1,136,241 | 205,065,528 | 4,349,303 | 4,268,007 | 10,319,820 | 5,781,188 | 3,642,776 | 139,900,349 | 6,576,982 | 3,406,957 | 6,814,211 | 3,399,989 | 3,775,797 | 12,830,280 |
| Net long-term capital gain taxed at alternative rates | 24,983 | 12,015,526 | 290,871 | 155,919 | 391,579 | 188,410 | 103,260 | 9,481,107 | 212,464 | 111,787 | 223,932 | 129,459 | 207,766 | 518,972 |
| Income taxed at regular rates | 1,135,310 | 193,050,002 | 4,058,432 | 4,112,087 | 9,928,108 | 5,592,778 | 3,539,516 | 130,419,243 | 6,364,517 | 3,295,170 | 6,590,279 | 3,270,531 | 3,568,031 | 12,311,309 |
| Income tax, total | 1,140,432 | 86,414,657 | 1,691,089 | 1,648,654 | 4,046,553 | 2,214,399 | 1,426,055 | 61,108,808 | 2,743,420 | 1,322,990 | 2,586,794 | 1,280,802 | 1,428,317 | 4,916,779 |
| Regular and alternative tax | 1,136,241 | 85,038,430 | 1,671,642 | 1,622,162 | 3,982,068 | 2,181,026 | 1,410,063 | 60,120,877 | 2,710,842 | 1,306,829 | 2,525,723 | 1,261,319 | 1,404,283 | 4,841,597 |
| Personal holding company tax | 2,549 | 6,428 | *28 | *343 | *337 | *58 | *279 | *312 | *907 | *869 | *869 | *169 | *283 | 312 |
| Tax from recomputing prior-year investment credit | 139,490 | 949,228 | 15,401 | 20,820 | 52,395 | 22,383 | 13,773 | 650,078 | 21,393 | 14,053 | 45,943 | 15,608 | 19,063 | 58,318 |
| Additional tax for tax preferences | 6,281 | 411,169 | 4,017 | 5,236 | 11,522 | 8,646 | 1,939 | 331,638 | 10,278 | 2,108 | 11,474 | 2,788 | 4,970 | 16,553 |
| Foreign tax credit | 4,922 | 19,134,464 | 66,248 | 73,593 | 336,188 | 272,749 | 57,236 | 17,584,353 | 147,372 | 54,942 | 129,085 | 41,690 | 27,524 | 343,485 |
| U.S. possessions tax credit | 541 | 2,026,980 | 28,207 | 9,246 | 33,033 | 31,228 | 238,421 | 1,518,543 | 7,679 | 9,676 | 33,685 | 16,745 | 17,998 | 82,518 |
| Investment credit | 760,938 | 17,305,896 | 270,812 | 316,295 | 689,379 | 312,554 | 148,946 | 13,317,301 | 429,252 | 157,591 | 466,643 | 188,883 | 274,504 | 733,736 |
| Jobs credit | 52,186 | 327,211 | 13,011 | 10,110 | 35,072 | 23,373 | 8,556 | 119,808 | 23,251 | 9,460 | 19,424 | 14,100 | 17,408 | 33,638 |
| Research activities credit | 9,849 | 839,220 | 14,041 | 9,006 | 42,570 | 33,390 | 12,398 | 609,131 | 12,121 | 8,942 | 23,230 | 8,437 | 13,983 | 51,971 |
| Employee stock ownership | 239 | 14,450 | 34 | *29 | — | *69 | 6 | *771 | 1,949 | 304 | 824 | 891 | 1,310 | 8,264 |
| Total income tax after credits ² | 923,402 | 46,730,030 | 1,297,591 | 1,229,595 | 2,908,254 | 1,540,045 | 960,143 | 27,941,284 | 2,119,725 | 1,081,205 | 1,911,425 | 1,008,522 | 1,074,827 | 3,657,415 |
| Estimated tax payments: | | | | | | | | | | | | | | |
| 1981 overpayments claimed as a credit | 258,663 | 3,097,721 | 101,397 | 77,511 | 205,559 | 108,623 | 65,618 | 1,674,426 | 113,327 | 119,367 | 182,413 | 86,959 | 106,355 | 256,257 |
| 1982 estimated tax payments | 509,560 | 38,550,119 | 1,144,636 | 955,213 | 2,518,544 | 1,276,837 | 707,369 | 23,862,642 | 1,386,993 | 808,429 | 1,425,527 | 779,312 | 853,815 | 2,830,803 |
| Less: Refund of estimated tax payments | 8,234 | 2,256,300 | 114,279 | 28,333 | 188,980 | 111,831 | 23,578 | 1,531,090 | 39,917 | 15,121 | 45,712 | 30,464 | 42,530 | 84,465 |
| Payments with applications for: | | | | | | | | | | | | | | |
| First extension of filing time | 145,924 | 5,828,900 | 133,675 | 139,566 | 291,077 | 180,044 | 119,036 | 3,449,687 | 411,906 | 116,405 | 306,297 | 127,602 | 108,247 | 445,358 |
| Second extension of filing time | 20,617 | 2,968,998 | 65,348 | 69,223 | 144,873 | 77,587 | 63,772 | 1,818,686 | 299,656 | 54,512 | 125,953 | 35,053 | 29,045 | 185,290 |
| Other credits and payments, total³ | | | | | | | | | | | | | | |
| Overpaid windfall profit tax | 23,408 | 336,046 | 2,238 | 1,049 | 7,804 | 1,087 | 2,261 | 307,124 | 415 | 1,410 | 6,741 | 3,372 | 430 | 2,113 |
| Tax due at time of filing | 558,382 | 4,449,079 | 147,632 | 208,934 | 357,846 | 252,359 | 141,927 | 1,931,933 | 166,572 | 130,874 | 288,705 | 160,687 | 171,900 | 489,710 |
| Tax overpayment | 421,762 | 6,266,038 | 183,054 | 193,665 | 426,469 | 245,084 | 116,262 | 3,590,335 | 219,139 | 134,669 | 381,270 | 152,999 | 152,437 | 467,653 |

¹ Estimate should be used with caution because of the small number of sample returns on which it is based.² Includes full and part-year returns.³ Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits.⁴ Includes credit for tax paid by regulated investment companies; federal tax on special fuels and oils; and U.S. tax paid or withheld at the source (Form 1120 F only).

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitation of the Data."

RETURNS OF ACTIVE SMALL BUSINESS CORPORATIONS, FORM 1120S

Table 9 — Balance Sheets, Income Statements, and Distributions to Stockholders by Industrial Division

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

| Item | All industrial divisions | Industrial division | | | | | | | | Nature of business not allocable |
|--|--------------------------|------------------------------------|------------------|-------------------|-------------------|-------------------------------------|----------------------------|-------------------------------------|-------------------|----------------------------------|
| | | Agriculture, forestry, and fishing | Mining | Construction | Manufacturing | Transportation and public utilities | Wholesale and retail trade | Finance, insurance, and real estate | Services | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Number of returns, total | 564,219 | 27,648 | 6,735 | 57,289 | 41,721 | 29,940 | 177,063 | 59,346 | 160,865 | 3,610 |
| With net income | 260,558 | 12,344 | 2,255 | 27,117 | 19,853 | 11,423 | 83,437 | 26,980 | 76,337 | 811 |
| Total assets | 110,512,890 | 9,073,941 | 3,585,628 | 10,698,389 | 14,315,686 | 5,817,109 | 33,600,055 | 12,789,784 | 20,390,470 | 241,827 |
| Cash..... | 10,721,652 | 461,296 | 398,624 | 1,312,558 | 1,913,633 | 527,786 | 3,292,792 | 3,277,877 | 1,861,911 | 18,776 |
| Notes and accounts receivable..... | 18,089,986 | 588,067 | 718,927 | 2,359,081 | 3,203,623 | 768,830 | 6,009,332 | 1,991,222 | 2,405,669 | 45,235 |
| Less: Allowance for bad debts..... | 294,193 | 1,468 | 6,383 | 29,586 | 58,147 | 9,965 | 104,364 | 31,530 | 51,117 | *1,634 |
| Inventories..... | 19,358,751 | 721,393 | 124,733 | 2,292,520 | 2,953,284 | 108,379 | 11,801,196 | — | 1,318,347 | 38,900 |
| Investments in Government obligations..... | 830,832 | *14,404 | 36,334 | 91,181 | 206,495 | 40,036 | 216,094 | 189,173 | 37,115 | — |
| Other current assets..... | 7,820,911 | 198,315 | 199,000 | 988,284 | 691,093 | 271,097 | 1,012,236 | 2,019,581 | 2,435,272 | *6,034 |
| Loans to stockholders..... | 2,526,340 | 262,108 | 126,641 | 415,411 | 211,732 | 62,109 | 616,152 | 369,383 | 448,373 | *14,431 |
| Mortgage and real estate loans..... | 1,686,786 | 184,671 | *7,532 | 188,023 | 57,174 | 38,374 | 200,957 | 683,715 | 314,691 | *11,649 |
| Other investments..... | 6,870,387 | 313,841 | 246,553 | 426,917 | 753,147 | 231,247 | 1,196,857 | 2,507,645 | 1,184,838 | *9,343 |
| Depreciable assets..... | 56,502,614 | 6,172,754 | 2,448,935 | 4,304,748 | 7,801,618 | 5,541,149 | 13,554,081 | 2,231,955 | 14,299,266 | 148,171 |
| Less: Accumulated depreciation..... | 26,427,554 | 3,078,077 | 1,082,511 | 2,367,529 | 4,158,180 | 2,351,882 | 6,480,408 | 692,154 | 6,145,364 | 71,449 |
| Depletable assets..... | 440,132 | 77,445 | 209,697 | *961 | *23,256 | 1 | 46,010 | 33,236 | 49,503 | *23 |
| Less: Accumulated depletion..... | 105,149 | *21,354 | 34,607 | *270 | *2,045 | 1 | 15,434 | *7,680 | 23,752 | *5 |
| Land..... | 7,172,755 | 2,698,430 | 54,502 | 465,123 | 258,799 | 150,700 | 797,500 | 1,701,241 | 1,043,802 | *2,657 |
| Intangible assets (amortizable)..... | 1,773,196 | 27,732 | 18,538 | 20,341 | 187,296 | 216,949 | 670,588 | 141,739 | 488,138 | *1,874 |
| Less: Accumulated amortization..... | 670,538 | 7,854 | 6,194 | 8,702 | 69,243 | 54,653 | 234,882 | 56,254 | 231,619 | *1,038 |
| Other assets..... | 4,215,982 | 462,237 | 125,300 | 239,330 | 342,151 | 276,955 | 1,021,449 | 774,234 | 955,458 | 18,861 |
| Total liabilities | 110,512,890 | 9,073,941 | 3,585,628 | 10,698,389 | 14,315,686 | 5,817,109 | 33,600,055 | 12,789,784 | 20,390,470 | 241,827 |
| Accounts payable..... | 15,932,722 | 321,167 | 606,641 | 1,825,097 | 2,268,332 | 620,404 | 6,554,421 | 1,463,824 | 2,237,689 | 35,148 |
| Mortgages, notes, and bonds payable in less than one year..... | 16,389,593 | 1,643,999 | 512,139 | 2,048,369 | 1,314,249 | 703,126 | 5,464,459 | 2,513,256 | 2,147,396 | 42,600 |
| Other current liabilities..... | 11,482,996 | 271,304 | 314,457 | 1,602,859 | 1,449,504 | 341,737 | 2,565,319 | 1,193,147 | 3,729,293 | 15,377 |
| Loans from stockholders..... | 18,072,324 | 1,662,759 | 683,929 | 1,297,808 | 1,499,473 | 1,326,082 | 5,267,541 | 2,408,900 | 3,861,806 | 64,026 |
| Mortgages, notes, and bonds payable in one year or more..... | 26,216,431 | 3,382,728 | 902,809 | 1,704,420 | 2,170,554 | 2,156,312 | 5,765,067 | 3,405,655 | 6,639,205 | 89,682 |
| Other liabilities..... | 3,976,060 | 304,706 | 158,144 | 562,216 | 308,978 | 230,151 | 823,645 | 786,900 | 776,470 | 24,850 |
| Capital stock..... | 10,402,125 | 1,921,805 | 174,438 | 564,537 | 1,147,682 | 508,348 | 3,314,701 | 910,112 | 1,825,908 | 34,594 |
| Paid-in or capital surplus..... | 6,953,583 | 943,243 | 451,734 | 502,199 | 671,047 | 830,521 | 1,449,791 | 935,244 | 1,149,505 | 20,298 |
| Retained earnings, appropriated..... | 659,843 | 31,177 | 81,539 | 81,171 | 131,944 | 27,125 | 212,938 | 37,544 | 54,150 | *2,254 |
| Retained earnings, unappropriated..... | 7,519,196 | - 61,926 | 381,504 | 556,568 | 3,381,937 | 146,041 | 2,736,633 | 194,439 | 199,490 | - 15,490 |
| Stockholders' undistributed taxable income previously taxed ¹ | - 5,268,386 | - 1,272,824 | - 648,474 | 111,094 | 257,015 | - 964,374 | 3,657 | - 899,767 | - 1,783,202 | - 71,511 |
| Less: Cost of treasury stock..... | 1,823,595 | 74,196 | 33,232 | 157,949 | 285,028 | 108,363 | 558,118 | 159,469 | 447,241 | — |
| Total receipts | 243,056,569 | 11,090,205 | 4,680,484 | 24,625,841 | 33,298,795 | 9,986,924 | 118,252,835 | 7,096,159 | 33,557,573 | 467,754 |
| Business receipts..... | 235,010,755 | 10,090,417 | 4,287,364 | 23,874,108 | 32,730,923 | 9,655,020 | 116,381,485 | 5,736,730 | 31,806,561 | 448,146 |
| Interest..... | 1,663,502 | 104,586 | 69,502 | 164,617 | 227,713 | 65,559 | 425,595 | 282,546 | 319,020 | *4,364 |
| Tax exempt interest..... | 19,014 | *95 | *515 | 2,678 | 6,397 | *1,595 | 6,041 | *1,219 | *475 | — |
| Rents..... | 983,915 | 48,563 | 26,760 | 67,999 | 39,213 | 22,872 | 280,410 | 155,350 | 342,711 | *37 |
| Royalties..... | 96,255 | 2,571 | 17,556 | *621 | 3,320 | *170 | 16,746 | *18,795 | 36,477 | — |
| Net short-term capital gain reduced by net long-term capital loss..... | 60,522 | 714 | *24,237 | *102 | 2,340 | *330 | 5,131 | 12,227 | 15,373 | *67 |
| Net long-term capital gain reduced by net short-term capital loss..... | 973,899 | 215,560 | 71,396 | 37,865 | 89,515 | 65,370 | 158,323 | 143,906 | 191,848 | *115 |
| Net gain, noncapital assets..... | 959,922 | 49,496 | 26,238 | 190,690 | 27,254 | 49,375 | 96,884 | 433,355 | 86,488 | *142 |
| Dividends received from domestic corporations..... | 90,857 | 8,231 | 982 | 7,681 | 30,683 | 1,379 | 24,940 | 6,196 | 10,758 | *5 |
| Dividends received from foreign corporations..... | 6,773 | *140 | — | *2,000 | *871 | *1,803 | *1,551 | — | *408 | — |
| Other receipts..... | 3,191,156 | 569,833 | 155,933 | 277,480 | 140,565 | 123,451 | 855,728 | 305,835 | 747,454 | 14,877 |
| Total deductions | 239,989,612 | 11,302,725 | 4,829,662 | 24,142,894 | 32,029,412 | 10,245,900 | 116,944,097 | 7,063,659 | 32,949,742 | 481,521 |
| Cost of sales and operations..... | 157,797,391 | 7,402,466 | 2,324,226 | 17,738,897 | 22,681,059 | 5,458,131 | 87,148,219 | 1,502,364 | 13,259,909 | 282,120 |
| Compensation of officers..... | 9,436,935 | 189,266 | 124,035 | 1,042,087 | 1,513,111 | 383,199 | 3,161,576 | 702,915 | 2,304,678 | *16,068 |
| Repairs..... | 1,905,391 | 230,874 | 102,436 | 160,183 | 188,377 | 202,241 | 533,552 | 49,832 | 433,845 | 3,691 |
| Bad debts..... | 584,567 | 20,811 | 20,973 | 47,421 | 97,190 | 25,464 | 235,821 | 44,210 | 90,337 | *2,340 |
| Rent paid on business property..... | 5,489,463 | 320,799 | 59,133 | 196,803 | 396,888 | 241,765 | 2,440,487 | 234,421 | 1,589,040 | 10,128 |
| Taxes paid..... | 5,320,249 | 193,768 | 167,926 | 537,767 | 754,934 | 268,209 | 1,945,431 | 222,465 | 1,218,281 | 11,469 |
| Interest paid..... | 5,212,068 | 610,428 | 236,769 | 418,279 | 447,105 | 397,062 | 1,475,224 | 579,698 | 1,038,882 | 8,621 |
| Contributions or gifts..... | 102,030 | 2,033 | 1,660 | 9,731 | 23,433 | 6,030 | 30,337 | 10,279 | 15,338 | *3,189 |
| Amortization..... | 78,984 | 223 | 110 | 1,733 | 3,233 | 4,369 | 34,334 | 12,128 | 22,854 | — |
| Depreciation..... | 6,479,363 | 619,886 | 339,732 | 553,431 | 864,308 | 689,509 | 1,579,700 | 205,196 | 1,612,348 | 15,253 |
| Depletion..... | 101,361 | 1,664 | 70,314 | *613 | 15,694 | *5,682 | 3,620 | *1,598 | 1,765 | *411 |
| Advertising..... | 2,234,814 | 27,653 | 5,003 | 90,766 | 228,181 | 64,982 | 1,181,275 | 169,311 | 462,023 | 5,620 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 468,545 | 8,530 | 7,611 | 49,403 | 133,353 | 25,417 | 137,474 | 27,551 | 79,076 | *130 |
| Employee benefit programs..... | 980,352 | 44,376 | 20,852 | 112,363 | 199,907 | 47,917 | 282,697 | 47,450 | 223,103 | *1,687 |
| Net loss, noncapital assets..... | 297,270 | 33,448 | 6,749 | 20,635 | 21,531 | 19,679 | 65,347 | 66,025 | 63,658 | — |
| Other deductions..... | 43,500,828 | 1,596,500 | 1,342,133 | 3,162,781 | 4,460,750 | 2,406,244 | 16,689,002 | 3,188,217 | 10,534,405 | 120,795 |
| Total receipts less total deductions..... | 3,066,957 | - 212,520 | - 149,178 | 482,948 | 1,269,383 | - 258,977 | 1,308,738 | 32,500 | 607,831 | - 13,768 |
| Net income (less deficit)..... | 3,047,943 | - 212,614 | - 149,693 | 480,269 | 1,262,986 | - 260,571 | 1,302,696 | 31,281 | 607,356 | - 13,768 |
| Net income..... | 10,992,022 | 555,558 | 376,463 | 1,080,262 | 2,030,838 | 468,260 | 3,352,009 | 900,258 | 2,213,358 | 15,016 |
| Distributions to stockholders: | | | | | | | | | | |
| Cash and property except in own stock..... | 4,484,018 | 194,098 | 170,873 | 317,682 | 797,066 | 366,041 | 1,361,265 | 384,580 | 881,225 | *11,188 |
| Corporation's own stock..... | *12,314 | — | — | — | *2,140 | 28 | *6,736 | — | *3,410 | — |

¹Estimate should be used with caution because of the small number of sample returns on which it is based.

²This item is reflected in the statistics for "Retained earnings, unappropriated" and "Net worth" in other tables which show these items.

NOTE: Active Small Business Corporations filing Form 1120S returns reported "Income subject to tax" of \$18,006,000 and "Income tax" of \$2,785,000, including "Additional tax for tax preferences" of \$265,000. Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE DOMESTIC INTERNATIONAL SALES CORPORATIONS, FORM 1120 — DISC

Table 10 — Number of Returns, Selected Balance Sheet and Income Statement Items, and Distributions to Stockholders, by Selected Industrial Divisions

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

| Item | All industrial divisions ¹ | Selected industrial divisions | | | | |
|--|---------------------------------------|-------------------------------|-------------------|----------------|-------------------------------------|----------------|
| | | Wholesale and retail trade | | | Finance, insurance, and real estate | Services |
| | | Total ² | Wholesale trade | Retail trade | | |
| (1) | (2) | (3) | (4) | (5) | (6) | |
| Number of returns, total..... | 9,663 | 9,261 | 8,759 | 432 | 53 | 246 |
| With net income..... | 8,472 | 8,136 | 7,773 | 293 | ** | 205 |
| Total assets | 34,866,790 | 33,924,103 | 33,657,738 | 206,018 | 427,052 | 473,978 |
| Notes and accounts receivable, net..... | 19,100,200 | 18,712,564 | 18,553,813 | 123,902 | 138,319 | 238,694 |
| Inventories..... | 1,652,877 | 1,633,620 | 1,617,606 | *7,512 | — | *14,661 |
| Cash, Government obligations, and other current assets..... | 874,754 | 837,351 | 827,887 | 8,627 | 16,821 | 20,404 |
| Other investments and loans..... | 10,112,409 | 9,717,059 | 9,668,105 | 45,253 | 235,966 | 156,073 |
| Depreciable assets..... | 81,047 | 72,758 | 67,959 | *1,885 | 6,974 | *1,314 |
| Less: Accumulated depreciation..... | 23,546 | 22,268 | 20,703 | *1,067 | 523 | *755 |
| Accounts and notes payable..... | 2,071,788 | 2,045,601 | 2,016,699 | 26,601 | 4 | 26,183 |
| Other current liabilities..... | 915,124 | 900,171 | 887,546 | 12,349 | *683 | 11,178 |
| Mortgages, notes, and bonds payable in one year or more..... | 150,183 | 120,119 | 96,298 | *20,105 | 30,063 | — |
| Net worth..... | 31,279,481 | 30,414,783 | 30,216,198 | 145,335 | 395,391 | 430,821 |
| Total receipts | 43,081,607 | 42,703,028 | 42,286,148 | 361,444 | 36,914 | 326,146 |
| Business receipts..... | 40,448,905 | 40,132,270 | 39,737,603 | 350,975 | *1,355 | 301,763 |
| Total deductions | 32,984,135 | 32,808,412 | 32,464,443 | 305,511 | 5,638 | 159,957 |
| Cost of sales and operations..... | 30,439,723 | 30,340,468 | 30,041,156 | 265,682 | 25 | 89,280 |
| Taxes paid..... | 47,523 | 45,088 | 43,208 | 1,548 | 1,957 | 441 |
| Interest paid..... | 86,294 | 84,221 | 81,260 | *2,492 | 1,845 | *228 |
| Depreciation..... | 11,554 | 11,261 | 10,716 | *402 | — | *294 |
| Pension, profit-sharing, stock bonus, and annuity plans..... | 14,410 | 14,218 | 14,183 | — | — | *192 |
| Employee benefit programs..... | 9,874 | -9,736 | 9,436 | *245 | — | *138 |
| Net income (less deficit)..... | 10,141,506 | 9,904,859 | 9,831,947 | 55,933 | 65,067 | 166,189 |
| Net income..... | 10,168,970 | 9,927,805 | 9,850,455 | 60,372 | ** | 170,584 |
| Total statutory special deductions..... | 13,260 | 13,260 | 13,260 | — | — | — |
| Taxable income..... | 10,155,697 | 9,914,533 | 9,837,182 | 60,372 | 65,077 | 170,584 |
| Distributions to stockholders in cash..... | 4,990,989 | 4,888,124 | 4,870,386 | 17,665 | 31,635 | 58,241 |

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

**Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

¹Includes "Transportation and public utilities" and "Nature of business not allocable" which are not shown separately.²Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF MEMBERS OF CONTROLLED GROUPS, OTHER THAN FORM 1120 — DISC

Table 11 — Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), and Total Income Tax, by Selected Industrial Divisions

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

| Item | All industrial divisions ¹ | Selected industrial divisions | | | | | | | | | |
|--|---------------------------------------|------------------------------------|-------------|--------------|---------------|-------------------------------------|----------------------------|-----------------|--------------|-------------------------------------|-------------|
| | | Agriculture, forestry, and fishing | Mining | Construction | Manufacturing | Transportation and public utilities | Wholesale and retail trade | | | Finance, insurance, and real estate | Services |
| | | | | | | | Total ² | Wholesale trade | Retail trade | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
| Total returns of members of controlled groups, other than Form 1120-DISC: | | | | | | | | | | | |
| Number of returns | 338,022 | 6,943 | 6,120 | 27,468 | 40,576 | 17,538 | 88,946 | 39,304 | 49,533 | 83,841 | 65,442 |
| Total assets | 7,600,830,017 | 13,866,437 | 169,041,198 | 81,155,923 | 1,905,405,882 | 848,999,057 | 466,884,919 | 233,229,583 | 233,195,397 | 3,977,569,227 | 137,119,330 |
| Total receipts | 5,074,291,818 | 20,787,590 | 180,122,375 | 122,063,675 | 2,175,165,782 | 562,713,158 | 1,112,462,131 | 593,060,768 | 518,292,769 | 745,354,647 | 154,457,387 |
| Intragroup domestic dividends received qualifying for 100 percent deduction under Code section 1561: | | | | | | | | | | | |
| Number of returns | 1,573 | 13 | 7 | 41 | 337 | 35 | 369 | 171 | 198 | 673 | 98 |
| Amount | 1,035,987 | 3,595 | 8,424 | 3,157 | 367,543 | 7,747 | 119,187 | 85,136 | 34,051 | 354,697 | 171,637 |
| Net income (less deficit) | 102,123,188 | 168,538 | 2,189,117 | 1,413,164 | 70,462,276 | 18,951,356 | 12,453,199 | 3,298,179 | 9,126,052 | - 7,881,832 | 4,368,534 |
| Net income | 176,784,293 | 719,555 | 6,974,300 | 3,491,260 | 95,491,714 | 24,456,348 | 20,184,171 | 8,896,530 | 11,257,497 | 18,284,186 | 7,144,489 |
| Income tax, total | 73,598,928 | 230,462 | 2,968,551 | 1,241,795 | 41,833,116 | 10,728,618 | 8,118,924 | 3,519,722 | 4,587,102 | 5,910,927 | 2,554,879 |
| Distributions to stockholders except in own stock | 84,244,208 | 126,292 | 3,208,075 | 433,430 | 41,841,647 | 19,949,722 | 4,834,144 | 1,952,681 | 2,880,332 | 11,968,051 | 1,877,781 |
| Consolidated returns: | | | | | | | | | | | |
| Number of returns | 73,029 | 860 | 1,698 | 5,432 | 12,827 | 3,676 | 19,289 | 9,356 | 9,895 | 17,525 | 11,639 |
| Total assets | 6,899,028,134 | 9,246,685 | 160,105,816 | 61,391,740 | 1,818,725,956 | 825,593,405 | 386,299,769 | 188,758,649 | 197,274,425 | 3,523,741,434 | 113,518,326 |
| Total receipts | 4,423,685,514 | 14,167,492 | 172,797,869 | 84,866,474 | 2,037,729,040 | 536,242,345 | 854,191,866 | 453,708,055 | 399,995,767 | 605,111,407 | 118,239,567 |
| Net income (less deficit) | 84,324,328 | 173,304 | 2,117,070 | 881,462 | 62,087,704 | 18,425,564 | 7,872,755 | 923,183 | 6,932,772 | - 10,494,904 | 3,272,990 |
| Net income | 149,109,280 | 446,236 | 6,238,947 | 2,374,659 | 85,316,665 | 23,453,783 | 13,935,179 | 5,447,436 | 8,470,476 | 12,158,904 | 5,174,268 |
| Income tax, total | 64,058,211 | 165,940 | 2,682,068 | 910,945 | 37,709,761 | 10,357,916 | 5,885,936 | 2,289,141 | 3,590,232 | 4,294,681 | 2,047,973 |
| Distributions to stockholders except in own stock | 76,447,089 | 97,543 | 3,041,497 | 349,286 | 38,212,159 | 19,459,257 | 3,860,058 | 1,260,131 | 2,598,796 | 9,949,087 | 1,478,150 |

¹Includes "Nature of business not allocable" which is not shown separately.

²Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120-DISC

Table 12 — Investment Credit and Selected Items, by Selected Industrial Divisions

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

| Item | All industrial divisions ¹ | Selected industrial divisions | | | | | | | | | |
|---|---------------------------------------|------------------------------------|-----------|--------------|---------------|-------------------------------------|----------------------------|-----------------|--------------|--|------------|
| | | Agriculture, forestry, and fishing | Mining | Construction | Manufacturing | Transportation and public utilities | Wholesale and retail trade | | | Finance, insurance, and real estate ² | Services |
| | | | | | | | Total ³ | Wholesale trade | Retail trade | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
| Number of returns of active corporations, other than Forms 1120-DISC | 2,916,270 | 91,320 | 36,676 | 282,345 | 259,106 | 115,469 | 830,286 | 276,856 | 548,696 | 461,577 | 819,460 |
| Returns with investment credit items, other than Forms 1120-DISC: | | | | | | | | | | | |
| Number of returns | 1,486,410 | 57,465 | 22,142 | 149,589 | 168,232 | 61,823 | 456,928 | 161,644 | 293,318 | 129,859 | 436,756 |
| Cost of property used for investment credit: | | | | | | | | | | | |
| Number of returns | 1,342,054 | 52,856 | 20,703 | 135,046 | 156,838 | 56,598 | 414,864 | 148,174 | 264,734 | 110,281 | 391,800 |
| Amount | 264,500,876 | 2,735,685 | 9,422,660 | 5,931,461 | 111,395,875 | 74,115,782 | 26,206,566 | 10,796,761 | 15,377,338 | 16,175,810 | 18,370,162 |
| Investment qualified for credit: | | | | | | | | | | | |
| Number of returns | 1,179,161 | 40,544 | 18,494 | 120,542 | 141,221 | 48,258 | 360,381 | 135,362 | 223,627 | 100,308 | 346,699 |
| Amount | 249,875,227 | 2,164,354 | 8,938,956 | 4,885,514 | 106,724,401 | 73,059,045 | 22,823,664 | 9,456,514 | 13,342,383 | 15,404,003 | 15,764,869 |
| Total qualified investment in 10% property: | | | | | | | | | | | |
| Number of returns | 1,179,611 | 40,583 | 18,494 | 120,542 | 141,221 | 48,258 | 360,464 | 135,437 | 223,635 | 100,636 | 346,699 |
| Amount | 250,862,087 | 2,169,636 | 8,949,343 | 4,919,221 | 107,014,764 | 73,200,021 | 22,950,372 | 9,491,151 | 13,434,455 | 15,724,920 | 15,823,390 |
| Additional tentative credit for Employee Stock Ownership Plans: | | | | | | | | | | | |
| 1 percent additional tentative investment credit for qualifying stock ownership plans: | | | | | | | | | | | |
| Number of returns | 1,203 | *16 | 38 | 17 | 445 | 259 | 293 | 36 | 257 | 100 | 34 |
| Amount | 1,173,453 | *198 | 19,618 | 2,119 | 533,669 | 543,660 | 38,409 | 4,073 | 34,337 | 20,441 | 15,338 |
| .5 percent additional tentative investment credit for qualifying stock ownership plans: | | | | | | | | | | | |
| Number of returns | 302 | — | 15 | ** | 92 | 146 | 18 | 7 | 11 | 23 | ** |
| Amount | 297,761 | — | 2,775 | ** | 144,815 | 132,552 | 5,171 | 989 | 4,182 | 2,907 | ** |
| Patron's regular investment credit: | | | | | | | | | | | |
| Number of returns | 14,092 | 7,454 | 18 | 290 | 417 | 190 | 5,303 | 1,987 | 3,316 | 254 | 165 |
| Amount | 22,036 | 4,444 | 26 | 587 | 2,296 | 604 | 13,008 | 9,734 | 3,274 | 160 | 907 |
| Tentative investment credit: | | | | | | | | | | | |
| Number of returns | 1,175,681 | 41,327 | 18,494 | 119,856 | 140,668 | 47,776 | 359,161 | 135,585 | 222,183 | 100,538 | 345,150 |
| Amount | 26,659,306 | 222,030 | 918,244 | 498,151 | 11,408,724 | 8,004,715 | 2,363,846 | 967,448 | 1,393,921 | 1,618,755 | 1,613,797 |
| Carryover of unused credit: | | | | | | | | | | | |
| Number of returns | 484,830 | 22,125 | 9,397 | 48,478 | 53,238 | 24,739 | 132,113 | 42,619 | 89,187 | 44,578 | 149,002 |
| Amount | 19,382,782 | 348,801 | 1,333,361 | 509,949 | 5,348,713 | 7,887,296 | 1,155,413 | 618,611 | 535,491 | 1,329,164 | 1,465,034 |
| Total tentative regular investment credit: | | | | | | | | | | | |
| Number of returns | 1,305,453 | 44,528 | 19,698 | 133,387 | 151,369 | 52,503 | 397,188 | 147,619 | 248,167 | 117,878 | 385,665 |
| Amounts | 46,034,328 | 570,888 | 2,251,599 | 1,008,040 | 16,757,483 | 15,892,148 | 3,519,539 | 1,586,100 | 1,929,650 | 2,939,177 | 3,079,359 |
| Allowed regular investment credit: | | | | | | | | | | | |
| Number of returns | 743,026 | 23,225 | 8,463 | 67,327 | 87,218 | 28,164 | 230,001 | 90,348 | 138,786 | 59,139 | 238,129 |
| Amount | 16,939,402 | 117,867 | 421,984 | 318,989 | 6,427,193 | 6,267,523 | 1,545,337 | 551,350 | 991,841 | 811,694 | 1,023,126 |
| Investment credit: | | | | | | | | | | | |
| Number of returns | 761,013 | 24,055 | 8,373 | 69,410 | 88,324 | 29,081 | 235,608 | 91,643 | 143,097 | 61,233 | 243,560 |
| Amount | 17,312,702 | 118,494 | 425,824 | 322,782 | 6,724,483 | 6,287,196 | 1,574,988 | 558,731 | 1,014,101 | 811,911 | 1,041,329 |

¹Estimate should be used with caution because of the small number of sample returns on which it is based.

²**Data deleted to avoid disclosure of information for specific corporations. Deleted data are included in the appropriate totals.

³Includes "Nature of business not allocable" which is not shown separately.

⁴Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 13 — Tax Items: Number of Returns by Selected Types of Tax, Dividend Items, Net Income or Deficit, Statutory Special Deductions, Income Subject to Tax, Income Tax, Credits, Payments, and Selected Items of Small Business Corporations (Form 1120S), by Selected Industrial Divisions

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

| Item | Selected industrial divisions | | | | | | | | | | |
|---|---------------------------------------|------------------------------------|-----------|--------------|---------------|-------------------------------------|----------------------------|-----------------|--------------|-------------------------------------|------------|
| | All industrial divisions ¹ | Agriculture, forestry, and fishing | Mining | Construction | Manufacturing | Transportation and public utilities | Wholesale and retail trade | | | Finance, insurance, and real estate | Services |
| | | | | | | | Total ² | Wholesale trade | Retail trade | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) |
| Number of Returns With Income Tax | | | | | | | | | | | |
| Number of returns with — | | | | | | | | | | | |
| Income tax, total | 1,187,962 | 32,284 | 13,062 | 98,567 | 115,518 | 42,665 | 338,316 | 129,262 | 207,952 | 191,857 | 351,760 |
| Form 1120S | 496 | *173 | *10 | *29 | *45 | — | *114 | — | *114 | *101 | *24 |
| Regular and alternative tax before credits | 1,136,558 | 30,463 | 11,776 | 91,276 | 107,807 | 40,890 | 323,776 | 122,178 | 200,519 | 184,837 | 341,912 |
| Tax from recomputing prior-year investment credit | 185,705 | 7,547 | 4,051 | 23,199 | 27,861 | 7,153 | 59,087 | 28,367 | 30,605 | 18,505 | 38,239 |
| Total income tax after — | | | | | | | | | | | |
| Investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits | 971,643 | 23,464 | 11,305 | 80,620 | 94,775 | 30,972 | 281,339 | 110,865 | 169,620 | 178,999 | 266,887 |
| Foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits | 970,907 | 23,464 | 11,288 | 80,615 | 94,336 | 30,951 | 281,237 | 110,773 | 169,611 | 178,964 | 266,770 |
| Returns With and Without Net Income | | | | | | | | | | | |
| Number of returns | 2,925,933 | 91,320 | 36,676 | 282,345 | 259,106 | 115,470 | 839,547 | 285,615 | 549,127 | 461,630 | 819,706 |
| Dividends received from domestic corporations, total | 18,155,559 | 77,042 | 392,367 | 135,018 | 9,002,620 | 452,860 | 1,195,416 | 793,254 | 400,279 | 6,397,542 | 495,837 |
| Amount qualifying for 85 percent deduction | 9,871,095 | 37,549 | 302,892 | 104,154 | 2,275,437 | 405,543 | 545,756 | 205,096 | 339,649 | 5,959,589 | 233,385 |
| Amount on certain public utility stock qualifying for 60.208 percent deduction | 44,684 | — | — | *362 | 829 | *802 | 744 | 389 | 355 | 41,017 | 930 |
| Intragroup dividends qualifying for 100 percent deduction | 1,036,347 | *3,595 | *8,424 | 3,157 | 367,543 | 7,747 | 119,187 | 85,136 | 34,051 | 355,057 | 171,637 |
| Amounts received from DISCS or former DISCS | 7,112,576 | 27,668 | 80,058 | 19,663 | 6,328,128 | 37,390 | 504,789 | 17,320 | 35,683 | 79,127 | 171,637 |
| Domestic dividends received (1120S) | 90,857 | 8,231 | 982 | 7,681 | 30,683 | 1,379 | 24,940 | 16,036 | 8,904 | 6,196 | 10,758 |
| Dividends received from foreign corporations, total | 13,950,906 | 9,296 | 663,053 | 187,235 | 11,169,520 | 229,053 | 675,957 | 249,140 | 426,817 | 842,231 | 174,507 |
| Amount qualifying for 85 percent deduction | 23,402 | *8 | *1,774 | 1,057 | 1,003 | *3,608 | 541 | *423 | *118 | 13,689 | *1,722 |
| Intragroup dividends qualifying for 100 percent deduction | 152,076 | — | 97 | *2,928 | 115,443 | *3,096 | 7,502 | *1,745 | *5,757 | 12,978 | *10,033 |
| Other foreign dividends | 13,768,656 | 9,147 | 661,182 | 181,251 | 11,052,204 | 220,547 | 666,363 | 245,603 | 420,760 | 815,564 | 162,344 |
| Foreign dividends received (1120S) | 6,773 | *140 | — | *2,000 | 871 | *1,803 | *1,551 | *1,369 | — | 182 | *208 |
| Constructive taxable income from related foreign corporations, total | 13,628,716 | *4,523 | 515,087 | 178,845 | 11,258,158 | 474,951 | 575,756 | 280,298 | 295,458 | 414,370 | 207,028 |
| Includable income of Controlled Foreign Corporations | 3,732,771 | 1,798 | 173,516 | 76,515 | 2,690,027 | 352,224 | 208,519 | 110,722 | 97,797 | 160,211 | 69,961 |
| Foreign dividend income resulting from foreign taxes deemed paid | 9,895,946 | *2,725 | 341,570 | 102,330 | 8,568,131 | 122,726 | 367,237 | 197,661 | 167,576 | 254,159 | 137,067 |
| Net income (less deficit) | 154,334,143 | -86,418 | 543,578 | 2,323,952 | 75,791,264 | 18,335,959 | 28,442,678 | 16,619,769 | 11,784,654 | 21,804,088 | 7,199,258 |
| Statutory special deductions, total | 19,527,353 | 376,934 | 848,266 | 1,069,968 | 4,574,121 | 1,091,202 | 2,474,514 | 1,172,448 | 1,296,432 | 7,289,447 | 1,779,257 |
| Net operation loss deduction | 11,385,921 | 341,412 | 500,779 | 974,279 | 2,155,273 | 696,330 | 1,883,104 | 910,672 | 967,656 | 3,338,872 | 1,397,551 |
| Dividends received deduction | 8,105,432 | 35,522 | 267,485 | 95,690 | 2,418,262 | 359,080 | 591,410 | 281,776 | 328,775 | 3,850,567 | 381,705 |
| Deduction for dividends paid on certain public utility stock | 35,939 | — | 2 | — | 136 | 35,932 | — | — | — | 9 | — |
| Income subject to tax | 205,175,407 | 1,604,445 | 7,319,685 | 5,973,416 | 102,157,505 | 25,955,886 | 30,107,072 | 13,987,182 | 16,051,477 | 19,973,233 | 11,941,166 |
| Income tax, total | 86,766,154 | 502,671 | 3,330,810 | 2,114,820 | 45,760,800 | 11,638,542 | 11,584,691 | 5,455,600 | 6,105,061 | 7,809,420 | 3,982,538 |
| Regular and alternative tax | 85,077,493 | 490,228 | 3,203,406 | 2,069,718 | 45,015,096 | 11,356,073 | 11,372,087 | 5,348,274 | 6,000,091 | 7,643,631 | 3,885,618 |
| Personal holding company tax | 6,802 | *611 | *255 | *24 | 191 | 5 | 650 | *266 | 383 | 3,849 | 1,218 |
| Tax from recomputing prior-year investment credit | 1,181,074 | 10,547 | 45,429 | 37,030 | 535,415 | 227,910 | 171,659 | 92,572 | 78,779 | 72,924 | 79,788 |
| Additional tax for tax preferences | 478,457 | 1,266 | 81,151 | 8,040 | 209,959 | 46,619 | 39,389 | 13,583 | 25,805 | 79,059 | 12,924 |
| Foreign tax credit tax | 19,137,201 | 1,905 | 1,848,192 | 174,516 | 14,791,200 | 254,502 | 393,077 | 155,681 | 237,396 | 1,458,076 | 215,737 |
| U.S. possessions tax credit | 2,026,980 | — | 1,079 | 1,852 | 1,890,760 | 33,814 | 91,928 | 89,866 | 2,062 | 3,578 | 3,969 |
| Investment credit | 17,312,702 | *118,494 | 425,824 | 322,782 | 6,724,483 | 6,287,196 | 1,574,988 | 558,731 | 1,014,101 | 811,911 | 1,041,329 |
| Work incentive (WIN) credit | 29,020 | 556 | 89 | 4,103 | 9,705 | 684 | 8,016 | 2,462 | 5,525 | 1,587 | 4,271 |
| Jobs credit | 327,285 | *4,316 | *2,406 | 28,461 | 10,328 | 10,328 | 107,419 | 13,616 | 93,753 | 18,388 | 65,087 |
| Nonconventional source fuel credit | 6,787 | — | 3 | — | 6,740 | (³) | *41 | 32 | *9 | 4 | — |
| Alcohol fuel credit | 600 | — | — | — | *99 | 175 | *325 | *1 | 324 | — | — |
| Research activities credit | 839,220 | 1,971 | 8,437 | 4,114 | 623,263 | 125,062 | 25,755 | 15,184 | 10,505 | 17,189 | 33,313 |
| Employee stock ownership credit | 14,450 | *7 | 14 | — | 7,633 | 844 | 3,815 | 394 | 3,421 | 691 | *1,446 |
| Total income tax after — | | | | | | | | | | | |
| Investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits | 68,236,090 | 377,327 | 2,893,827 | 1,755,360 | 38,298,489 | 5,214,252 | 9,864,333 | 4,865,180 | 4,977,422 | 6,959,651 | 2,837,092 |
| Foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits | 47,071,909 | 375,422 | 1,044,556 | 1,578,992 | 21,616,529 | 4,925,936 | 9,379,328 | 4,619,633 | 4,737,964 | 5,497,997 | 2,617,390 |
| Estimated tax payments: | | | | | | | | | | | |
| 1981 overpayments claimed as a credit | 3,460,302 | 34,148 | 143,383 | 160,753 | 1,381,864 | 337,566 | 745,284 | 392,935 | 352,109 | 387,240 | 268,760 |
| 1982 estimated tax payments | 39,804,289 | 291,126 | 847,136 | 1,245,549 | 19,221,982 | 4,031,826 | 7,451,917 | 4,008,210 | 3,423,730 | 4,583,339 | 2,117,103 |
| Less: Refund of estimated tax payments | 3,004,449 | 12,800 | 134,255 | 84,220 | 1,587,538 | 251,019 | 312,720 | 229,326 | 82,842 | 487,194 | 134,578 |
| Payments with applications for — | | | | | | | | | | | |
| First extension of filing time | 5,934,719 | 22,001 | 225,427 | 209,866 | 2,528,696 | 712,888 | 1,170,996 | 452,474 | 716,966 | 712,391 | 347,288 |
| Second extension of filing time | 2,995,938 | 4,688 | 102,675 | 55,907 | 1,257,467 | 460,729 | 597,894 | 165,732 | 431,989 | 381,873 | 133,521 |
| Credit for tax paid by regulated investment companies | 9,272 | *103 | 3,028 | *66 | 835 | 454 | *1,170 | *879 | 290 | 3,591 | *26 |
| Credit for tax on special fuels, nonhighway gasoline, and lubricating oil | 88,551 | 5,765 | 6,893 | 3,471 | 12,848 | 10,683 | 3,803 | 2,523 | 1,280 | 40,100 | 4,762 |
| Overpaid windfall profit tax | 313,980 | 944 | 51,130 | 194 | 231,422 | 24,105 | 2,944 | 2,789 | 155 | 2,718 | 524 |
| Tax due at time of filing | 4,528,862 | 121,564 | 118,365 | 399,099 | 1,243,073 | 162,136 | 1,099,635 | 575,649 | 519,623 | 861,105 | 505,719 |
| Tax overpayment | 7,090,354 | 92,119 | 319,822 | 411,693 | 2,674,129 | 571,366 | 1,382,430 | 753,068 | 625,341 | 1,005,972 | 628,542 |
| Tax from Section 1 (1120 F) | 22,119 | 18 | *969 | 4 | 130 | 7,935 | *906 | — | — | 9,912 | *2,841 |
| U.S. tax paid or withheld at source (1120 F) | 15,607 | 1 | *397 | — | — | *7,935 | *836 | *836 | — | 3,636 | *2,795 |
| Returns of Small Business Corporations, Form 1120S | | | | | | | | | | | |
| Number of returns | 564,219 | 27,648 | 6,735 | 57,289 | 41,721 | 29,940 | 177,063 | 43,735 | 131,877 | 59,346 | 160,865 |
| Net income: | | | | | | | | | | | |
| Number of returns | 260,558 | 12,344 | 2,255 | 27,117 | 19,853 | 11,423 | 83,437 | 23,058 | 59,835 | 26,980 | 76,337 |
| Amount | 10,992,022 | 555,558 | 376,463 | 1,080,262 | 2,030,838 | 468,260 | 3,352,009 | 1,675,820 | 1,671,890 | 900,258 | 2,213,358 |
| Deficit | 7,944,079 | 768,172 | 526,155 | 599,993 | 767,852 | 728,832 | 2,049,313 | 509,428 | 1,525,933 | 888,977 | 1,606,001 |
| Income subject to corporation tax | 18,006 | *359 | *3,739 | *360 | *4,219 | — | *8,441 | — | *8,441 | — | *887 |
| Income tax, total | 2,527 | *105 | *1,148 | *83 | *581 | — | *215 | — | *215 | — | *348 |
| Regular and alternative tax | 2,051 | *101 | *1,047 | *79 | *572 | — | *99 | — | *99 | — | *153 |

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

¹Includes "Nature of business not allocable" which is not shown separately.

²Includes "Wholesale and retail trade not allocable" which is not shown separately.

³Less than \$500 per return.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 14 — Book Net Income or Deficit and Provision for Federal Income Tax, by Selected Industrial Divisions

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

| Item | All industrial divisions ¹ | Selected industrial divisions | | | | | | | | | |
|---|---------------------------------------|------------------------------------|-----------|--------------|---------------|-------------------------------------|----------------------------|-----------------|--------------|-------------------------------------|------------|
| | | Agriculture, forestry, and fishing | Mining | Construction | Manufacturing | Transportation and public utilities | Wholesale and retail trade | | | Finance, insurance, and real estate | Services |
| | | | | | | | Total ² | Wholesale trade | Retail trade | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
| Total returns of active corporations: | | | | | | | | | | | |
| Number of returns | 2,925,933 | 91,320 | 36,676 | 282,345 | 259,106 | 115,470 | 839,547 | 285,615 | 549,127 | 461,630 | 819,706 |
| Net income (less deficit) | 154,334,143 | - 86,418 | 543,578 | 2,323,952 | 75,791,264 | 18,335,959 | 28,442,678 | 16,619,769 | 11,784,654 | 21,804,088 | 7,199,258 |
| Returns with book net income or deficit: | | | | | | | | | | | |
| Number of returns, total | 2,631,633 | 83,370 | 34,229 | 254,832 | 238,101 | 100,862 | 778,851 | 267,549 | 507,331 | 415,466 | 712,073 |
| With book net income | 1,489,954 | 44,587 | 15,988 | 129,972 | 139,229 | 54,267 | 448,295 | 162,815 | 284,219 | 233,974 | 419,492 |
| Amount | 300,461,434 | 2,321,968 | 8,136,418 | 6,972,052 | 102,270,869 | 40,892,472 | 40,524,679 | 24,064,546 | 16,391,121 | 82,158,869 | 17,029,688 |
| With book deficit | 1,141,679 | 38,782 | 18,241 | 124,860 | 98,872 | 46,595 | 330,556 | 104,735 | 223,112 | 181,492 | 292,581 |
| Book net income (less deficit) | 217,597,716 | - 219,789 | 2,237,782 | 2,241,396 | 79,018,031 | 35,982,994 | 24,762,002 | 15,078,733 | 9,668,565 | 64,499,007 | 9,104,630 |
| Net income (less deficit) | 152,957,725 | - 58,980 | 799,421 | 2,349,563 | 74,366,158 | 18,102,473 | 27,969,177 | 16,012,551 | 11,931,493 | 22,084,191 | 7,376,403 |
| Provision for Federal income tax, net: | | | | | | | | | | | |
| Number of returns | 863,048 | 20,645 | 9,572 | 77,190 | 93,260 | 26,964 | 264,194 | 108,478 | 155,032 | 159,624 | 209,662 |
| Amount | 62,016,628 | 339,196 | 1,614,657 | 1,636,495 | 27,545,258 | 13,525,344 | 9,939,001 | 4,398,479 | 5,524,706 | 4,224,144 | 3,170,165 |
| Provision for Federal income tax (+): | | | | | | | | | | | |
| Number of returns | 799,432 | 19,055 | 8,769 | 69,065 | 81,491 | 24,602 | 246,651 | 98,562 | 147,419 | 149,303 | 198,575 |
| Amount | 74,827,176 | 384,281 | 1,985,051 | 1,948,019 | 34,127,526 | 14,232,559 | 11,004,782 | 5,252,058 | 5,735,482 | 7,673,717 | 3,447,865 |
| Provision for Federal income tax (-): | | | | | | | | | | | |
| Number of returns | 63,615 | 1,591 | 803 | 8,125 | 11,769 | 2,361 | 17,543 | 9,916 | 7,613 | 10,322 | 11,087 |
| Amount | 12,810,548 | 45,085 | 370,394 | 311,524 | 6,582,268 | 707,215 | 1,065,781 | 853,578 | 210,776 | 3,449,573 | 277,700 |
| Total income tax after investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits | 66,737,310 | 370,094 | 2,768,428 | 1,717,276 | 37,564,819 | 5,107,133 | 9,734,443 | 4,803,017 | 4,912,159 | 6,700,615 | 2,750,373 |

¹Includes "Nature of business not allocable" which is not shown separately.²Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Returns with book net income or deficit reported an amount of foreign tax credit of \$18,970,294 and an amount of U.S. possessions tax credit of \$2,023,031. Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S and 1120-DISC

Table 15 — Tax Preference Items: Number of Returns, and Tax Preference and Related Items, by Selected Industrial Divisions

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

| Item | All industrial divisions ¹ | Selected industrial divisions | | | | | | | | | |
|---|---------------------------------------|------------------------------------|---------------|----------------|----------------|-------------------------------------|----------------------------|-----------------|----------------|-------------------------------------|----------------|
| | | Agriculture, forestry, and fishing | Mining | Construction | Manufacturing | Transportation and public utilities | Wholesale and retail trade | | | Finance, insurance, and real estate | Services |
| | | | | | | | Total ² | Wholesale trade | Retail trade | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
| Number of returns of active corporations, other than Forms 1120S and 1120-DISC | 2,352,051 | 63,672 | 29,940 | 225,055 | 217,385 | 85,528 | 653,223 | 233,121 | 416,819 | 402,230 | 658,595 |
| Returns with tax preference items: | | | | | | | | | | | |
| Number of returns..... | 23,448 | 607 | 2,903 | 1,425 | 3,724 | 816 | 2,885 | 1,618 | 1,236 | 9,433 | 1,641 |
| Total assets..... | 5,682,785,236 | 4,500,842 | 124,969,683 | 37,196,291 | 1,637,348,790 | 754,195,194 | 255,472,834 | 111,816,521 | 143,520,575 | 2,810,125,441 | 58,878,187 |
| Business receipts..... | 2,905,254,380 | 4,988,947 | 69,926,204 | 40,297,793 | 1,664,793,715 | 431,312,361 | 478,618,688 | 228,084,536 | 250,067,528 | 166,225,616 | 48,877,188 |
| Bad debts..... | 13,917,039 | 9,165 | 244,221 | 48,836 | 4,114,252 | 1,802,287 | 1,024,195 | 364,816 | 658,430 | 6,416,106 | 257,699 |
| Depreciation..... | 133,506,348 | 185,268 | 3,916,256 | 853,636 | 70,019,787 | 39,558,850 | 7,256,446 | 2,202,120 | 5,047,434 | 8,113,357 | 3,599,160 |
| Amortization..... | 2,160,207 | 374 | 19,110 | 8,986 | 863,703 | 271,449 | 158,722 | 33,904 | 124,818 | 197,806 | 639,982 |
| Depletion..... | 5,812,879 | 12,434 | 1,222,958 | 53,002 | 3,774,596 | 502,625 | 72,204 | 58,567 | 13,637 | 158,665 | 16,346 |
| Net income..... | 130,321,841 | 396,697 | 4,682,242 | 1,518,282 | 77,009,601 | 21,663,142 | 8,961,882 | 3,187,538 | 5,767,463 | 12,763,685 | 3,314,444 |
| Regular and alternative tax before credits ³ | 55,052,890 | 150,866 | 1,964,024 | 593,700 | 33,475,517 | 9,419,018 | 3,785,579 | 1,357,994 | 2,425,190 | 4,367,673 | 1,292,537 |
| Tax from recomputing prior-year investment credit..... | 756,669 | 1,068 | 22,833 | 6,385 | 408,446 | 196,371 | 60,478 | 29,351 | 31,112 | 37,156 | 23,631 |
| Additional tax for tax preferences..... | 478,191 | 1,263 | 81,050 | 8,040 | 209,959 | 46,619 | 39,274 | 13,583 | 25,690 | 79,059 | 12,878 |
| Additional tax for tax preferences deferred from prior years..... | 9,689 | *140 | *1,398 | 129 | 2,176 | 541 | 2,616 | *1,638 | 979 | 2,251 | 438 |
| Income tax after credits ³ | 25,022,873 | 130,203 | 663,634 | 347,570 | 14,232,630 | 3,589,004 | 2,812,967 | 1,121,938 | 1,689,507 | 2,526,056 | 716,909 |
| Tax preference items: | | | | | | | | | | | |
| Accelerated depreciation on - | | | | | | | | | | | |
| Low income rental housing..... | 55,887 | *4,417 | 1,075 | 3,792 | 36,654 | 151 | 2,571 | 1,017 | 1,554 | 4,412 | *2,815 |
| Other real property..... | 1,529,491 | 2,728 | 14,715 | 19,318 | 817,921 | 157,820 | 216,470 | 43,837 | 172,615 | 183,565 | 116,872 |
| Leased personal property..... | 26,236 | 29 | *25 | *1,149 | 7,860 | *2,621 | *4,690 | *4,408 | *282 | 5,020 | *4,843 |
| Amortization..... | 96,638 | *205 | *1,011 | *385 | 26,203 | 65,999 | 1,061 | 944 | *117 | 1,414 | *361 |
| Reserves for losses on bad debts of financial institutions..... | 274,877 | — | 45 | *164 | 979 | — | *51 | *1 | 50 | 273,547 | *91 |
| Depletion..... | 2,407,951 | 11,520 | 869,252 | 37,484 | 1,157,377 | 182,956 | 56,329 | 44,322 | 12,007 | 80,371 | 12,633 |
| Capital gains..... | 3,709,226 | 21,340 | 93,785 | 61,955 | 1,604,879 | 593,556 | 315,255 | 112,778 | 202,045 | 834,244 | 181,717 |
| Intangible drilling costs..... | 38,409 | *111 | 14,568 | 797 | 16,375 | — | *583 | *66 | 517 | 5,868 | *108 |
| Total items of tax preference..... | 8,140,304 | 40,349 | 994,482 | 125,045 | 3,668,250 | 1,003,103 | 597,014 | 207,374 | 389,190 | 1,390,016 | 319,439 |

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

¹Includes "Nature of business not allocable" which is not shown separately.

²Includes "Wholesale and retail trade not allocable" which is not shown separately.

³Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S AND 1120-DISC

Table 16 — Number of Returns and Selected Tax Items, by Size of Total Income Tax After Credits

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

| Size of total income tax after credits | Number of returns of active corporations, other than Forms 1120S and 1120-DISC | Total income subject to tax | Income tax before credits ¹ | | Foreign tax credit | U.S. possessions tax credit | Investment credit | Jobs credit | Research activities credit | Income tax after credits ¹ |
|--|--|-----------------------------|--|-----------------------------|--------------------|-----------------------------|-------------------|----------------|----------------------------|---------------------------------------|
| | | | Total | Regular and alternative tax | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
| Total | 2,352,051 | 205,157,402 | 86,763,370 | 85,075,184 | 19,137,201 | 2,026,980 | 17,312,702 | 327,285 | 839,220 | 47,069,124 |
| Returns with net income | 1,339,327 | 205,065,528 | 86,414,657 | 85,038,430 | 19,134,464 | 2,026,980 | 17,305,896 | 327,211 | 839,220 | 46,730,030 |
| Returns without net income | 1,012,725 | 91,873 | 348,712 | 36,754 | 2,737 | — | 6,806 | 74 | — | 339,094 |
| Returns with regular and alternative tax before credits ¹ | 1,187,466 | 205,157,402 | 86,763,370 | 85,075,184 | 19,137,201 | 2,026,980 | 17,312,702 | 327,285 | 839,220 | 47,069,124 |
| Returns with total income tax after credits ¹ | 970,411 | 199,370,403 | 84,802,517 | 83,114,332 | 18,161,464 | 1,505,732 | 16,870,730 | 320,919 | 824,831 | 47,069,124 |
| Under \$6,000 | 729,093 | 10,462,024 | 2,166,974 | 2,080,391 | 30,831 | 239,549 | 705,878 | 95,493 | 11,270 | 1,074,859 |
| \$6,000 under \$10,000 | 74,130 | 3,740,497 | 802,612 | 773,488 | 9,569 | 34,028 | 175,535 | 10,928 | 2,373 | 569,405 |
| \$10,000 under \$15,000 | 39,311 | 2,736,489 | 676,828 | 649,812 | 18,044 | 32,529 | 128,815 | 14,295 | 2,400 | 479,624 |
| \$15,000 under \$20,000 | 21,948 | 1,868,783 | 505,868 | 484,019 | 15,832 | 7,535 | 93,451 | 6,945 | 2,240 | 377,673 |
| \$20,000 under \$25,000 | 16,023 | 1,653,566 | 490,606 | 475,796 | 8,296 | 12,140 | 99,030 | 6,643 | 4,605 | 359,255 |
| \$25,000 under \$50,000 | 32,111 | 5,926,440 | 2,172,219 | 2,123,614 | 637,063 | 129,917 | 260,333 | 18,456 | 7,741 | 1,117,335 |
| \$50,000 under \$75,000 | 13,867 | 4,428,190 | 1,799,679 | 1,770,041 | 665,123 | 68,596 | 191,458 | 12,146 | 6,004 | 855,417 |
| \$75,000 under \$100,000 | 9,192 | 2,671,393 | 1,056,378 | 1,036,015 | 69,876 | 48,234 | 132,416 | 5,463 | 6,635 | 793,300 |
| \$100,000 under \$250,000 | 18,281 | 8,928,015 | 3,789,426 | 3,703,064 | 178,836 | 249,632 | 449,759 | 18,177 | 20,475 | 2,869,809 |
| \$250,000 under \$500,000 | 7,807 | 9,120,163 | 4,040,202 | 3,957,626 | 461,400 | 342,726 | 474,792 | 11,273 | 25,540 | 2,721,711 |
| \$500,000 under \$1,000,000 | 4,172 | 9,725,649 | 4,357,957 | 4,256,945 | 648,557 | 146,348 | 600,706 | 12,880 | 34,023 | 2,913,173 |
| \$1,000,000 under \$10,000,000 | 3,992 | 49,202,705 | 22,434,268 | 21,856,124 | 7,103,456 | 194,499 | 4,501,474 | 50,840 | 194,812 | 10,379,856 |
| \$10,000,000 under \$50,000,000 | 407 | 31,768,789 | 14,400,075 | 14,136,954 | 2,308,221 | — | 3,599,019 | 37,941 | 137,012 | 8,306,495 |
| \$50,000,000 under \$100,000,000 | 60 | 14,949,947 | 6,732,737 | 6,663,540 | 1,191,220 | — | 1,196,461 | 10,477 | 47,492 | 4,284,360 |
| \$100,000,000 or more | 37 | 42,187,753 | 19,376,687 | 19,146,903 | 4,815,139 | — | 4,261,603 | 8,963 | 322,208 | 9,966,852 |

¹Estimate should be used with caution because of the small number of sample returns on which it is based.

²Credits include foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research activities, and employee stock ownership credits.

³Amount was reported by life insurance companies and banks with life insurance departments taxable under special provision of the Internal Revenue Code.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

RETURNS OF ACTIVE CORPORATIONS, OTHER THAN FORMS 1120S and 1120-DISC

Table 17 — Increasing Research Activities Credit Items, by Selected Industrial Divisions

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

| Item | All industrial divisions ¹ | Selected industrial divisions | | | | | | | | | |
|---|---------------------------------------|------------------------------------|---------------|----------------|----------------|-------------------------------------|----------------------------|-----------------|----------------|-------------------------------------|----------------|
| | | Agriculture, forestry, and fishing | Mining | Construction | Manufacturing | Transportation and public utilities | Wholesale and retail trade | | | Finance, insurance, and real estate | Services |
| | | | | | | | Total ² | Wholesale trade | Retail trade | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | |
| Number of returns of active corporations, other than Forms 1120S and 1120-DISC | 2,352,051 | 63,672 | 29,940 | 225,055 | 217,385 | 85,528 | 653,223 | 233,121 | 416,819 | 402,230 | 658,595 |
| Returns with increasing research activities credit items, other than Forms 1120S and 1120-DISC | | | | | | | | | | | |
| Number of returns | 16,370 | 81 | 106 | 301 | 10,426 | 310 | 2,049 | 1,462 | 582 | 448 | 2,630 |
| Qualified research expenses, total | 26,433,065 | 59,875 | 283,485 | 64,164 | 22,443,013 | 1,966,059 | 396,146 | 257,518 | 137,910 | 540,370 | 665,150 |
| Wages for qualified services | 18,774,850 | 38,350 | 226,685 | 39,936 | 16,100,361 | 1,213,066 | 274,303 | 172,937 | 100,850 | 394,000 | 480,392 |
| Cost of supplies used | 5,063,829 | 18,902 | 40,262 | 12,317 | 4,507,299 | 296,005 | 53,653 | 41,811 | 11,680 | 33,854 | 94,924 |
| Rental or lease costs to personal property | 655,663 | 1,293 | 2,017 | 3,647 | 418,995 | 115,362 | 22,254 | 11,795 | 10,424 | 46,919 | 45,155 |
| 65 percent of contract expenses for qualified research | 1,645,616 | 1,234 | 12,895 | 7,620 | 1,234,758 | 254,509 | 37,221 | 25,987 | 11,230 | 61,030 | 35,937 |
| 65 percent of amounts paid to qualified research organizations | 288,684 | 97 | 1,625 | 645 | 177,116 | 87,116 | 8,775 | 5,050 | 3,726 | 4,568 | 8,742 |
| Base period research expenses, total | 19,999,313 | 47,481 | 182,021 | 30,790 | 17,504,610 | 1,386,258 | 217,344 | 143,235 | 73,730 | 331,632 | 295,452 |
| Wages for qualified services | 14,424,871 | 29,253 | 149,328 | 18,965 | 12,739,188 | 860,931 | 164,238 | 105,130 | 58,882 | 237,787 | 222,880 |
| Cost of supplies used | 3,870,157 | 16,011 | 23,706 | 5,979 | 3,526,106 | 209,602 | 22,114 | 18,221 | 3,804 | 31,346 | 33,884 |
| Rental or lease costs to personal property | 410,221 | 1,609 | 1,225 | 1,094 | 278,402 | 69,101 | 12,923 | 7,026 | 5,838 | 22,395 | 23,457 |
| 65 percent of contract expenses for qualified research | 1,065,191 | 547 | 7,533 | 4,726 | 809,430 | 178,332 | 16,060 | 11,474 | 4,581 | 38,414 | 10,148 |
| 65 percent of amounts paid to qualified research organizations | 224,957 | 60 | 230 | *26 | 147,253 | 68,292 | 2,064 | 1,386 | 678 | 1,950 | 5,082 |
| Tentative credit | 1,523,797 | 2,997 | 24,245 | 6,349 | 1,188,933 | 142,030 | 36,903 | 23,381 | 13,456 | 48,494 | 72,072 |
| Carryover of unused credit | 117,941 | *975 | 1,409 | 657 | 91,730 | 2,242 | 7,764 | 7,469 | *295 | 3,787 | 8,783 |
| Allowable credit | 1,641,061 | 3,975 | 25,653 | 7,006 | 1,280,358 | 144,271 | 44,667 | 30,850 | 13,750 | 51,909 | 80,856 |
| Research credit | 839,220 | 1,971 | 8,437 | 4,114 | 623,263 | 125,062 | 25,755 | 15,184 | 10,505 | 17,189 | 33,313 |

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

¹Includes "Nature of business not allocable" which is not shown separately.

²Includes "Wholesale and retail trade not allocable" which is not shown separately.

NOTE: Detail may not add to total because of rounding. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

The following explanations include definitions and limitations of terms used, and adjustments made in preparing the statistics. These explanations are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or policies. Code sections cited were those in effect for the Income Years of the report. Whenever a year is cited, it refers to the calendar year, unless otherwise stated.

The instructions for the tax forms in section 6 will provide additional information about many items. Finally, definitions marked with the symbol (#) have been modified from prior year reports to reflect processing or tax law changes as well as clarifications of the explanations.

Accounting Periods

Among the several classifications used in this report, tax return data are classified according to the accounting periods used by corporations. For a detailed discussion of this classification, see "Time Period Employed" in section 1, Introduction.

Accounts and Notes Payable

This item consisted of accounts payable and mortgages, notes, and bonds payable in less than one year. Each is described separately under its own heading below.

Accounts Payable

Relatively short-term liabilities arising from the conduct of trade or business which were not secured by notes of indebtedness were generally included under this heading. Nontrade payables, on the other hand, were generally includable in the estimates for "Other Current Liabilities."

Banks and savings institutions may have reported deposits and withdrawable shares in accounts payable. When these amounts could be identified, they were transferred to "Other Current Liabilities."

Additional Tax for Tax Preferences (#)

Additional tax for tax preferences, the so-called "minimum tax," was intended to make possible the taxation, to some extent, of selected income and deduction items (described by law as "tax preferences") afforded special tax treatment in the computation of taxable income.

For the most part, the 15 percent tax was levied on the sum of a corporation's tax preferences which exceeded \$10,000 or the current-year income tax (including tax from recomputing prior-year investment credit) reduced by foreign tax credit, investment credit, U.S. possessions tax credit, work incentive (WIN) credit, jobs credit, nonconventional source fuel credit, alcohol fuel credit, employee stock ownership plan credit and credit for increasing research activities.

Tax preference items were: (1) accelerated depreciation (depreciation in excess of the amount computed under the straight-line method allowed on personal property subject to a lease, low-income rental housing, and other real property); (2) amortization (special rapid write-offs in excess of what otherwise would have been a depreciation deduction under Code section 167 for certified pollution control facilities, railroad rolling stock, on-the-job training facilities, child care facilities and certified historic structures); (3) reserves for losses on bad debts of financial institutions (additions to reserves for bad debts in excess of actual bad debt losses, based on prescribed rules); (4) depletion (depletion deduction in excess of the cost or other basis of the property, reduced by depletion taken in prior years); (5) capital gains (net long-term capital gain in excess of net short-term capital loss) when this amount was taxed at the special lower capital gains rate; the preference item applied only if the alternative tax under Code section 1201 applied, and the preference items equaled the alternative tax on taxable income minus the tax on taxable income figured under Code section 11 or similar section, with the result divided by 0.46; and (6) intangible drilling costs. Tax preferences for "accelerated depreciation subject to a lease" and "intangible drilling costs" were not applicable to corporations other than Small Business Corporations electing to be taxed through their stockholders and Personal Holding Companies. There were also special rules in effect for timber income, including both gains from the cutting of timber and the long-term gains from the sale of timber.

In general, all corporations, other than Domestic International Sales Corporations, were liable for the additional tax. However, regulated investment companies and real estate investment trusts were subject to the tax only on amounts attributable to tax preferences not passed through to their stockholders for taxation. Small Business Corporations electing to be taxed through their stockholders were liable for the additional tax only on certain capital gains, on accelerated depreciation subject to a lease, and on intangible drilling costs. All other items of tax preference for these corporations were passed on to the stockholders for taxation.

In addition, members of a controlled group of corporations filing separate returns were required to apportion a single \$10,000 statutory exclusion among the members of the group.

Additional Tentative Credit for Employee Stock Ownership Plan

See "Investment Credit."

Advertising (#)

Advertising expenses were allowable as a deduction under Code section 162, if they were ordinary and necessary and bore a reasonable relation

to the trade or business of the corporation. The amount shown in the statistics includes advertising identified as a cost of sales and operations as well as advertising reported separately as a business deduction. However, for corporations whose principal business activity was the printing and publishing of newspapers and periodicals or engaging in radio and television broadcasting, the statistics do not include, if identifiable, advertising expenses incurred in the preparation of customer's advertising; those amounts were moved to cost of sales and operations.

The types of expenditures covered by the advertising deduction may have varied somewhat from company to company and a few companies did not separately identify advertising when it was included in the cost of sales and operations. In addition, certain kinds of advertising expenditures, such as for billboards, were capitalized and recovered only as part of depreciation.

Alcohol Fuel Credit (#)

The Windfall Profit Tax Act of 1980 contained provisions for an alcohol fuel credit. If alcohol (other than alcohol produced from petroleum, natural gas, or coal) was used as a fuel (either blended or straight) of a type suitable for use in internal combustion engines, a nonrefundable income tax credit was provided. In general, the credit was available to the blender in the case of blended fuels and to the user or retail seller in the case of straight alcohol fuels. The amount of the credit was 40 cents per gallon for alcohol of at least 190 proof, 30 cents per gallon for alcohol between 150 and 190 proof. No credit was available for alcohol of less than 150 proof.

The credits were generally available for alcohol sold or used after September 30, 1980, and on or before December 31, 1992. A 7-year carryforward of unused credits was provided with the exception that no carryforward could be made to a year beginning after 1994. Also, a 3-year carryback of unused credits was provided. The Economic Recovery Tax Act of 1981 extended the carryforward provision from 7 years to 15 years; the carryback provision was not changed. The limitation on the amount of allowable credit for alcohol used as fuel and the carryover provisions were applied to the remaining tax liability after certain other credits had been applied.

Allowance for Bad Debts

Most corporations identified on their balance sheet the allowance or reserve set aside to cover uncollectible or doubtful notes, accounts, and loans as an adjustment to notes and accounts receivable. A few corporations, however, reported only net receivables and, thus, did not show their allowance for bad debts. In addition, tax return balance sheets used by life and certain mutual insurance companies did not require the allowance to be reported. The statistics for both the allowance and for the gross amount of "Notes and Accounts Receivable" are understated by these unidentified amounts.

Since corporation tax return balance sheets did not provide for the separate reporting of reserves for uncollectible mortgage and real estate loans, many banks and savings and loan associations may have included the item in the allowance for bad debts. If, on the other hand, these reserves were reported in supporting schedules, they were later added to the allowance for bad debts during statistical processing.

Alternative Tax

See "Income Tax."

Amortization (#)

Amortization was a deduction for recovery of certain expenditures over a certain period of time in a manner similar to straight-line depreciation. Typically, the period of time over which the expenditure was written off was much shorter than if depreciation had been used; often, depending on the specific provision of the law, the period of time was only 60 months. The following types of amortization, applicable to the statistics in this report, were specifically mentioned in the Code as allowable deductions:

- bond premiums (Code section 171)
- certain business startup costs paid or incurred (Code section 195)
- child care facilities (Code section 188)
- construction period interest and taxes on real property (except low-income housing) (Code section 189)
- forestation and reforestation expenditures (Code section 194)
- lessee's improvements to leased property (Code section 178)
- motion picture film, videotape, sound recording and books (Code section 280)
- on-the-job training facilities (Code section 188)
- organizational expenditures of corporations (Code section 248)
- pollution control facilities (Code section 169 limited by Code section 291)
- railroad property (grading and tunnel bores) (Code section 184)
- railroad rolling stock (Code section 184)
- railroad tunnel bores and grading (Code section 185)
- research and experimental expenditures (Code section 174)
- trademark and trade name expenditures (Code section 177).

Of these, amortization of leasehold improvements was frequently reported as depreciation and amortization of bond premiums (as well as of such other financial items as loan or mortgage costs) was often reported as part of "other deductions." Write-offs of patents, copyrights, and other intangibles were usually included in depreciation. None of these amounts involved rapid write-offs of the assets concerned. Therefore, in order to confine the statistics insofar as possible to rapid write-offs, identifiable amounts reported as amortization that related to leasehold improvements, bond premiums (or other financial items), and intangible assets, and, in addition, to depreciable assets other than those eligible for rapid amortization, were transferred to "depreciation" or "other deductions," as appropriate. (See also "Depreciation" and "Other Deductions.")

The amounts shown in the statistics include any identifiable amortization (as described above) reported as part of the cost of sales and operations.

Also, on Forms 1120 prior to 1982, amortization was shown on a separate line of the income statement on page 1; however, for 1982, amortization was shown separately only on Form 4562, Depreciation, and that amount was carried forward and included in line 26, other deductions, on page 1; Form 1120 (see Form 1120 return facsimile in section 6 of this report). Because some corporations may not have identified amortization separately on Form 4562, the statistics for "Amortization" may be understated and "Other

Deductions" may be overstated by the same amounts.
See also "Additional Tax for Tax Preferences."

Annual Returns

Annual or calendar year returns were those filed for the 12-month period beginning in January and ending in December. Most of the larger corporations filed for this period. Figure B in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

Bad Debts (#)

Bad debts occurring during the year, or a reasonable addition to an allowance or reserve for bad debts, were allowable as a deduction under Code section 166.

Commercial banks, mutual savings banks, savings and loan associations, small business investment companies and other financial institutions were permitted to take a deduction for a reasonable addition to their bad debt balance which was far greater than that allowed other businesses. Unlike other businesses, which could deduct additions to their reserves only to the extent justified by their actual loss experience, these financial institutions could elect to increase their reserves based on percentages of outstanding loans. However, certain restrictions were introduced in 1969 to begin to bring these institutions in line with other businesses.

For commercial banks, beginning with 1969, deductible additions to the reserves were to decrease in three transitional steps. These steps were to be completed by 1988, at which time the deduction would have to be based on actual losses for the current and 5 preceding years, the same as for other businesses. For taxable years beginning after 1975, but before 1982, the percentage for eligible loans outstanding used as the basis for the deduction was 1.2 percent; 1.0 percent was used for taxable years beginning in 1982 and 0.6 percent for taxable years beginning after 1982.

For small business investment companies, deductions for additions to the reserves, using an industry average as the norm, were permitted during the first 10 years of a company's existence. Thereafter, additions to the reserves had to be based on a corporation's own experience.

For mutual savings banks, savings and loan associations, cooperative banks and certain stock associations, the deduction was 40 percent of an adjusted taxable income figure before reduction by the bad debts deduction, provided it did not increase the reserve beyond 6 percent of qualifying loans.

For banks and other financial institutions, corporate or government debts evidenced by certain bonds which became worthless during the year were chargeable as bad debts under Code section 582. For other corporations, such losses were subject to the special capital gain or loss provisions of the law. See the explanation for "Net Capital Gains" in this section.

Recoveries of bad debts previously deducted by corporations which used the reserve method were netted against the year's bad debts deduction. However, amounts of recovered bad debts reported by corporations which deducted actual bad debts were included in "Other Receipts."

See also "Additional Tax for Tax Preferences."

Book Net Income (or Deficit) (#)

This was the after-tax profit as reported in tax return schedules reconciling income per books of account with income per Internal Revenue Code (see

Schedule M-1, "Reconciliation of income per books with income per return," on the Form 1120 return facsimile in section 6 of this report), or in the case of most insurance companies, from the annual statements filed with the return.

For the most part, tax law provisions agree with accepted accounting practices and recognize the application of general accounting principles to the conditions and practices of a particular trade or business. However, for certain kinds of income, deductions, or transactions, the law allowed or required special accounting that differed from generally accepted accounting methods.

Three fundamental reasons account for most of the disparity between tax and book profits: (1) different methods of depreciation or amortization; (2) accounting differences in timing the receipt of income and the expensing of deductions, e.g., installment sales, income from construction contracts, prepaid income or anticipated future losses or expenses, income from foreign subsidiaries and expenses typically capitalized on the books but expensed on the tax return (e.g., intangible drilling costs), or vice versa; and (3) recognition of certain income and deductions for tax purposes only, e.g., the foreign dividend income resulting from foreign taxes deemed paid, or for book purposes only, e.g., interest on State and local Government obligations, lobbying expenses, and certain undistributed profits of foreign subsidiaries.

The data shown are subject to certain limitations. Although all corporations were required to provide data for a reconciliation of profits, some did not include them in their tax returns as originally filed, while others provided them in schedules of their own design from which total book net income could not always be determined. This last group included those consolidated returns in which book net income was shown separately for each affiliated corporation, but the consolidated net income after reduction by intercompany transactions was not shown. (See "Consolidated Returns" in this section.) Also, net income for tax purposes is likely to be more uniformly determined than net income for book purposes because of the necessity to conform to provisions of the Internal Revenue Code, although complete uniformity is lacking because of the various elections, special treatments, and other provisions in the law.

In addition, book net income was calculated after taxes were deducted. The income tax liability reported on the tax return often differs from the book amount because of the several methods of accounting for taxes on the books. The statistics may be slightly overstated depending on how parent corporations accounted for the earnings of their nonconsolidated subsidiaries. Duplication resulted when the parent reported its equity in subsidiaries in its book net income and the subsidiaries then also reported their individual book net incomes on their own returns.

On a historical basis, both book income and net income are affected by changes in accounting practices by particular companies, in generally accepted accounting principles, and in tax law. Moreover, because more definitive measures of the differences between tax and book profits are not available, there is no way of knowing how much of the difference is permanent (because of different definitions) or only temporary (timing differences would be expected to "wash out" over a number of years).

Table 14, Book Net Income or Deficit and Provision for Federal Income Tax, shows the comparison between book net income and deficit, provision for Federal income tax, net income (less deficit), and total income tax after certain credits

and amounts. Corporations reported "book net income or deficit" as after income tax, however, "net income (less deficit)" was reported before taxes.

The last line of Table 14 was defined, for comparison purposes, to include the sum of the regular income tax, the additional tax for tax preferences, the taxes from recomputing the prior-year investment credit, excessive net passive income tax (Form 1120S) and tax from Section 1 (Form 1120F), reduced by the current year's investment, WIN, jobs, nonconventional source fuel, alcohol fuel, research and employee stock ownership credits, but not by the foreign tax credit nor U.S. possessions tax credit. (This result will be called "tax net income" in the discussion that follows.)

An "economic" or "accounting" approach was used to compute tax net income in regard to the treatment of foreign income and taxes to the extent that foreign income was included in the income statistics. It was felt that the corresponding income tax, whether domestic or foreign, should be uniformly reflected to the extent possible in the taxes used in this computation. By disregarding the foreign tax credit, foreign income taxes in effect were recognized as a deduction in arriving at tax net income, just as they were in arriving at book net income. To have done otherwise, by treating these taxes as a credit against U.S. tax, would have meant disregarding the effect of foreign income taxes on tax net income altogether. This was because corporations with a foreign tax credit could be thought of as having satisfied their U.S. income tax liabilities by paying taxes (to the extent of the credit) to foreign governments instead of the U.S. Government. The foreign tax credit was, after all, merely a device to prevent double taxation of foreign income.

This approach to foreign taxes for the statistics has drawbacks. The foreign tax credit, because of the limitations required in its computation, was not synonymous with total foreign income taxes. Because of the carryover provisions, some of the taxes credited for the current year were actually paid in other years while other amounts, paid on the current year income, had to be carried to other years for crediting. In addition, most foreign dividends had to be "grossed up" by the foreign taxes deemed paid on this income (see "Constructive Taxable Income from Related Foreign Corporations"). To the extent that such taxes were included as income, tax net income, conceptually, is overstated in comparison to book net income.

The user of the statistics can derive another estimate of tax net income (or deficit) by taking into account only the income tax payable to the United States. Under this approach, the before-tax net income (or deficit) shown in the statistics should be reduced by income tax after the possessions tax, foreign tax, investment, WIN, jobs, nonconventional source fuel, alcohol fuel, research and employee stock ownership credits.

Aside from conceptual problems associated with the treatment of foreign income and taxes, it should be noted that Domestic International Sales Corporations (DISC's) and, for the most part, Small Business Corporations electing to be taxed through stockholders, were not subject to the corporation income tax. Therefore, "Tax Net Income (or Deficit)" (the after-tax concept) for these companies is the same as "Net Income (or Deficit)" (the before-tax concept).

Business Receipts (#)

Business receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances.

Business receipts included rents reported as a principal business income by real estate operators and by certain types of manufacturing, public utility, and service corporations. The latter corporations included manufacturers that frequently rented rather than sold products, such as automatic data processing equipment; lessors of public utility facilities, such as docks, warehouses, and pipelines; and companies engaged in rental services, such as the rental of automobiles or clothing.

Some corporations treated sales taxes and excise and related taxes which were included in the sales price of their products as part of their gross receipts from sales; others reported their receipts after adjustment for these taxes. When treated as receipts, sales taxes and excise and related taxes were deducted on the tax return as part of the cost of sales and operations or were included in the separately itemized deduction for taxes paid. In any case, the receipts as reported by the taxpayer were included in the statistics. See also "Cost of Sales and Operations" and "Taxes Paid."

In the finance, insurance, and real estate industries, business receipts included such banking items as fees, commissions, trust department earnings, exchange collections, discounts, and service charges, when identified in schedules attached to the return. Business receipts also included interest which could not be separately identified as such. (Interest, the principal operating income of banking and savings institutions, is shown separately in the statistics under "Other Interest" and is, therefore, excluded from business receipts.) Special statistical treatment was required for the few banking institutions which reported the purchase and sale of Federal funds as part of cost of sales and operations and business receipts, respectively. For the statistics, the amount paid by the banking institutions for these funds was excluded from the "Cost of Sales and Operations" and a corresponding amount was excluded from business receipts.

Also in the finance, insurance, and real estate industries, premium income of most insurance companies was included in business receipts. However, certain mutual insurance companies with total receipts of less than \$500,000 were not required to report premium income. Therefore, total business receipts for insurance carriers are slightly understated.

Generally, in the finance, insurance, and real estate industries, income from investments, when identified in schedules attached to the return, was allocated to one of the specific types of investment income for which statistics are shown separately. Rent reported by real estate operators, however, was accepted as business receipts.

Business receipts reported by stock and commodity brokers, dealers, and exchanges, by condominium management and cooperative housing associations, and by real estate subdividers, developers, and operative builders required special statistical treatment. For these operations, net profit or loss from the sale of stocks, commodities, or real estate, when identifiable, was allocated to the statistics for net gain or loss from sales or exchanges of noncapital assets. If the corporation reported both business receipts and cost of sales and operations without identifying the source, and the cost of sales and operations was 50 percent or more of the business receipts, the net gain or loss was allocated to the statistics for net gain or loss from sales of noncapital assets because the items were considered to include stock, commodity, or real estate transactions. Otherwise, business receipts for these companies were used as reported and included commissions and service fees.

For Domestic International Sales Corporations (DISC's), business receipts included only "qualified" export receipts, i.e., the sum of (1) gross receipts from noncommission sales of export property, leasing or renting of export property, services related and subsidiary to a qualified export sale or lease, engineering and architectural services, and export management services, and (2) commissions earned by DISC's acting as commission agents for someone else (rather than the gross receipts on which the commissions were earned). In other words, "qualified" receipts were those which were considered to be export-related and as such were the only receipts included in the statistics for business receipts. Receipts not considered to be export-related (i.e., "nonqualified" receipts) were included in "Other Receipts."

In addition to the income types described above which were uniquely treated by law, by the tax return, or for the statistics, there were certain other kinds of income from sales and operations that are not reflected in business receipts. In general, this income was included as part of the much broader category, sales of property used in trade or business. For additional information about this income, see "Net Capital Gains" and "Net Gain (or Loss), Noncapital Assets."

Capital Stock

This end-of-year balance sheet equity item included amounts shown for outstanding shares of both common and preferred stock.

Cash

This balance sheet asset item included the amount of actual money or instruments and claims which were usable and acceptable as money on hand at the end of the taxable year.

For Domestic International Sales Corporations (DISC's), this item was the sum of the following accounts shown separately on the tax return: working capital (i.e., cash and necessary temporary investments) and funds awaiting investment (i.e., cash in U.S. banks in excess of working capital needed to acquire other qualified assets).

Compensation of Officers

Salaries, wages, stock bonuses, bonds, and other forms of compensation were included in this deduction item if they were identified as having been paid to officers for personal services rendered. Understatement was possible to the extent compensation was reported as part of another deduction item (such as an overall employee compensation figure) and, if not clearly identified, was included in the statistics for "Cost of Sales and Operations" or "Other Deductions."

Consolidated Returns

Consolidated returns were income tax returns which contained the combined financial data of two or more corporations meeting the following requirements: (1) a common parent corporation owned at least 80 percent of the voting power of all classes of stock and at least 80 percent of each class of nonvoting stock (except stock which was limited and preferred as to dividends) of at least one member of the group; and (2) these same proportions of stock of each other member of the group were owned within the group.

Corporations electing to file consolidated returns in one year had to file consolidated returns

in subsequent years, with certain exceptions. The consolidated filing privilege could be granted to all affiliated domestic corporations connected through stock ownership with a common parent corporation except: (1) regulated investment companies; (2) real estate investment trusts; (3) corporations for which an election to be treated as a possessions corporation under Code section 936(e) was in effect; (4) corporations designated tax-exempt under Code section 501; and (5) Domestic International Sales Corporations (DISC's). Under prior law, affiliated insurance companies were allowed to file a consolidated return if they were taxable under the same provisions of the Code. However, noninsurance companies with which they also may have been affiliated could not be included in the same return. Starting with taxable years beginning after December 31, 1980, insurance companies were allowed to file a consolidated return which included noninsurance companies as long as the noninsurance companies had been members of the affiliated group for 5 taxable years, that is, since January 1, 1976.

A consolidated return, filed by the common parent company, was treated as a unit, each statistical classification being determined on the basis of the combined data of the affiliated group. Therefore, filing changes to or from a consolidated return basis affect year-to-year comparability of certain statistics (such as data classified by industry and size of total assets).

Constructive Taxable Income from Related Foreign Corporations (#)

This item represented the sum of (1) "Includable Income from Controlled Foreign Corporations" identified as "Income from Controlled Foreign Corporations under Subpart F" on the Form 1120 tax form and (2) "Foreign Dividend Income Resulting from Foreign Taxes Deemed Paid," identified as "Foreign Dividend Gross-Up (section) 78" on the Form 1120 tax form.

Includable income from Controlled Foreign Corporations represented amounts, not actually received, which a domestic corporation owning at least 10 percent of a Controlled Foreign Corporation was required by Code section 951 to include in its gross income. For most purposes, the foreign corporation was considered controlled if more than 50 percent of its voting stock was controlled by U.S. persons, including domestic corporations, each of whom owned at least 10 percent of its voting stock.

The includable income consisted of:

- (1) subpart F income, defined below;
- (2) any previously excluded subpart F income which had been invested in qualified assets in "less developed countries," but which was now either withdrawn from these countries or remitted to the U.S. stockholders and was thereupon taxable;
- (3) any previously excluded subpart F income which had been withdrawn from foreign base company shipping operations; and
- (4) any increase in Controlled Foreign Corporation earnings due to investment in U.S. property.

Subpart F income, defined in Code section 952, included:

- (1) income attributable to premiums received by foreign insurance companies that were Controlled Foreign Corporations of whose insurance business was on U.S. risks (as determined in Code Section 953); and
- (2) "foreign base company income," which included:

- (a) "foreign personal holding company income" (income derived from portfolio investments or from "passive" investments);
- (b) "foreign base company sales income" (generally from the sale of property produced in the United States or a foreign country by one corporation and sold by a related corporation, generally a trading company, organized in another country having a low rate of taxation, for use outside that country);
- (c) "foreign base company services income" (in general, income from services performed or furnished for a related person, which included corporations, outside the country of incorporation of the Controlled Foreign Corporation, but with certain exceptions);
- (d) "foreign base company shipping income" (in general, income derived from use of aircraft or vessels in foreign commerce or income derived in connection with the performance of services directly related to any such aircraft or vessel); and
- (e) "foreign base company oil-related income" (in general, income from oil or gas which was extracted from oil or gas wells in the foreign country or income from oil, gas, or a primary product of oil or gas which was sold by the foreign corporation for use or consumption within such country).

Foreign dividend income resulting from foreign taxes deemed paid related to certain foreign taxes on profits of companies which were 10 percent or more owned by domestic corporations. If dividends were distributed to a domestic corporation (from these foreign profits), the domestic corporation was required to increase (or "gross-up") such dividends by a proportionate amount of the foreign taxes deemed paid on the foreign profits for which the domestic corporation claimed a foreign tax credit. See also "Foreign Tax Credit."

Analysis of returns of some of the larger corporations revealed instances where amounts reported as foreign dividend income resulting from foreign taxes deemed paid were actually dividends received from foreign corporations, and instances where amounts reported as dividends received from foreign corporations were actually the gross-up of foreign taxes deemed paid. (Both of these items were reportable on the dividends received schedule of the income tax return.) If these amounts were so identified on supporting schedules, they were transferred to the correct item for the statistics.

In table 13 foreign dividend income resulting from foreign taxes deemed paid and includable income from controlled foreign corporations are shown separately. In all other tables these two items are combined and shown under the statistics for constructive taxable income from related foreign corporations.

Contributions or Gifts (#)

Contributions or gifts to charitable, religious, educational, and similar organizations were deductible under Code sections 170, 809, and 882. In general, the deduction was limited to 10 percent (5 percent for tax years beginning before 1982) of taxable income computed without regard to:

- (1) the deduction for contributions;
- (2) special deductions (line 29(b), page 1, Form 1120);

- (3) deductions allowed under Code sections 249 and 250;
- (4) any net operating loss carryback to the tax year under Code section 172; and
- (5) any capital loss carryback to the tax year under Code section 1212(a)(1).

Also, certain additional adjustments were required in the case of life insurance companies. Charitable contributions over the 10 percent limitation could be carried forward to the next 5 tax years; however, the carryover was not allowed if it increased a net operating loss carryover.

Cost of Property Used for Investment Credit (#)

Amounts included under this heading are estimates for the total cost or basis of depreciable property (defined in Code section 48 and described under "Investment Credit" in this section) reported in connection with the computation of the investment credit. Only property with a useful life of 3 years or more was eligible for investment credit.

Although corporations generally reported their investments at cost, most corporations claiming the investment credit for leased property used the fair market value instead.

The statistics include amounts reported but not used for the computation of the investment credit. A limitation, for instance, was placed on the amount of used property which could be taken into account in the computation of the credit. (See "Investment Credit.") Also included were amounts which were ultimately used in the computation of the credit by end-of-the-year stockholders of Small Business Corporations electing to be taxed through those stockholders.

Cost of Sales and Operations (#)

Cost of sales and operations generally consisted of the direct costs incurred by the corporation in producing goods or providing services. Included were costs of materials used in manufacturing; costs of goods purchased for resale; direct labor; and certain overhead expenses, such as rent, utilities, supplies, maintenance, and repairs. The valuation methods the corporation used to value its inventories consisted of

- (1) cost;
- (2) cost or market value (whichever was lower); or
- (3) any other method that was approved by the Commissioner of Internal Revenue.

Corporations with manufacturing or production operations were required to compute taxable income in accordance with the "full absorption" method of inventory costing as prescribed by the income tax regulations. In general, under full absorption costing, certain indirect production costs as well as direct production costs were allocated to goods produced during the taxable year, whether included as costs of the taxable year or as inventory at the close of the year determined in accordance with the corporation's method of identifying goods in inventory. In determining inventory costs, indirect production costs were: (1) always included, such as for repairs, indirect labor, and indirect materials and supplies; (2) not required to be included, such as for marketing expenses, selling or other distribution expenses, and interest; or (3) included or excluded from the cost of sales and operations depending on how such costs were treated in the corporation's books of account. These costs included insurance costs, taxes paid, and depletion expenses. Thus, the statistics also include certain indirect production costs reported by corporations as a cost of sales.

Included in cost of sales were costs incurred by Domestic International Sales Corporations (DISC's) for warehousing (which could include rental warehouse facilities, labor, heat and power) of export-related articles.

Sales taxes and excise and related taxes may have been reported in cost of goods sold schedules when corporations treated these taxes as part of the sales price of products. When taxes were identified in cost of goods sold schedules, they were added to the statistics shown for the separate deduction for "Taxes Paid." Similarly, expenses for depreciation, depletion, amortization, rent of buildings or real estate, advertising, contributions to pension plans, contributions to employee benefit programs, bad debts, compensation of officers, contributions to charitable organizations, and interest were transferred to their respective deduction categories when identified in cost of goods sold schedules.

The income or loss from sales of securities, commodities, or real estate by stock and commodity brokers, dealers, and exchanges, and by real estate subdividers, developers, and operative builders was transferred from business receipts, and the net profit or loss from these transactions included in net gain or loss from sales or exchanges of noncapital assets.

See also "Business Receipts."

Cost of Treasury Stock

This item was the total value of issued common or preferred stock which had been reacquired and was held at the end of the accounting year by issuing corporations. The stock, which was available again for resale or cancellation, may have been purchased by the corporation or acquired through donation or as settlement of a debt. Treasury stock was not a part of capital stock outstanding and did not include unissued capital stock.

The amounts shown may be somewhat understated. Treasury stock intended for resale may have been reported as an asset on some tax returns and, if not clearly identified as for resale, would have been included in the statistics for "Other Investments." When identified, though, such stock was transferred to the statistics for "Cost of Treasury Stock."

Credit for Tax on Special Fuels, Nonhighway Gasoline and Lubricating Oil (#)

Code section 39 allowed a credit in full or in stated amounts for excise taxes on:

- (1) gasoline used on farms for farming purposes (Code section 6420);
- (2) gasoline used for nonhighway purposes or by local transit systems (Code section 6421);
- (3) lubricating oil used for nonhighway purposes (Code section 6424); and
- (4) fuel not used for taxable purposes (Code section 6427).

These taxes could be applied as a credit against income tax liability or could have been, under certain conditions, refunded directly. These items also included amounts refunded through Domestic International Sales Corporations (DISC's) although these corporations were nontaxable.

Credit for Tax Paid by Regulated Investment Companies

Regulated investment companies were required to pay a tax (at capital gains rates) on amounts of undistributed net long-term capital gain less net short-term capital loss. Stockholder corporations, for their part, were required to include in the computation of their long-term capital gains any such

gains designated by the parent as undistributed dividends. The stockholder corporations were then deemed to have paid the tax on the undistributed long-term capital gain dividends and were allowed a credit (or a refund) for the tax they were deemed to have paid. It is this credit which comprises this item.

Deficit

See "Net Income (or Deficit)."

Depletable Assets

Depletable assets represented, in general, the gross end-of-year value of mineral property, oil and gas wells, other natural deposits, standing timber, intangible development and drilling costs capitalized, and leases and leaseholds, each subject to depletion. Accumulated depletion represented the cumulative adjustment to these assets shown on the corporation's books of account. In some instances, depletable assets may have been included with "Depreciable Assets," or may have been reported as land or as "Other Investments" by the taxpayer, and could not be identified for this report.

The value of depletable assets and accumulated depletion may not be closely related to the current year depletion deduction. The depletable assets and accumulated depletion balance sheet accounts reflected book values; the depletion reflected the amount claimed for tax purposes.

Depletion (#)

This deduction was allowed for the exhaustion of mines, oil and gas wells, other natural deposits and timber. For standing timber, depletion was computed on the basis of cost. In the case of natural deposits, the depletion could be computed either on the basis of cost or upon a fixed percentage of the gross income, less rents and royalties, from the depletable property. Generally, for gas and oil wells the gross income was the actual sales price, or representative market or field price if the gas or oil was later converted or manufactured prior to sale. For other natural deposits, gross income was the gross income from mining, defined to include extractive and certain treatment processes. Also included as gross income were exploration expenditures, previously deducted, that were required under provisions of Code section 617 to be recaptured when the mine reached the production stage.

Under elective provisions of the Code, exploration and development expenditures connected with certain domestic natural deposits (except gas and oil) could be deducted currently, treated as deferred expenses, or capitalized. The write-offs of amounts deferred or capitalized were not included as part of depletion.

Percentage depletion, though based on percentages of gross income from depletable property, was limited. Generally, it could not exceed 50 percent of the net income from the property computed without the depletion deduction. Percentage rates of gross income for each type of natural deposit were listed in Code section 613 and ranged from 5 to 22 percent.

Generally, percentage depletion could not be used for oil and gas wells. However, independent producers (and royalty owners) could have used percentage depletion, provided they did not refine more than 50,000 barrels of crude oil in any day and provided they did not sell oil or natural gas through a retail outlet. The depletion deduction for these "small producers" was limited to 65 percent of their net income before the depletion deduction. If the 65

percent limit caused an amount to be disallowed for a taxable year, the corporation could carry the disallowed portion to the next year for inclusion in the depletion deduction. The depletion rate for small producers was 22 percent for a maximum daily average of 1,000 barrels.

As explained under "Net capital gains", the cutting of timber was eligible for net long term capital gain treatment under Code section 1231. If timber depletion was used in the computation of gain (or loss), it could not be identified for the statistics. Because of taxpayer reporting variations involving the computation of gain or loss, or of gross receipts from sales (and the cost of sales and operations or depletion deduction), the depletion statistics may be incomplete for industries in which sales of cut timber or of lumber or wood products are a major source of income.

The amounts shown in the statistics include any identifiable depletion reported as part of the cost of sales and operations.

See also "Additional Tax for Tax Preferences."

Depreciable Assets

Depreciable assets, reported on the corporation's end-of-year balance sheet, consisted of tangible property (such as buildings and equipment) which was used in the trade or business or held for the production of income and which had a useful life of 1 year or more. The statistics for this item could include fully depreciated assets still in use and partially completed assets for which no deduction was allowed, when the corporation reported them as depreciable in its balance sheet. The statistics for depreciable assets exclude those intangible assets which were depreciable or amortizable only for tax purposes. Such assets, patents and copyrights for example, were includable in "Intangible Assets." The amounts shown as accumulated depreciation represent the portion of the assets that were written off in the current year, as well as in prior years.

The amounts shown for depreciable assets are, in general, the gross amounts before adjustments for depreciation or amortization charged in current and prior years. Some corporations, however, reported only the net amount of depreciable assets after adjusting for these depreciation or amortization charges. Among the corporations reporting only a net amount of depreciable assets were many insurance carriers reporting balance sheet information in the format required by State insurance regulations. This format usually provided for the reporting of only net depreciable assets and only the home and branch office buildings and equipment were included. Other real estate holdings of these corporations were reported as "other investments."

The value of depreciable assets and accumulated depreciation may not be closely related to the current-year depreciation deduction. The depreciable assets and accumulated depreciation balance sheet accounts reflected book values; the depreciation deduction reflected the amount claimed for tax purposes.

Depreciation (#)

The Class Life Asset Depreciation Range (CLADR) system was replaced with the Accelerated Cost Recovery System (ACRS), for most property placed in service after December 31, 1980. CLADR depreciation could continue to be claimed on assets acquired before 1981 for which an ADR election had been made. For a detailed description of the CLADR system, see Statistics of Income — 1976, Corporation Income Tax Returns.

Under ACRS, companies were allowed to recover the capital costs for most tangible new or used depreciable property by means of new accelerated methods, over statutory recovery periods that were unrelated to, and shorter than, the ADR property class lives. Furthermore, the methods of cost recovery and the recovery periods were the same for both new and used property. Under this new system, the taxpayer merely applied a statutory percentage to the unadjusted basis of property. The percentage applied depended on the class of the property and the number of years since the property was placed in service. Salvage value was not taken into account and, if the property were sold, no deduction was allowed for the year in which the asset was disposed of.

Under the new system, the cost of eligible personal property was to be recovered over periods of 3, 5, 10, or 15 years, depending on the recovery class of a particular type of property. The 3-year class included tangible depreciable property (that was covered under Code section 1245) such as automobiles and light duty trucks (that had an ADR class life of 4 years or less), machinery and equipment used for research and experimentation, other machinery and equipment (such as special tools) with an ADR midpoint life of 4 years or less as of January 1, 1981, and race horses that were more than 2-years old when placed in service or other horses that were more than 12-years old when placed in service. In general, 5-year property included all section 1245 depreciable personal property that was not 3-year, 10-year, or 15-year, including most machinery and equipment, heavy duty trucks, ships, aircraft, horses and, in addition, single-purpose agricultural and horticultural structures, facilities used for the storage of petroleum and its primary products, as well as public utility property with an ADR class life of 5 years or more, but not more than 18 years. The 10-year class included public utility property with an ADR life of more than 18 but less than 25 years (other than 3-year class property or section 1250 property), section 1250 class property with an ADR life of 12.5 years or less; theme and amusement parks and railroad tank cars, as well as residential manufactured homes covered under section 1250, and coal utilization property not included in some other class. The property falling in the 15-year class was public utility property (except that regarded as 3-year property or covered under section 1250) with an ADR class life of over 25 years and included, for example, electric utility steam production plants, gas utility manufactured gas production plants, water utility property, and telephone distribution plants. There was also a separate 15-year class for real property covered by section 1250 with an ADR class life of 12.5 years or less.

In assigning public utility property to a recovery period, a company first had to take note of the fact that such property could only qualify as recovery property if the company used a normalization method of accounting in setting the rates charged to customers. Otherwise, the depreciation was determined under previous rules, using the pre-existing depreciation methods and useful lives.

Each of the four classes of depreciable personal property had its own statutory percentage for use in each year of the recovery period. For property placed in service in 1981-1984, these percentages approximated the beneficial effect of the 150-percent declining-balance method for the early years and the straight-line method for the later years. A "half-year convention" was prescribed, whereby a half-year's depreciation was allowed for the year the property was placed in service, regardless of when during the year the property was actually placed in service. The half-year convention was also required

in the year following the end of the recovery period, assuming the property was held for the full period. For property placed in service in 1985, the recovery deduction also included the half-year convention for the year of acquisition. In addition, the recovery deduction was accelerated to approximate the effect of the 175-percent declining-balance method for the earlier years and the sum-of-the-years digits method for the later years. For property placed in service in 1986 and thereafter, the effect was the same as the 200-percent declining-balance method for the earlier years and the sum-of-the-years digits method later on. No recovery deduction was generally allowed for the year in which a property was sold or disposed of.

For depreciable real property, recovery deductions had to approximate the beneficial effect of the 200-percent declining-balance method for low-income housing and the 175-percent declining-balance method for other real property for the early years, and the straight-line method, in both cases, for the later years. The basis for most property was recoverable over a 15-year period. The recovery deductions in the years of acquisition and disposition were to be based on the number of months the property was held, rather than on the half-year convention used for personal property. The full-year writeoffs for the intervening years therefore had to take into account the number of months the property was in service during the first year.

ERTA no longer permitted the use of the retirement-replacement-betterment (RRB) method for depreciating railroad property as of January 1, 1981. Property placed in service after 1980 that would have been RRB property was to be treated as 5-year property under ACRS. During a transition period (1981-84), a special rule was provided for replacement property that would have been normally expensed under RRB. Under this rule, property placed in service in 1981 could be fully expensed, while property placed in service in 1982 through 1984 was to be recovered over 2, 3 and 4 years, respectively, using an accelerated method based on the 200-percent declining-balance method for the earlier years with a switch to the sum-of-the-years digits method for the later years. Property placed in service in 1985 or subsequent years was treated the same as other 5-year recovery property. Except for property placed in service in 1981, only one-half of a year's depreciation was allowed for the year the property was placed in service, regardless of when during the year the property was placed in service.

Capitalized costs under the RRB property that had not yet been recovered through retirement as of December 31, 1980, could be recovered over a period of not less than 5 years and no more than 50 years, using a method which included the 200-percent declining-balance method for the earlier years and then the sum-of-the-years digits method at such time as that method maximized the deduction.

Unlike depreciation under prior law, special rules applied to the cost recovery of foreign property. Property used outside the United States for more than half the taxable year generally was considered a foreign asset. The cost of personal property used predominantly outside the United States was recovered using a recovery period equal to the ADR class life for the property as of January 1, 1981. For depreciable personal property for which there was no ADR midpoint life as of January 1, 1981, a 12-year recovery period was to be used. The recovery percentages were to be based on the 200-percent declining-balance method for the early years and the straight-line method for the later years. In addition, the half-year convention was not used and there was no salvage value limitation. For depreciable real property, the recovery period was 35 years, with the recovery deduction based on the

150-percent declining-balance method for the early years and the straight-line method for the later years. In addition, the half-year convention was not used and there was no salvage value limitation.

The taxpayer was also given the option to use straight-line depreciation for a given class of property, instead of the regular ACRS deduction based on the accelerated methods mentioned above, although the rules varied depending on whether the asset was personal or real property and whether it was used predominantly outside the United States. For personal property, the taxpayer could choose to use certain longer periods instead. These optional periods were:

- (1) 5 or 12 years for 3-year property,
- (2) 12 or 25 years for 5-year property,
- (3) 25 or 35 years for 10-year property, and
- (4) 35 or 45 years for 15-year property.

The half-year convention was required under this election for both the year the property was placed in service and the year following the end of the recovery period. The same recovery period then had to be used for all property in the class. Other classes of property were subject to separate elections, at the option of the taxpayer. For real property, the optional recovery periods when the straight-line method was elected were 15, 35, and 45 years and the election was made separately for each property. For foreign property, the rules applicable to personal and real property were the same as those used for U.S. personal and real property, with one exception. This exception was for the optional recovery periods for real property, whereby in addition to the optional recovery periods listed above the ADR class life was also included.

ERTA repealed the additional first-year depreciation allowance for property placed in service after 1980 and replaced it with a provision that permitted a taxpayer to treat the cost of qualifying property, Code section 179 property, as a currently deductible expense rather than as a capital expenditure. The deduction of costs for this property was allowed in the tax year the property was placed in service. Neither an ACRS deduction nor investment tax credit was allowed for the costs that were expensed. The new law set an annual dollar limitation of \$5,000 for the cost that could be expensed for property placed in service in taxable years beginning in 1982 and 1983.

Distributions to Stockholders

Distributions to stockholders consisted of the corporation's own stock, and of cash and other property, generally reported as part of the analysis of unappropriated retained earnings. Liquidating dividends, when identified, were excluded.

In those instances where a corporation reported only a single total for distributions to stockholders and did not identify these distributions as cash or stock or other property, that total was treated as a distribution to stockholders in cash and property other than in the company's own stock.

Regulated investment companies and real estate investment trusts could treat certain dividends paid after the close of their taxable year as distributions during the current taxable year. In a similar manner, for Small Business Corporations electing to be taxed through stockholders, distributions of money made within 2-1/2 months after the close of the taxable year were considered to be distributions of the corporation's undistributed taxable income of the preceding taxable year. Otherwise, the statistics do not include amounts taxed to stockholders in the current year, but which would not actually be distributed to them until a future year.

For Domestic International Sales Corporations (DISC's), only amounts actually distributed (i.e., distributions that were made to meet the DISC qualification requirement under Code section 992, including "deficiency distributions" made after the close of the taxable year to avoid disqualification as a DISC, or other actual distributions) were included in the statistics. Dividends which were not actually distributed, but rather deemed distributed under section 995, were excluded.

Dividends Received from Domestic Corporations

Dividends received from domestic corporations represented most distributions from current as well as accumulated earnings and profits of companies incorporated in the United States. (For a discussion of other distributions of domestic corporations, see "Other Receipts" in this section.) For the most part, dividends received from domestic corporations represented those recognized in computing the special deduction from net income for domestic intercorporate dividends received. (See also "Statutory Special Deductions.")

Certain domestic dividends, although not deductible, were nevertheless included in dividends received from domestic corporations. These were dividends received by regulated investment companies, real estate investment trusts, and Small Business Corporations electing to be taxed through stockholders. Dividends from Domestic International Sales Corporations (DISC's) were also included as domestic dividends received, but were not deductible. Certain other dividends, not deductible, were treated for the statistics as "Other Receipts."

For most of the domestic dividends received, the deductible portion was equal to 85 percent (about 60 percent for dividends received on certain preferred stock of public utilities). However, a 100-percent deduction was allowed for dividends received by members of a controlled group from other members of the same controlled group when a consolidated return was not used to report for the group as a whole. This deduction was allowed when the group did not elect to file a consolidated return and agreed instead to apportion a single surtax exemption among the group members in computing income tax.

Dividend distributions among member corporations electing to file a consolidated return were eliminated from the statistics as part of the consolidated reporting of tax accounts. For tax purposes, dividends reported on these returns represented amounts received from corporations that were outside the tax-defined affiliated group.

For a discussion of the dividends received from a DISC see "Domestic International Sales Corporation Returns."

Dividends Received from Foreign Corporations

These dividends were paid from current as well as accumulated earnings and profits of companies incorporated in foreign countries.

Dividends received from foreign corporations consisted of:

- (1) dividends, subject to the 85-percent deduction, received by U.S. corporations from those foreign corporations at least 50 percent or more of whose gross income was "effectively connected" with business conducted in the United States;
- (2) dividends, subject to the 100-percent deduction, received by U.S. corporations from wholly-owned foreign subsidiaries all of whose gross income was "effectively connected" with the conduct of a U.S. trade or business; and

- (3) any other foreign dividends, not subject to a deduction, which included: certain gains from the sale, exchange, or redemption of Controlled Foreign Corporation stock and foreign dividends received by Small Business Corporations electing to be taxed through stockholders.

Excluded from the dividend statistics was the "gross-up" of foreign taxes deemed paid on the profits from which the dividends of foreign subsidiaries were distributed. This was done even though "foreign dividend income resulting from foreign taxes deemed paid" (gross-up) was considered by law to be part of the dividends received. Dividends only constructively received from foreign subsidiaries, reported on the tax returns as "includable income from Controlled Foreign Corporations," were also excluded. If these amounts were actually distributed at a later date, they were neither retaxed nor reported. For the statistics, both items were combined and shown under "Constructive Taxable Income from Related Foreign Corporations."

The foreign dividend statistics presented in this report are subject to certain limitations. Some corporations reported certain foreign dividends as "includable income from Controlled Foreign Corporations," while others did the reverse, since both were reported in the schedule for dividends received. Also, some corporations included as foreign dividends the gross-up of dividends by foreign taxes paid or deemed paid while others did the reverse. Where these variations in taxpayer reporting were identified, the amounts were transferred to the correct item for the statistics.

Domestic International Sales Corporation Returns (#)

Form 1120-DISC, Domestic International Sales Corporation Return, was filed by corporations which were established under the Revenue Act of 1971 in order to provide a system of tax deferral on profits derived from exports of U.S. goods and services.

The profits of DISC's were not taxed to the DISC's, but were instead taxed to the stockholders (mainly parent corporations) when distributed or deemed to be distributed to them. A stockholder of a DISC was treated as having received a distribution taxable as a dividend equal to the stockholder's pro rata share of the sum of: (1) the gross interest derived during the taxable year from producer's loans; (2) the gain recognized by the DISC during the taxable year on the sale or exchange of property, other than property which in the hands of the DISC is a qualified export asset, previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized; (3) the gain (other than the gain described in (2)) recognized by the DISC during the taxable year on the sale or exchange of property (other than property which in the hands of the DISC is stock in trade or other property described in Code section 1221(1)) previously transferred to it in a transaction in which gain was not recognized in whole or in part, but only to the extent that the transferor's gain on the previous transfer was not recognized and would have been treated as ordinary income if the property had been sold or exchanged rather than transferred to the DISC; (4) 50 percent of the taxable income of the DISC for the year attributable to "military property" (i.e., property which is an arm, ammunition, or implement of war designated pursuant to the Military Security Act of 1954); (5) the taxable income for the taxable year attributable to "base period export gross receipts".

(For taxable years beginning in 1981 the base period years were 1974 through 1977. For taxable years that began in 1982 the base period years were 1975 through 1978.) (6) the sum of: (a) one half of the excess of the taxable income of the DISC for the taxable year, before reduction for any distributions during the year, over the sum of the amounts deemed distributed for the year under Code section 995; (b) an amount equal to (a) multiplied by the "international boycott factor;" and (c) any illegal bribe, kickback, or other payment paid by or for the DISC to a representative of a foreign government; and (7) the amount of foreign investment attributable to producer's loans of a DISC for the taxable year. For this purpose, taxable income was the DISC's net income minus statutory special deductions.

The amount deemed distributed was fully taxable to the stockholders. Income taxation was deferred on the remainder of the DISC's taxable income which was not deemed distributed until one of the following events occurred: (1) the income was actually distributed to the DISC's stockholders; (2) a stockholder disposed of the DISC stock; (3) the DISC was liquidated; or (4) the election to be treated as a DISC was terminated or revoked.

Corporate stockholders receiving DISC dividends were not permitted the intercorporate dividends received deduction. The dividends received deduction was designed to prevent multiple taxation of corporate earnings; consequently, as a DISC itself was not subject to taxation the dividends received deduction was not applicable.

Dividends (deemed or actual) paid by a DISC were treated as dividends from a foreign corporation to the extent the dividends were attributable to certain export receipts of the DISC. Thus, all stockholders could claim a foreign tax credit for any foreign taxes imposed on a DISC dividend. Stockholders that were corporations could also claim an indirect credit for foreign taxes paid by a DISC.

To qualify as a DISC, a corporation must have been organized under the laws of any State or the District of Columbia, have only one class of stock, issued outstanding capital stock with a par or stated value of at least \$2,500, and satisfied the "gross receipts" and "gross assets" tests.

The gross receipts test required that at least 95 percent of the corporation's gross receipts consist of "qualified export receipts." Qualified export receipts were: gross receipts from the sale, exchange, or other disposition of "export property" (described below); gross receipts from the lease or rental of export property, which were used by the lessee of such property outside the United States; gross receipts from the sale, exchange, or other disposition of "qualified export assets" (other than export property); gross receipts from services which were related and subsidiary to any qualified sale, exchange, lease, rental, or other disposition of export property; dividends with respect to stock of a related foreign export corporation; interest on any obligation which was a qualified export asset; gross receipts from engineering or architectural services for construction projects located (or proposed for location) outside the United States; and gross receipts from the performance of managerial services in furtherance of the production of other qualified export receipts of a DISC.

The gross assets test required that at least 95 percent of the corporation's assets be "qualified export assets." In general, qualified export assets were inventories of "export property" (i.e., property which: (1) had been manufactured, produced, grown or extracted in the United States by other than a DISC; (2) was held primarily for sale or lease in the ordinary course of business for direct use,

consumption, or disposition outside the United States; and (3) had at the time of sale or lease by the DISC not more than one-half of its fair market value attributable to imported articles); necessary operational equipment and supplies; trade receivables from export sales (including commissions receivable); producer's loans (i.e., loans of the DISC's profits to a U.S. export producer whether or not related to the DISC); working capital (i.e., cash and necessary temporary investments); investments in related foreign export corporations (including real property holding companies and associated foreign corporations); obligations issued, guaranteed, or insured by the Export Import Bank or the Foreign Credit Insurance Association; and, obligations of the Private Export Funding Corporation.

A DISC, which for a taxable year failed to satisfy the gross receipts test or the gross assets test, could nevertheless satisfy these qualification requirements by making a "deficiency distribution" for such a year, whereby the DISC made a distribution to its stockholders after the close of the taxable year. The DISC, at this time, had to demonstrate that the failure to make these distributions prior to the close of the year was due to reasonable cause.

To qualify as a DISC, a new or previously existing corporation had to file an election requesting to be treated as a DISC. For the election to be valid, all stockholders of the corporation on the first day of the election year must have consented in writing. The election remained valid unless the corporation revoked it or failed to qualify as a DISC for 5 consecutive years.

A DISC usually acquired export property from its parent or an affiliated corporation ("related suppliers") and then sold the property abroad; however, it could act simply as a commission agent on export sales of related suppliers. The method used for allocating income between a DISC and its related suppliers was achieved through special intercompany pricing rules. This allocation of income was affected to the extent that the DISC itself incurred "export promotion expenses" (i.e., the ordinary and necessary expenses incurred to obtain qualified export receipts).

The types of corporate organizations not eligible to be treated as a DISC were: (1) tax-exempt corporations; (2) Personal Holding Companies; (3) banks and trust companies; (4) mutual and savings banks, domestic building and loan associations, and cooperative banks; (5) insurance companies; (6) regulated investment companies; and (7) Small Business Corporations electing to be taxed through their stockholders.

For additional information regarding DISC's see Annual Reports, The Operation and Effect of the Domestic International Sales Corporation Legislation Issued by the Department of the Treasury as required by the Revenue Act of 1971.

Employee Benefit Programs

Contributions made by employers to such plans as death benefit plans, health plans, accident and sickness plans, and other welfare plans were deductible under Code section 162. The statistics for this item include amounts identified in the cost of sales and operations schedules.

Estimated Tax Payments (#)

Corporations subject to taxation under Code sections 11, 1201(a) or subchapter L of Chapter 1 (relating to insurance companies) were required to make quarterly tax payments if the estimated tax for the taxable year was expected to be \$40 or more. Estimated tax was the excess of the income tax

(estimated) imposed by Code sections 11, 1201(a), or Subchapter L of Chapter 1 (including tax from recomputing prior-year investment credit and additional tax for tax preferences) over the amount the corporation estimated as the sum of credits against tax (including foreign tax, possessions tax, investment tax, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research and employee stock ownership credits). Also, the Tax Equity and Fiscal Responsibility Act of 1982 increased the percentage of current year tax liability which corporations had to pay in estimated tax payment from 80 to 90 percent for taxable years beginning after 1982.

Estimated tax payments shown in this report may be somewhat less than the legal maximum percentages of tax due because, under the provisions of Code section 6655, certain tolerances were allowed in the relationship of the installment payments to the tax. For example, a corporation was not required to pay an estimated tax greater than the amount of tax liability for the previous year provided that the corporation had a tax liability for the previous year. Besides the limitations based on law, payments shown in the statistics may be slightly understated because of taxpayer reporting variations and the inability to identify all of the amounts from the tax returns.

Separate statistics are presented for the components of net estimated tax payments which include 1981 overpayments claimed as a credit, 1982 estimated tax payments, and refund of estimated tax payments.

Excessive Net Passive Income Tax (#)

In general, under prior law (Code section 1372), a Small Business Corporation was not allowed to have passive investment income greater than 20 percent of its gross receipts unless that taxable year was the first or second year the corporation commenced the active conduct of any trade or business or the passive investment income for such taxable year was less than \$3,000.

Effective for tax years beginning in 1982, the subchapter S Revision Act of 1982, Public Law 97-354 repealed the old 20 percent limitation on passive income for small business corporations that did not have subchapter C earnings and profits. Subchapter C earnings were earnings with respect to which an election under Code section 1362 was not in effect. In general, this means that the corporation was not a subchapter S corporation. Also, the law increased the limit on passive income to 25 percent for small business corporations that had earnings or profits from prior subchapter C status and provided for a 46 percent tax on excess net passive income. Passive investment income, in general, was gross receipts derived from royalties, rents, dividends, interest, annuities, or the sales or exchange of stock or securities.

Foreign Tax Credit (#)

Code section 901 allowed a credit against the U.S. income tax for income, war profits and excess profits taxes paid or accrued to foreign countries or U.S. possessions including Puerto Rico. Credit was also allowed against the U.S. tax under Code sections 902 and 960 for foreign taxes "deemed paid." Foreign taxes included amounts paid by partnerships that were allocated directly to the partners (including those that were corporations) for their use as a credit (or a deduction, as described below). Also, credit was allowed for taxes deemed paid on distributions constructively received from controlled foreign

corporations under Code section 951. The credit was allowed for these distributions if the domestic corporation owned 10 percent or more of the voting stock of the first-tier controlled foreign corporation.

The credit could be claimed by domestic corporations, and also by foreign corporations engaged in trade or business in the United States for foreign taxes on income "effectively connected" with the U.S. business.

However, the credit was not allowed for Small Business Corporations electing to be taxed through stockholders even when these corporations were taxed on certain capital gains income. These corporations had to deduct from gross income any foreign taxes they paid and could not pass them on to their stockholders for their use as a foreign tax credit. The credit was also not allowed, for regulated investment companies which elected under Code section 853 to allow their stockholders to claim the credit for the foreign taxes paid by these companies. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, the foreign tax credit was not applicable; however, DISC stockholders could claim an indirect credit for foreign taxes paid by a DISC.

A corporation that claimed the foreign tax credit could not also claim a business deduction for foreign taxes paid. The U.S. income tax which could be reduced by the credit excluded the tax from recomputing prior-year investment credit, the additional tax for tax preferences (minimum tax), and the Personal Holding Company tax.

Generally, four types of income from foreign sources were specified for purposes of computing the foreign tax credit. For taxes paid in connection with certain interest income, the credit was computed separately. Also, for dividends received from DISC's or former DISC's that were attributed to certain export receipts (and were thereby regarded as foreign dividends), the foreign tax credit limitation was computed separately with respect to aggregate dividends received from all DISC's, and then to other foreign source income. Additionally, corporations had to compute their foreign tax credit separately for foreign oil-related income, which included foreign oil and gas extraction income. Finally, all other sources of income were treated, in the aggregate, separately.

Foreign taxes in excess of the limitation for any one year could be carried back, chronologically, to the 2 preceding years and then carried over to the 5 succeeding years to reduce income tax, subject to the foreign tax credit limitation of the years to which they were carried. (Excess taxes carried back or carried over were applied against the amount by which a limitation exceeded the creditable foreign taxes in a given year.)

Income Subject to Tax (#)

The 1954 Code provided different tax bases upon which tax was levied for different types of corporations. These were the "taxable income" base defined by Code section 63, used by the majority of corporations, and to which the tax rates applied; a variation of this base in combination with long-term capital gain when the lower capital gains rate was applicable; the special capital gains tax base of Small Business Corporations electing to be taxed through their stockholders; the several tax bases applicable to insurance companies; and the amounts taxable to regulated investment companies and real estate investment trusts. All of these tax bases are under the heading, Income Subject to Tax. However, small amounts of regulated investment company

undistributed long-term capital gains (described below) were excluded. Since Domestic International Sales Corporations (DISC's) themselves were not taxable, income subject to tax for these corporations was not applicable (see "Domestic International Sales Corporation Returns").

For most corporations, income subject to tax consisted of net income minus certain "statutory special deductions" (described in this report under a separate heading). However, there were certain exceptions. In some cases, the statutory special deductions for dividends received and for dividends paid on certain preferred stock of public utilities exceeded net income. For these returns, income subject to tax was reduced to zero and the excess of the two special deductions became the statutory loss for the year, available for net operating loss deduction purposes over the prescribed carryback and carryover periods.

Also, the tax bases applicable to Small Business Corporations electing to be taxed through their stockholders, life insurance companies, regulated investment companies, and real estate investment trusts were not defined as net income less statutory special deductions.

Depending on which resulted in the lowest tax, the tax base for Small Business Corporations electing to be taxed through their stockholders was: (1) net income; (2) net long-term capital gain in excess of \$25,000, when net long-term capital gain was more than 50 percent of a net income that was over \$25,000; or (3) the amount attributed to gain from the disposition of property using a "substituted basis" (i.e., the basis that was transferred from another corporation which was not a Small Business Corporation electing to be taxed through its stockholders). No net operating loss or "special deductions" were available. In addition, effective for tax years beginning in 1982, Small Business Corporations were subject to a 46 percent tax on excessive net passive income, which is described in this section.

For the life insurance company statistics, net income was derived from gain or loss from operations to which statutory special deductions were added back; income subject to tax was the smaller of gain from operations (which included statutory special deductions) or taxable investment income. To this amount the following were added: (1) when taxable investment income was smaller than gain from operations, 50 percent of the difference between these two amounts, and (2) amounts subtracted from the policyholders' surplus account (which contained income nontaxable in the year earned, but taxable later on when withdrawn from this reserve account, even if the company had no current-year net income).

In addition, the life insurance company provisions applied to life insurance departments of mutual savings banks, where the departments were separately taxed from the remainder of the banks. However, data for the banking and life insurance departments were combined in the statistics.

In the case of regulated investment companies and real estate investment trusts, any net long-term capital gain (reduced by net short-term capital loss) which was not distributed to stockholders was taxed to the companies at the capital gains rate, even though the alternative tax method was not allowed. The balance of undistributed income was taxed at the normal tax rates. Undistributed net long-term capital gain taxed at the capital gains rate was not available from the income tax computation schedule of the return form and no attempt was made to obtain it from attached schedules for the statistics.

See also "Income Tax."

Income Tax (#)

Income tax was the gross amount of income tax liability before deducting the foreign tax, U.S. possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research and employee stock ownership credits. (This item did not apply to DISC's, which are taxable through their stockholders; see "Domestic International Sales Corporation Returns" in this section.)

Effective for taxable years beginning after December 31, 1978, and before January 1, 1982, the corporate tax rates were:

| <u>Taxable income</u> | <u>Tax rate</u> |
|-----------------------------|-----------------|
| Under \$25,000 | 17 percent |
| \$25,000 to \$50,000 | 20 percent |
| \$50,000 to \$75,000 | 30 percent |
| \$75,000 to \$100,000 | 40 percent |
| Over \$100,000 | 46 percent |

For taxable years beginning on January 1, 1982, the corporate tax rates were:

| <u>Taxable income</u> | <u>Tax rate</u> |
|-----------------------------|-----------------|
| Under \$25,000 | 16 percent |
| \$25,000 to \$50,000 | 19 percent |
| \$50,000 to \$75,000 | 30 percent |
| \$75,000 to \$100,000 | 40 percent |
| Over \$100,000 | 46 percent |

For fiscal year taxpayers, the benefit of the lower corporate rates applied to the part of the fiscal year 1981-1982 that fell after December 31, 1981.

For corporations with net long-term capital gains, an alternative method of tax computation was required if using the alternative method resulted in a lower tax liability than the regular method. For these corporations the excess of net long-term capital gain over net short-term capital loss was taxed at the capital gains rate while the balance of income was taxed at the regular tax rate. This method of computing income tax was not available to regulated investment companies and real estate investment trusts. The alternative capital gains rate was 28 percent. (See "Net Capital Gains" in this section.)

In addition to the normal and alternative taxes, the statistics for income tax also include:

- (1) an additional tax for tax preferences ("minimum tax" described under a separate heading);
- (2) the tax from recomputing a prior-year investment credit (described under a separate heading);
- (3) the Personal Holding Company Tax (described under a separate heading);
- (4) the excessive net passive income tax for Small Business Corporations (described under a separate heading);
- (5) the tax from Section 1 for Foreign Corporations (described under a separate heading);
- (6) the 28-percent tax on certain long-term capital gains of Small Business Corporations electing to be taxed through their stockholders; and
- (7) the 28-percent tax on undistributed net long-term capital gain (reduced by net short-term capital loss), and the normal tax and surtax on the balance of undistributed

income of regulated investment companies and real estate investment trusts.

Income tax shown in this report for returns without net income was attributable to the small number of returns showing:

- (1) income tax under special provisions of the Internal Revenue Code applicable to life insurance businesses;
- (2) tax from recomputing a prior-year investment credit;
- (3) additional tax for tax preferences ("minimum tax");
- (4) personal holding company tax; and
- (5) tax from Section 1 for foreign corporations.

Statistics for income tax do not reflect any adjustments to the tax liability such as those resulting from:

- (1) recomputation of the current year taxable income to reflect the carryback of net operating losses and certain capital losses for future years;
- (2) reduction of income tax by foreign tax, investment, U.S. possessions tax, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research and employee stock ownership credits recomputed to take account of the carryback of unused investment credits and of unused foreign taxes, of certain future years;
- (3) audit examinations and other enforcement activities; and
- (4) uncollectible taxes.

Therefore, the statistics differ somewhat from the actual income tax collections and the final income tax liability of corporations for the Tax Year. Publication 55, Annual Report of the Commissioner and Chief Counsel of Internal Revenue, contains income tax collection data on a fiscal year basis as opposed to the income year basis used in this publication. Publication 55 is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, 20402.

Intangible Assets

The total gross value (before the reduction by amounts of accumulated amortization) of contracts, copyrights, formulas, licenses, patents, registered trademarks, research or experimental expenditures and similar assets were included in this category only if amortization (or depreciation) was actually being taken. These assets could be amortized only if they had a definite life and value. Other intangible assets which were not amortizable were included in the statistics under "Other Assets."

Accumulated amortization represented the cumulative adjustment to these intangible assets as shown on the corporation's books of account. Amounts of accumulated depreciation shown as adjustments to intangible assets are included in the statistics with "Accumulated Amortization."

Interest (#)

Taxable interest, a component of total receipts, was received from obligations issued by the United States, its agencies, or its instrumentalities.

Also included in this item were amounts received on loans, notes, mortgages, bonds, bank deposits, and corporate bonds. The amounts shown for this item are reduced by the amortizable bond premium. For installment sales, interest received included amounts stated in the contract and certain unstated amounts of interest, as provided in Code section 483.

For Domestic International Sales Corporations (DISC's), this item included "Interest on Producer's Loans." See the explanation of "Domestic

International Sales Corporation Returns" in this section.

Interest on Government Obligations: State and Local (#)

The interest on obligations issued by States, municipalities and other local Governments, the District of Columbia, and U.S. possessions, including Puerto Rico, was exempt from the income tax. The amounts shown for this item are reduced by the amortizable bond premium.

For statistical presentation, this interest is shown as part of the income statement and is included in "Total Receipts." Most corporations reported this tax-exempt interest in the "Reconciliation of income per books with income per returns" (see Schedule M-1 on the Form 1120 tax return facsimile in section 6 of this report). Because of taxpayer reporting variations this item could not always be identified and therefore the state and local interest statistics may be understated.

Interest Paid

These amounts include interest paid by corporations on business indebtedness including amounts paid on installment purchases if they were stated in the contract, as well as certain "unstated" amounts under Code section 483. For banking and savings institutions the amounts also included interest paid on deposits and withdrawable shares.

Inventories (#)

Based on amounts reported on the balance sheet, inventories included such items as raw materials, finished and partially finished goods (work in progress), merchandise on hand or in transit, and growing crops reported as assets by agricultural concerns. Inventories were generally valued at cost or at the lower of cost or market price. When valued at cost, inventories were generally identified by first-in, first-out (FIFO) or last-in, first-out (LIFO) methods.

Amounts reported by mutual life insurance companies, life insurance companies and life insurance departments of mutual savings banks were excluded from inventories and included in the statistics for "Other Current Assets." Amounts reported by nonconsolidated security and commodity brokers, dealers and exchanges, subdividers and developers, and holding and other investment companies (except bank holding companies) were excluded from inventories and included in "Other Investments." For other nonconsolidated corporations within the "Finance, Insurance, and Real Estate" industrial division and for all bank holding companies, amounts reported as inventories were excluded and included in "Other Current Assets."

See also "Cost of Sales and Operations."

Investment Credit (#)

Investment credit was the reduction of income tax allowed corporations for investment in qualifying depreciable (or amortizable) property with a useful life of at least 3 years. Such property could not be disposed of or cease to be qualifying property prior to the end of the useful life used as the basis of the credit; otherwise, the credit already taken had to be repaid as an additional tax for the year in which the disposition or disqualification occurred. (See "Tax from Recomputing Prior-Year Investment Credit.")

Generally, investment credit property included the following:

- (1) tangible personal property defined in Code section 48(a)(1). Tangible personal property comprised all property contained in or attached to a building, such as machinery or equipment. Certain types of property, even though physically located outside a building or accessory to a building, were also considered tangible personal property;
- (2) elevators and escalators;
- (3) other tangible property, including certain real property, used as an integral part of manufacturing, production, or extraction, or used as a research facility or bulk storage facility;
- (4) livestock other than horses as long as not sold and replaced by substantially identical animals during a relatively short period of time;
- (5) certain single-purpose agricultural or horticultural structures defined in Code section 48(p);
- (6) rehabilitation expenditures for qualified 30-year buildings, 40-year buildings, and certified historic structures;
- (7) forestation and reforestation expenditures that are amortizable under Code section 194; and
- (8) petroleum storage facilities.

Property ineligible for the investment credit were:

- (1) property used for lodging, except for coin-operated machines in apartment buildings;
- (2) property used predominately outside the United States, except for commercial communication satellites, submarine telephone cable used exclusively in communication links between the United States and foreign countries, and drilling equipment used in international or territorial waters;
- (3) property used by certain tax-exempt organizations;
- (4) property used by governmental units, or international organizations;
- (5) property consisting of horses, or of other livestock if sold and replaced by substantially identical animals during a relatively short period of time;
- (6) amortized or depreciated pollution control facilities, railroad rolling stock, coal mine safety equipment, on-the-job training and child care facilities, and expenditures for the rehabilitation of low-income rental housing;
- (7) property expensed under Code section 179 (certain depreciable business assets); and
- (8) certain property acquired or constructed from grants made after September 30, 1979 under any program listed in Code section 126(a) or by grants under the Energy Security Act.

Property eligible for investment credit also included "qualified progress expenditures" property the corporation elected to claim advance credits for taxable years before the qualified property was placed in service. The investment credit (before limitations) was equal to 10 percent for "investment qualified for credit" (total qualified investment in 10 percent property) for all corporate taxpayers and 11 percent for corporations (with accounting periods ending in 1982) that contributed 1 percent of their qualified investment to an "employee stock ownership plan" (ESOP). As described below, the credit could be as much as 11.5 percent of the qualified investment if it were derived in connection with an ESOP. "Qualified investment" in used property was limited to \$100,000 per taxable year.

Corporations claiming the 1 percent ESOP credit could also claim up to a maximum of 0.5 percent additional credit if their employees matched the amount the corporation contributed to a qualified ESOP. Thus, the investment credit for these corporations could be up to 11.5 percent. The additional 0.5 percent credit was not allowed for public utilities which were required to pass through benefits of the investment credit to their consumers in the form of lower rates, instead of using the credit to offset the cost of capital investment. The investment-related ESOP credit was terminated at the end of 1982 and replaced by a payroll-related credit. The new credit is described in the Changes in Law section of this report.

Generally a corporation could claim an investment credit of half of the regular investment credit for certain vessels, as specified in Code sections 46(g)(1) through (6).

Certain limitations on the credit were applicable to special classes or kinds of corporations. Code section 46(e) limited the applicability of the credit for mutual savings banks, regulated investment companies and real estate investment trusts. Also, Code section 48(k) placed limitations on figuring investment credit for movie and television films or tapes.

The income tax available for investment credit did not include the tax from recomputing prior-year investment credit, the additional tax for tax preferences, the Personal Holding Company tax, and the special capital gains tax on Small Business Corporations electing to be taxed through their stockholders. (Since these corporations were not eligible to claim the investment credit, their investment was allocated among the stockholders who then claimed the credit.) In addition, the tax available for credit was after reduction by the foreign tax credit and the U.S. possessions tax credit, but before reduction by the work incentive (WIN) credit, the jobs credit, the nonconventional source fuel credit, the alcohol fuel credit, research credit, and employee stock ownership credit.

Originally the investment credit could equal the income tax available for the credit, unless the available tax was in excess of \$25,000 plus 50 percent of the excess over \$25,000. The \$25,000 limitation was uniquely applied to members of controlled groups (as defined by Code section 1563) in that it was applied to the group as a whole and, thus, had to be apportioned among the component members of the group when separate tax returns were filed for each member.

The Revenue Act of 1978 provided that for taxable years ending after December 31, 1978, the 50-percent limitation be increased over a transitional period to 90 percent, to be phased in at 10 additional percentage points a year. Thus for taxable years ending in 1979 the percentage was 60, for taxable years ending in 1980 the percentage was 70, for taxable years ending in 1981 the percentage was 80, and for taxable years ending in 1982 and thereafter the percentage was 90.

Investment Credit Carryover

If part of an investment credit earned in any year ending after December 31, 1973, could not be used because of tax liability limitations, it could be carried back three years or forward fifteen years. The unused credit was applied first to the earliest of the years to which it could be carried, and then to each of the other tax years, in chronological order. Because the data in this book do not include any information from amended returns,

the statistics will not reflect any changes in tax liability due to investment credit carryback.

Investment Qualified for Credit

See "Investment Credit."

Investments in Government Obligations (#)

This balance sheet asset item comprised (1) bonds or other obligations of a State or U.S. possession (including Puerto Rico), including obligations of political subdivisions and of the District of Columbia, and (2) U.S. obligations, including those of instrumentalities of the Federal Government.

Jobs Credit (#)

In place of the general jobs tax credit, which expired at the end of 1978, the Revenue Act of 1978 provided a new targeted jobs credit to encourage the hiring of needy youths and others who often had difficulty finding jobs even when the economy was prosperous. The credit was allowed to taxpayers who hired individuals from any of the following targeted groups: (1) vocational rehabilitation referrals; (2) economically disadvantaged youth; (3) Vietnam era veterans from an economically disadvantaged family; (4) Supplemental Security Income (SSI) benefit recipients; (5) general assistance recipients; (6) economically-disadvantaged former felons; and (7) youths participating in a qualified cooperative education program. The credit was limited to the sum of 50 percent of "qualified first-year wages" and 25 percent of "qualified second-year wages." The 1978 Act also limited the amount of qualified wages that could be taken into account in computing the credit. The limit was, originally, 30 percent of the total FUTA wages paid by the employer during the calendar year ending within the taxable year. The 30 percent limit applied only to qualified first-year wages. Qualified second-year wages were not subject to that limitation. The 1978 Act did not provide for any carryover of amounts in excess of that limitation. This 30 percent limit was eliminated for first year wages paid in 1982 and thereafter.

FUTA wages were defined as the first \$6,000 of wages per employee during the calendar year. The Revenue Act of 1978 further limited the credit to 90 percent of the employer's income tax liability. Furthermore, the credit was allowed only after the foreign tax, U.S. possessions tax, investment and WIN tax credits were taken. If after applying those nonrefundable credits, the remaining tax liability for the year was less than the targeted jobs credit, the excess could be carried back three years and carried forward seven years, beginning with the earliest year. The Economic Recovery Tax Act of 1981 extended the carry forward to fifteen years for credit generated after 1976.

The discussion under Changes in Law in Section 2 explains the effects of the Economic Recovery Tax Act of 1981 and the Tax Equity and Fiscal Responsibility Act of 1982.

Land

Land, which was reported as a separate capital asset on the balance sheet, may be understated in this report because it could not always be identified. Some corporations may have included land as part of depreciable or depletable assets or included it in "other investments." Some corporations may have included land as part of depreciable assets; if so, the amount was reclassified as land.

Loans from Stockholders

This balance sheet liability item was regarded as long-term in duration and may have included loans from affiliated corporations as well as from other stockholders.

Loans to Stockholders

This balance sheet asset item was regarded as long-term in duration and included loans to affiliated corporations as well as to other stockholders.

Members of Controlled Groups

Members of controlled groups were those corporations related to one another generally through 80 percent or more common stock ownership and which could file separate tax returns, under special provisions of the Code.

These provisions also effectively covered the filing prerequisites for most consolidated returns since the stock ownership requirement used to define an affiliated group eligible to file a consolidated return was similar to the controlled group ownership requirements. In computing income tax, Code section 1561 limited the surtax exemption to one per group, whether or not the group was included in a consolidated return. (See "Consolidated Returns.")

The controlled group provisions applied when (1) a common parent corporation had 80 percent or more control of one or more chains of subsidiaries (parent-subsidiary group), or (2) five or fewer persons (individuals, estates, or trusts), individually or in combination, had 80 percent or more control of each of two or more corporations, but where the sum of each person's "identical" ownership in the group totaled more than 50 percent (brother-sister group). "Identical" ownership was considered to be the lowest common percent of ownership of an individual owner in each of the corporations comprising the group. Thus, if a company had ownership in each corporation in a given group and the smallest percent ownership was, for example, 5 percent of corporation A, that company's identical ownership in the entire group was considered to be 5 percent. Combination groups were possible when a person or persons controlled two or more corporations, one of which was the parent of one or more subsidiary corporations.

Under prior law, two or more related life insurance companies were required to be treated as a controlled group separate from any other corporation to which they have been related. Starting with taxable years beginning after December 31, 1980, insurance companies were allowed to be included with noninsurance companies as long as the noninsurance companies had been members of the affiliated group for 5 taxable years (see "Consolidated Returns"). Domestic International Sales Corporations (DISC's) were generally members of controlled groups, however, control was defined in terms of 50 percent stock ownership.

Mortgage and Real Estate Loans

In general, mortgage and real estate loans were the total amount a corporation loaned on a long-term basis, accepting mortgages, deeds of trust, land contracts, or other liens on real estate as security.

Because the return form did not provide a separate place for reporting any reserve for uncollectible mortgage and real estate loan accounts, such reserves may have been included in the

"Allowance for Bad Debts," shown in this report as an adjustment to "Notes and Accounts Receivable." If a corporation reported an uncollectible mortgage and real estate loan reserve on a separate schedule, those amounts were moved, in this report, to "Allowance for Bad Debts."

Mortgages, Notes, and Bonds Payable

These liabilities were separated on the balance sheet according to the length of time to maturity of the obligations payable in less than one year or payable in more than one year. The length of time to maturity was based on the date of the balance sheet rather than on the date of issue of the obligations. Accordingly, long-term obligations, maturing within the coming year were included together with short-term obligations in the statistics for mortgages, notes, and bonds payable in less than one year.

Deposits and withdrawable shares may have been reported in mortgages, notes, and bonds payable by banks and savings institutions. When identified, such amounts were transferred to "Other Current Liabilities."

Net Capital Gains (Net long-term capital gain reduced by net short-term capital loss) (Net short-term capital gain reduced by net long-term capital loss)

Net capital gains represented the excess of gains over losses from the sales or exchanges of capital assets subject to the limitations described below. Gains and losses were short-term if the asset was held for 12 months or less, or long-term if the asset was held for more than 12 months.

Net short-term gains (reduced by net long-term losses) were taxed as ordinary income. However, net long-term gains (reduced by net short-term losses) were taxed at a rate of 28 percent.

Excess net losses could be carried back as short-term losses to be applied against the net capital gains of the 3 preceding years; any losses remaining after carryback were carried over the 5 succeeding years. Use of the carryback for excess net losses was limited; it was not allowed to increase or cause a deductible "net operating loss" for prior years and was not allowed for foreign expropriation capital losses (although a special carryover period of 10 years for such losses was allowed instead) or for capital losses of Small Business Corporations electing to be taxed through their stockholders. If the unused capital loss carryover was not eliminated within the prescribed span of years, it could not be taken.

In general, "capital assets" for tax purposes meant property regarded or treated as an investment, such as stocks and bonds. Code section 1221 defined the capital assets (or transactions) to which special treatment applied as all property held by the corporation except:

- (1) stock in trade, or property of a kind includable in inventories;
- (2) property held for sale to customers in the ordinary course of business;
- (3) notes and accounts receivable acquired in the ordinary course of business;
- (4) certain short-term Government obligations sold at a discount;
- (5) depreciable property used in the trade or business;
- (6) real property used in the trade or business; and
- (7) certain copyrights, literary, musical, or artistic compositions or similar properties.

Net gains from dispositions of some of the property types excluded from the definition of capital assets under Code section 1221 could receive capital gain treatment under special conditions set forth in other sections, while net gains from some of the property types included under the definition could be denied capital gain treatment under still other sections. The latter are referred to under the heading, "Net Gain (or Loss), Noncapital Assets."

Property used in trade or business, excluded from the tax definition of capital assets, received special treatment under Code section 1231. Gains and losses from sales or other dispositions of this property had to be aggregated first. If the overall result was a net gain, it was included in the computation of net long-term capital gain or loss. If the overall result was a net loss, it was included in the computation of net gain or loss from sales of property other than capital assets. Thus, a net gain under section 1231 could receive the more beneficial treatment of a long-term capital gain taxable at the alternative tax rate, while a net loss under section 1231 could receive the more beneficial treatment as an ordinary loss fully deductible against all types of income and not just against capital gain income.

The types of property (or transactions) to which Code section 1231 applied were:

- (1) real and depreciable property used in the trade or business, held for more than 12 months and not includable in inventory or not held for sale in the ordinary course of business;
- (2) timber cut by the taxpayer during the year, if owned, or held under contract to cut, for more than 12 months and if an election was made under Code section 631 to treat the cutting as a sale or exchange of property used in trade or business (the holding period was measured up to the time of cutting);
- (3) domestic iron ore, timber, or coal, held for more than 12 months, if disposed of under a royalty contract whereby the owner retained an economic interest in the property, so that under Code section 631, the net gain or loss on the royalty income was treated as a net gain or loss on a sale or exchange of property used in trade or business;
- (4) unharvested crops disposed of with the land on which they were growing and used in the business of farming if the land was held for more than 12 months; and
- (5) certain livestock.

The amounts of gain eligible for capital gains treatment under Code section 1231 was reduced in the case of certain real and depreciable property by Code sections 1245, 1250, 1251, 1252, and 1254, and in the case of certain mining property, by section 617.

Code section 1245 provided that eligible gain for most depreciable property, except certain kinds of real property, be based on the amount of depreciation allowed on it prior to 1962. Code section 1250 provided that eligible gain for certain depreciable realty be based on a percentage of the excess of accelerated depreciation over straight-line depreciation allowed prior to 1963 and on the length of time the property was held. However, with certain exceptions for sales of housing, no gain based on excess depreciation taken after 1969 was eligible for capital gains treatment.

Code section 1251 further limited the eligible gain for certain types of real or depreciable property to the amount in excess of farm net losses accumulated after 1969 or, in the case of farmland, to an amount in excess of certain agricultural

deductions accumulated during the most recent 5-year period. Code section 1252 went further, by then limiting the gain treatment of farmland depending on the length of time the property was held. Code section 1254 limited the gain treatment on sales of residential real property and on the disposal or sale of productive oil and gas wells.

Code section 617 limited eligible gain on certain mining property to an amount in excess of the sum of current and recent-prior year deductions for exploration and development expenditures.

None of these Code provisions had any effect on the treatment under Code section 1231 of losses resulting from the disposition of such property. For a description of the property to which Code sections 1245, 1250, 1251, 1252, 1254, and 617 applied, see the explanation of "Net Gain (or Loss), Noncapital Assets."

Net gains and certain net losses under Code section 1231 also resulted from "involuntary conversions," not only of the property types or transactions otherwise covered by Code section 1231, but also of the capital assets defined in Code section 1221, if they were held for more than 6 months. Gain or loss from involuntary conversions such as by condemnation were included in the regular consolidation of Code section 1231 gains and losses previously described. However, a separate netting of gains and losses was required for involuntary conversions by theft, or from fire, storm, shipwreck or other casualty, whether insured or uninsured. If the result was a net loss, it was treated as a fully deductible loss (without regard to other Code section 1231 transactions) and was excluded from the capital gain statistics. If, on the other hand, the result was a net gain, then it was consolidated with other gains and losses under Code section 1231. See the discussions of "Net Gain (or Loss), Noncapital Assets" and "Other Deductions."

See also, "Additional Tax for Tax Preferences."

Net Gain (or Loss), Noncapital Assets (#)

In general, "noncapital assets" related to property of a business nature. The computation of net gain or loss, noncapital assets, resulted mostly from the sale or exchange of: (1) certain depreciable, depletable, and real property (described below); (2) notes and accounts receivable acquired in the ordinary course of business for services rendered or from the sale of property includable in inventory, or ordinarily held for sale; (3) certain copyrights, literary, musical, or artistic compositions or similar properties; (4) securities by dealers; (5) securities, including Government obligations, and other evidence of indebtedness, such as convertible debentures, by banking, savings, and certain other financial institutions; (6) certain patents, inventions or designs, secret formulas or processes, and similar property rights by domestic corporations to their more-than-50-percent owned foreign subsidiaries; and (7) qualified export assets by Domestic International Sales Corporations (DISC's). Also included in the computation were amounts resulting from certain "involuntary conversions" including net losses from casualty and theft, and amounts resulting from certain sales, exchanges, or redemptions of Controlled Foreign Corporation stock (see "Dividends Received from Foreign Corporations").

With respect to the statistics for net gain or loss, noncapital assets, the following assumption was made in the case of sales of stocks and commodities by stock and commodity dealers, and sales of real estate by real estate subdividers, developers, and operative builders. If these transactions were included on the tax return in gross receipts and cost of goods sold, instead of in net gain or loss from

noncapital assets, the resulting profit or loss from the transactions (representing the difference between the receipts and the cost of sales) was transferred to the statistics for net gain or loss, noncapital assets, but only if the cost of sales was 50 percent or more of the receipts (if less than 50 percent, the receipts were regarded as commission income). The tax return data for receipts and cost of sales were accordingly adjusted for the statistics.

As explained under "Net Capital Gains," a net gain from dispositions of (or certain transactions involving) specified types of business assets that were considered noncapital assets based on Code section 1221 could receive capital gains treatment under section 1231. Gains and losses from these dispositions or transactions first had to be aggregated. If the overall result was a net gain, it was included in the computation of net long-term capital gain, but if the overall result was a net loss, it was included in the computation of net gain or loss, noncapital assets. The special treatment in this computation of gains and losses resulting from involuntary conversions, due mostly to casualty and theft, is described under "Net Capital Gains." Form 4797, Supplemental Schedule of Gains and Losses, called for net losses from casualty and theft to be included in the computation of "net gain or loss, noncapital assets" (although some corporations reported them in "other deductions").

The amount of gains (but not losses) on dispositions of property includable in the computation of net gain or loss under Code section 1231, was limited as a result of sections 1245, 1250, 1251, 1252, 1254 (described below), and 617. To the extent the amount eligible for capital gains treatment was thereby reduced, the amount included in the statistics for net gain or loss, noncapital assets, was increased.

Code sections 1245 and 1250 applied to certain depreciable property. Sections 1251 and 1252 prescribed additional rules for much of this same property if it was used in the business of farming, as well as for certain other types of property used in farming and covered under section 1231. Section 617 applied to certain depletable property.

Code sections 1245 and 1250:

The depreciable property to which Code section 1245 applied was: (1) personal property other than livestock, whether tangible (such as machinery and equipment) or intangible (such as patents and copyrights); and (2) other tangible property including certain realty other than buildings and their structural components, if it was an integral part of specified business activities, or which constituted research or storage facilities used in connection with such activities. The business activities qualifying were manufacturing, production, or the providing of transportation, communications, electrical energy, gas, water, or sewage disposal services.

ERTA contained provisions that effected the computation of gain or loss of Section 1245 and 1250 property when sold or disposed of. Gain from the sale of residential rental property that was equal to the excess of accelerated depreciation over straight-line depreciation was recaptured as ordinary income. Under ERTA, treatment of the gain from disposition of nonresidential real property was unchanged if straight-line depreciation was used, that is, all gain on property held for more than one year would have been a capital gain. However, for nonresidential real property depreciated under an accelerated method, the gain was treated as ordinary income up to the amount of deduction taken and any excess was treated as a capital gain.

The depreciable property to which Code section 1250 applied was real property not already covered by section 1245. In general, this property consisted of buildings and their structural components, in the case of tangible property; or leaseholds of land, in the case of intangible property.

The amount of gain on dispositions of depreciable property under Code sections 1245 and 1250, treated as ordinary income and included in the statistics for net gain or loss, noncapital assets, generally depended upon the amount of depreciation claimed on the asset after a certain date prior to its disposition, although other factors were also considered in the case of section 1250 dispositions.

Under Code section 1245, the amount of gain treated as ordinary income was based on the depreciation (or amortization in the case of defense "emergency facilities") allowed or allowable after 1961 (after 1963 for elevators and escalators and after 1969 for livestock (including fur-bearing animals such as chinchillas, minks, and foxes)). This "depreciation recapture" applied to dispositions of property made during taxable years beginning after 1962 (after 1963 for elevators and escalators and after 1969 for livestock).

Under Code section 1250, the amount of gain treated as ordinary income was based, in general, on the excess of accelerated over straight-line depreciation allowed or allowable after 1963. However, this "depreciation recapture" was further qualified in the case of depreciation taken during 1963-69 so that if the property was held for more than 20 months, the "recapture" was further reduced to a proportion of this difference until, when the property was held for 10 years, the "recapture" as ordinary gain was not applicable at all. For depreciation taken after 1969, these qualifications were rescinded (with certain exceptions for residential rental housing, housing rehabilitation expenditures, and Government subsidized housing), so that the entire amount of post-1969 excess depreciation was "recaptured" as ordinary income.

Code sections 1251 and 1252:

Under Code section 1251, net gain or loss from noncapital assets included ordinary gains from the sale or other disposition of certain types of farm business property which would otherwise have been eligible for long-term capital gain treatment under section 1231. Dispositions already regarded as ordinary gain or loss using section 1250 rules were excluded.

Amounts treated as ordinary gain were based on farm net losses accumulated after 1969. These net losses were before consideration of the gain or loss under Code section 1231 and, over the years, were first offset against any farm net income. The resulting accumulated loss was then applied against the gain on farm property. If the gain exceeded the accumulated loss, it was treated as ordinary gain to the extent of the loss and only the excess gain was eligible for capital gains treatment. If the reverse was the case, the gain was similarly treated and the excess loss was carried over for use in connection with future gains. For electing Small Business Corporations, this recapture of farm losses was less restrictive and was applicable only if farm net loss exceeded \$25,000, nonfarm net income exceeded \$50,000, and none of the stockholders had a farm net loss of their own. Section 1251 was not applicable if farming operations were accounted for on an accrual basis, inventories used, and deductible amounts capitalized and recovered over the years through depreciation, even though the law permitted expensing of the full amount currently on an elective basis.

Code section 1231 property subjected to these recapture rules included depreciable personal property; livestock (including fur-bearing animals such as chinchillas, minks, and foxes), except poultry; unharvested crops sold with the land on which they were growing; and land. For land, there was a limitation under section 1251 on the amount of gain treated as ordinary income: the amount recaptured could not exceed accumulated deductions for soil and water conservation and land clearance expenditures in the current and 4 preceding taxable years. However, there was an additional recapture for land, under section 1252. This recapture was based on a declining annual percentage of total post-1969 deductions for these same expenditures. The percentage was reduced to zero when land was held for 10 years or more, at which time the additional recapture did not apply.

Code section 1254:

Code section 1254 required recapture of amounts deducted for intangible drilling expenses on productive wells to the extent that those amounts deducted exceeded the amounts which were allowable had the intangible drilling expenses been capitalized and amortized over the useful life of the well. This was in addition to the requirement that the gain on the sale of oil and gas property be recognized as ordinary income to the extent of depreciation of tangible personal property.

Code section 617:

Under Code section 617, corporations engaged in domestic mining operations that elected to claim unlimited deductions for exploration and development expenses (except for oil and gas) had to "repay" their post-1969 deductions when the mine reached the producing stage or when it was sold. If the mine was sold, the profit was treated as an ordinary net gain from a noncapital asset to the extent that the gain was equal to or less than any post-1969 deductions not already "recaptured" prior to the sale. Such gains are reflected in the statistics for net gain (or loss), noncapital assets. Any net gain in excess of the deductions was a net gain under section 1231, and eligible for capital gains treatment.

Net Income (or Deficit)

This is the difference between gross receipts and the ordinary and necessary business deductions allowed by the Code, and reflects not only actual receipts but "constructive" receipts (i.e., certain income from Controlled Foreign Corporations and foreign dividend income resulting from foreign taxes deemed paid) as well. Interest from State and local government obligations was excluded from these items.

Because certain statutory special deductions including the net operating loss deduction were allowed most corporations in computing their income subject to tax, the statistics for net income are generally larger than the amounts shown for "Income Subject to Tax." Included in the net income statistics are amounts for Small Business Corporations (only certain long-term capital gains were taxable to these corporations). Also, the net income statistics include amounts for Domestic International Sales Corporations (DISC's); these corporations were not taxable.

For mutual insurance companies other than life or marine and other than certain fire or flood insurance companies, the net income (or deficit) in this report is the sum of the net investment income or loss, the statutory underwriting income or loss, and the

subtractions from the Protection Against Loss (PAL) account before reduction by the statutory special deductions allowed corporations in general. Consequently, net income (or deficit) reflects not only the ordinary business deductions, but the statutory deductions from underwriting income allowed only to these mutual insurance companies. Net income (or deficit) also reflects the additions (if any) to taxable income of amounts in the PAL account previously deferred from taxation. Further, for some small mutual insurance companies electing to report under Code section 821(c), net income was net investment income only. (Electing companies were not required to report underwriting income.) The section 821(c) provisions were applicable only to companies with income from investments (other than capital gains), with premiums of less than \$500,000, and with no reserve in the PAL account.

For life insurance companies, the net income (or deficit) used for statistical purposes comprised the gain or loss from operations adjusted by adding back the dividends received and the operations loss deductions. Gain or loss from operations (which included both underwriting and investment income) represented gross taxable receipts reduced by ordinary and necessary business deductions and by additions to required reserves, certain other statutory deductions pertinent only to these companies, and by the dividends received and operations loss deductions.

Net Long-Term Capital Gain Taxed at Alternative Rate

This part of the tax base was used for the tax computation for those returns using the alternative tax rate. The alternative method, allowed under Code section 1201, was used if it provided a lower tax liability than did the use of the tax rates on total taxable income. See the discussions of "Income Subject to Tax" and "Income Tax."

Income subject to tax for returns with alternative tax was the sum of (1) net long-term capital gain (reduced by net short-term capital loss), and (2) income taxed at regular rates (the balance of taxable income).

For most corporations, use of the alternative tax did not affect the amount shown as "Income Subject to Tax." However, when net long-term capital gain (reduced by net short-term capital loss) was greater than taxable income (net income minus statutory special deductions), the alternative rate (28 percent) applied to the capital gains was less than the regular rates applied to taxable income. Therefore, the capital gains, rather than taxable income, became the tax base and was used for the "Income Subject to Tax" statistics.

Net Worth

Net worth represented the stockholders' equity in the corporation (total assets minus the claims of creditors). In the statistics, net worth comprises the net sum of the following items:

- (1) capital stock;
- (2) paid-in or capital surplus;
- (3) retained earnings, appropriated;
- (4) retained earnings, unappropriated;
- (5) less the cost of treasury stock; and
- (6) shareholders' undistributed taxable income (Form 1120S only).

Each of these items is explained under its own heading in this section.

Noncalendar Year Returns

Returns filed for a 12-month accounting period ending in other than December were included in this

classification. Figure B in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report.

Nonconventional Source Fuel Credit

Prior to 1980, no income tax credit was available for the production and sale of fuel derived from energy sources other than oil and conventional sources of natural gas. Congress believed that the use of fuels derived from energy sources other than oil and conventional natural gas should be encouraged by providing a tax incentive for their production and sale. Because these alternative fuels frequently compete with oil and gas, Congress believed that production incentives should be linked to the uncontrolled price of domestic oil and should phase out as that price rose to the level where efficiently produced alternative fuels could compete effectively with oil.

Generally, the credit was equal to \$3 for each 5.8 million British Thermal Units (BTU's) of energy produced from qualified sources. (One barrel of crude oil contains approximately 5.8 million BTU's.) The Crude Oil Windfall Profit Tax Act of 1980 provided a tax credit for the domestic production and sale of qualified fuels to unrelated persons. Such fuels generally had to be produced and sold after December 31, 1979, and before January 1, 2001, from facilities placed in service after December 31, 1979, and before January 1, 1990, or from wells drilled after December 31, 1979, and before January 1, 1990, on properties which began production after December 31, 1979.

The credit was available for production and sale of the following:

- (1) fuel produced from shale and tar sands;
- (2) gas produced from geopressurized brine, Devonian shale, coal seams, or a tight formation;
- (3) gas produced from biomass;
- (4) liquid, gaseous, or solid synthetic fuel (including alcohol) produced from coal (including lignite), including such fuels when used as feedstocks;
- (5) qualifying processed wood fuels; and
- (6) steam from solid agricultural byproducts (not including timber byproducts).

The tax credit was to be phased out proportionately as the annual average wellhead price for a barrel of uncontrolled domestic oil (the "reference price") rose, adjusted for inflation. The reference price was to be estimated by the Secretary of the Treasury and published, together with the inflation adjustment factor, by April of the year following that for which the credit was to be computed.

The credit was claimed on Form 6602, Nonconventional Source Fuel Credit, for taxable years ending after December 31, 1979. The limitation on the amount of the allowable Nonconventional Source Fuel Credit was applied to the remaining tax liability after other credits had been applied.

Notes and Accounts Receivable

In general, notes and accounts receivable were the gross amounts arising from business sales or services to customers on credit during the ordinary course of trade or business which would normally be converted to cash within 1 year. Current nontrade receivables were generally included in "Other Current Assets."

The balance sheets on most corporation income tax forms called for the reporting of both "gross" receivables and the "allowance for bad debts" (explained under a separate heading in this

section). However, some corporations reported only the net amount. In the case of insurance companies filing balance sheets in the form required under State law, only the net amount was reported.

Loans and mortgages may have been reported in notes and accounts receivable by savings and loan associations. When identified, such mortgage loans were transferred to "Mortgage and Real Estate Loans."

The "Allowance for Bad Debts," shown as an adjustment, may also include the reserves for the separate account "Mortgage and Real Estate Loans." As a result, it was possible for the "Allowance for Bad Debts" to exceed the amount of notes and accounts receivable.

In those tables where the item "Notes and Accounts Receivable, Net" appears, the amount shown includes a deduction of "Allowance for Bad Debts."

Number of Returns

Returns of inactive corporations were excluded from the statistics. (See "Returns of Inactive Corporations.") The number of Form 1120-DISC and Form 1120S returns filed, respectively, by Domestic International Sales Corporations and Small Business Corporations for which an election was made to be taxed through stockholders are included in each total number (except for those tables which specifically exclude these returns) and are also shown separately in some of the tables.

See also "Consolidated Returns" and "Returns of Active Corporations."

Other Assets (#)

In general, other assets comprised noncurrent assets which were not allocable to a specific account on the balance sheet, and certain accounts for which no distinction could be made between current and noncurrent status.

Includable were items such as deposits on contracts reported as noncurrent by the corporation, interest discounts when reported as noncurrent by the corporation, guaranty deposits, and intangible assets not subject to amortization. Other assets of life insurance companies included the market value of real estate and that portion of stock and bond holdings in excess of book value. For Domestic International Sales Corporations (DISC's), this item also included "nonqualified assets" (i.e., assets that were not export-related or that failed to meet the requirements indicated for "qualified export assets" in Code section 993).

Other Capital Assets Less Reserves

This item consisted of depletable assets less accumulated depletion, land, and intangible assets less accumulated amortization. Each is described separately under its own heading in this section.

Other Current Assets (#)

Other current assets included assets not allocable to a specific current account in the return balance sheet, and assets specifically reported as short-term by the corporation, such as marketable securities.

Includable were prepaid expenses, nontrade receivables, coupons and dividends receivable, and similar items. For construction corporations, amounts reported as current for contract work in progress in excess of billings were includable.

Also includable in other current assets were amounts reported as inventories on nonconsolidated returns of banks, credit agencies, insurance

companies, insurance agents, brokers, real estate operators, lessors, condominium management and cooperative housing associations. Also, inventories for all bank holding companies were included.

Other Current Liabilities (#)

Other current liabilities included, for the most part, certain amounts due and payable within the coming year. The account comprised accrued expenses, as well as current payables not arising from the purchase of goods and services. Examples of other current liabilities were taxes accrued or payable (unless reported as long-term), accrued employee accounts such as for payrolls and contributions to benefit plans (unless reported as long-term), dividends payable, overdrafts, accrued interest or rent, and deposits and withdrawable shares of banking and savings institutions.

For construction corporations, amounts for uncompleted contracts or jobs in progress were included in this item, if reported as current.

Other Deductions (#)

Other deductions comprised (1) business expenses which were not allocable to a specific deduction item on the return form, or which were not included elsewhere on the return form, and (2) certain amounts which were given special treatment in the course of statistical processing.

The first category included such items as administrative, general, and selling expenses; bonuses and commissions (unless reported as cost of goods or salaries and wages); delivery, freight, and shipping expenses; sales discounts; travel and entertainment expenses; utility expenses not reported as part of the cost of goods sold; and similar items.

The second category included amortization of financial items, amortization of intangible drilling costs, unrealized profit on current-year installment sales, direct pensions (paid by a company to an individual but not to pension plans), employee welfare (but not payments to welfare or benefit plans), moving expenses (for employees), partnership net losses, and patronage dividends paid. Also included were itemized business deductions and other deductions unique to Domestic International Sales Corporations (DISC's), life and most mutual insurance companies. In the case of DISC's, the statistics include deductions such as those for market studies, sales commissions, and freight and other expenses (whether or not they were considered export promotion expenses).

The statistics for other deductions may include losses resulting from involuntary conversions by theft, or from fire, storm, shipwreck, or other casualty, if these losses were reported in the taxpayer's own schedule for other deductions. For the statistics, no attempt was made to transfer the data to the ordinary gains or losses computation. Losses from involuntary conversions which were reported as ordinary losses derived from Form 4797, Supplemental Schedule of Gains and Losses, were included in the estimates for "Net Gain (or Loss), Noncapital Assets." See also the discussion under "Net Capital Gains" in this section.

Other Investments (#)

This category generally included long-term non-Government investments and certain investments for which no distinction could be made as to their current or long-term nature. Non-Government investments generally not held for conversion to another form within the coming year included stocks,

bonds, loans on notes or bonds, loans to subsidiaries, and other types of financial securities. Also included in this category were investments unique to Domestic International Sales Corporations (DISC's), such as investments in related foreign export corporations, Export-Import Bank obligations, and producer's loans.

Real estate not reported as a fixed asset could also be included. In certain instances, land and buildings owned by real estate operators (except lessors of real property other than buildings), and real holdings of insurance carriers (other than their home office and branch office buildings and equipment), were reported as "other investments."

In one respect the statistics may be somewhat overstated. Treasury stock held for resale or for future distribution may have been reported as an asset on some tax returns and would have been included in the statistics for "Other Investments."

Also includable in other investments were amounts reported as inventories on nonconsolidated returns of holding and other investment companies (except operating holding companies); security and commodity brokers, dealers, and exchanges; and real estate subdividers and developers.

Other Investments and Loans

This item consisted of loans to stockholders, mortgage and real estate loans, and other investments. Each is described separately under its own heading in this section.

Other Liabilities

Other liabilities were obligations which were not allocable to a specific account on the balance sheet and which were either noncurrent accounts, in general not due within 1 year, or accounts which could not be identified as either current or long-term.

Examples of other liabilities were deferred or unearned income not reported as part of a current account, provisions for future taxes based on the effects of either accelerated depreciation or possible income tax adjustments such as for the investment credit, and principal amounts of employee and similar funds.

Other Receipts

Other receipts included amounts not elsewhere reported on the return form, such as: profits from sales of commodities other than the principal commodity in which the corporation dealt; income from minor operations; cash discounts; income from claims, license rights, judgments, and joint ventures; net amount earned under operating agreements; profit from commissaries; profit on prior-years' collections (installment basis); profit on the purchase of a corporation's own bonds; recoveries of losses and bad debts previously claimed for tax purposes; refunds for the cancellation of contracts; and income from sales of scrap, salvage, or waste. Also regarded as other receipts were certain dividends received, such as from Federal Reserve and Federal Home Loan Banks, and from the following special classes of corporations: corporations deriving a large percent of their gross income from sources within a U.S. possession; and tax-exempt charitable, educational, religious, scientific and literary organizations, and mutual and cooperative societies including farmers' cooperatives.

For Domestic International Sales Corporations (DISC's), other receipts comprised all "nonqualified" gross receipts reported on the return except

nonqualified dividends. In addition, in the case of DISC's acting as commission agents for someone else, only the commissions earned and not the underlying gross receipts on which the commissions were earned were included in the statistics. Nonqualified gross receipts thus took into account: (1) sales of goods and services for ultimate use or consumption in the United States; (2) exports subsidized by the U.S. Government; (3) certain direct or indirect sales or leases for use by the U.S. Government; and (4) sales to other DISC's in the same controlled group of corporations.

See also "Business Receipts."

Overpayments Claimed as a Credit

This was the amount of the 1981 overpayment the corporation specifically requested to be credited to the 1982 year's estimated tax, in lieu of requesting a refund in 1981. The credit is reflected in the amount shown as estimated tax payments in table 8.

Paid-In or Capital Surplus

This balance sheet item comprised additions to the corporation's capital from sources other than earnings. These sources included appreciation of assets, receipts from the sale of capital stock in excess of stated value, stock redemptions or conversions, and similar transactions. The amounts shown are after deducting any negative amounts.

Part-Year Returns

Part-year returns were those filed for accounting periods of less than 12 months. Such returns were filed as a result of business liquidations, reorganizations, mergers, and changes to new accounting periods. Figure B in section 1 shows the percentage of returns filed for each of the accounting periods covered in this report. Data from part-year returns are included in the statistics.

Payments With Applications for Extension of Filing Time (Forms 7004 and 7005)

These statistics were derived from the income tax returns rather than from the application for extension of time to file, Form 7004, and the application for additional extension of time to file, Form 7005, or their equivalents. Corporations which filed Form 7004 on time and paid the required amount of tax liability (tentatively determined) were granted an automatic extension of 3 months in which to file returns. A second extension (requested on Form 7005) of 3 months could be granted under certain conditions.

Requesting the extension of time to file the return did not postpone the payment of tax. When an extension was requested on Form 7004, at least half of the unpaid balance of the tax liability tentatively determined (taking into account any credits against tax, as well as any estimated tax payments) was due. If the option of paying the tentatively determined tax liability on an installment basis (with the balance due on or before 3 months after the regular filing date) was not used, the entire amount was due with the application. If a second extension of time to file was applied for, the balance of any unpaid tax liability was due at the time of the application.

The statistics may be slightly understated because of taxpayer reporting variations and because of the inability to identify the total amount from the tax returns.

Pension, Profit-Sharing, Stock Bonus, and Annuity Plans (#)

Contributions made by employers to these plans were deductible under Code section 404. The Code imposed limitations on the amounts deductible for the taxable year and provided a carryover feature for certain amounts paid in excess of these limitations. Deductions were also allowed for employer contributions made to benefit plans established for certain U.S. citizens employed for foreign subsidiaries and branches of domestic corporations. The statistics for this item include such amounts identified in the cost of sales and operations schedules.

Personal Holding Company Tax (#)

In addition to being subject to regular income tax and additional tax for tax preferences, corporations classified as Personal Holding Companies were subject to another tax equal to 50 percent (70 percent for corporations with accounting periods beginning before 1982) of their "undistributed Personal Holding Company income."

The term Personal Holding Company was applied to certain closely-held corporations whose income was from passive sources (generally investments and personal service contracts) rather than from the actual active conduct of a trade or business. The 50 percent tax was imposed on the taxable income (specifically defined) from passive sources reduced by amounts distributed to owners.

Since most Personal Holding Companies distributed all of their Personal Holding Company income, only a small number were actually subject to the tax. In addition, the tax is slightly understated because the Personal Holding Company tax was not always reported separately from the regular income tax.

The tax appears in the statistics for industries other than "Holding and Other Investment Companies" because a personal holding company could be a subsidiary included in a consolidated return classified in some other industry.

Provision for Federal Income Tax

In general, this was the net amount of Federal income tax accrued, or the provision for such tax, for the taxable year as reported in corporations' books of account and in tax return schedules reconciling book and tax profits (see Schedule M-1, "Reconciliation of income per books with income per return," on the Form 1120 return facsimile in section 6 of this report), or in the case of most insurance companies, from the annual statements filed with the returns.

When corporations identified the amount of Federal income tax which was current and the amount which was deferred, only the amount reported as current was used for the statistics. Deferred Federal income tax as shown on the books of account represented the tax consequence resulting from differences between book and tax accounting in the recognition of various items of income and expenses. (See "Book Net Income (or Deficit).")

Corporations occasionally reported foreign and State taxes together with Federal taxes and the components were not separately identified. The resulting effect on the statistics was to overstate the provision for Federal income tax. This had no effect, of course, on the after-tax profit amount shown in the statistics as "Book Net Income (or Deficit)."

Refunds of Estimated Tax Payments

A corporation which had determined that it had overpaid its estimated tax could have filed for a quick refund or adjustment of the overpayment even before it had filed its return. To have done so, the estimated tax overpayment had to be at least \$500 and be at least 10 percent of the expected "final" income tax liability reported on the tax return.

The application for refund had to be made within 2-1/2 months after the close of the taxable year and before the corporation had filed its income tax return. If the refund (or credit against another tax owed, in lieu of a refund) was subsequently determined to be excessive, the tax on the excess included a penalty amount determined at a rate of 90 percent of the adjusted prime rate (as determined under section 6621) per year of the excess.

Rent Paid on Business Property

This deduction consisted of rents paid for the use of land or structures, and rents paid for leased roads, rolling stock, and work equipment for railroad companies. Identifiable amounts of taxes paid and other expenses of lessees in connection with rent paid were included in their respective deduction headings.

Rents

These were the gross amounts received for the use or occupancy of property. Expenses related to rental property, such as depreciation, repairs, interest paid, and taxes paid, were not deducted directly from the rental income, but were reported as business deductions from total receipts. The rental income of manufacturing, public utility, and service corporations, which frequently leased rather than sold their products, was included in the "Business Receipts" rather than in rents.

Repairs (#)

Repairs reported as an ordinary and necessary business expense were the costs of maintenance and incidental repairs and could include the cost of labor, supplies and other items which did not add to the value or appreciably prolong the life of the property. Expenditures for new buildings, machinery or equipment, or for permanent improvements which increased the cost or basis of the property were not deductible currently and were charged to capital expenditures, which were generally depreciable.

Research and Experimentation Credit

The Economic Recovery Tax Act of 1981 set forth provisions for a nonrefundable income tax credit of 25 percent for qualifying expenses incurred after June 30, 1981, and before January 1, 1986, for increased activity in research. This credit applied whether the expense was deducted or capitalized. It was limited to 25 percent of the "incremental" amount of research expense, over the average expenditures during a specified base period. For the first two years of the credit, its base period was either the first preceding year or the first two preceding years. When the credit was fully implemented, the base period was the three prior taxable years. The base period research expenses could never comprise less than half of the qualified research expenses for the tax year for which the credit was computed. In the case of a short taxable year, research expenditures were annualized.

Two types of research were considered to be qualified for his credit. The first type consisted of the expenses incurred for the taxpayer's own wages and supplies for research, plus certain other charges for the use of research equipment. The other type consisted of the expenses paid to qualified organizations, such as colleges and other tax-exempt organizations, for basic research. The taxpayer was allowed a credit for 65 percent of this latter type of expense. Research in the social sciences or humanities, and research funded by another person, by a grant, or by a government agency were ineligible for the credit.

Controlled groups and other businesses under common control were treated as a single taxpayer for credit purposes. Each member of the group was limited to its proportionate share of the increase in the expenses generating the credit. Small business corporations electing to be taxed through their shareholders had to apportion the credit among shareholders.

All research credits paid or incurred in the United States were to be allocated or apportioned to United States source income for a two-year period, effective for the first taxable year beginning after the date of enactment. Corporations were also allowed an increased deduction subject to limitations for contributions of certain research and experimental property to educational institutions.

Table 17 provides data on the research and experimentation credit.

Retained Earnings, Appropriated (#)

Earnings set aside for specific purposes and not available for distribution to stockholders were included under this heading. Included were guaranty funds and reserves for plant expansion, bond retirements, contingencies for extraordinary losses and general loss reserves. Specifically excluded were the reserves for bad debts, for depreciation, for depletion, and for amortization, which are shown separately in this report. Unrealized profits were included in other liabilities. Unearned income, if not current, was included in other liabilities.

Retained Earnings, Unappropriated (#)

Retained earnings, unappropriated, consisted of the retained earnings and profits of the corporation less any reserves (shown in the statistics as "Retained Earnings, Appropriated"). Included were undistributed earnings (income or profits) and undivided earnings (income or profits). Also included for railroads were funded debt retired through income and surplus, and additions to property through income and surplus. The statistics shown are net figures after deduction of any negative amounts.

For Domestic International Sales Corporations (DISC's), this item included previously taxed income, accumulated DISC income, and other earnings and profits.

Similarly, for Small Business Corporations electing to be taxed through their stockholders, this item included earnings from before the corporation's election as well as earnings since the election, to the extent that they had not yet been distributed to the stockholders. (See "Stockholders' Undistributed Taxable Income Previously Taxed.")

Returns of Active Corporations (#)

These returns were the basis for all financial statistics presented in the report. They comprised the vast majority of the returns filed, and were defined for the statistics as returns of corporations reporting any income or deduction items including tax-exempt interest.

Returns of Inactive Corporations

Corporations in existence during any portion of the taxable year were required to file a return even though they may have been inactive. Inactive corporations are defined for this report as returns showing no item of income or deduction. Financial data from these returns were excluded from the statistics.

Returns With Net Income

Returns with net income were those showing gross taxable receipts exceeding the ordinary and necessary business deductions allowed by the Code. (See "Net Income (or Deficit).")

Returns Without Net Income

Returns without net income were those for which ordinary and necessary business deductions allowed by the Code exceeded gross taxable receipts. In addition to deficit returns, this classification also included returns whose gross taxable receipts and business deductions were equal. (See "Net Income (or Deficit).")

Royalties

Royalties were payments received, generally on an agreed percentage basis, for the use of property rights. Included were amounts received from such properties as copyrights, patents, and trademarks; and from natural resources such as timber, mineral mines, and oil wells. The amount reported was the gross amount received. Expenses relating to royalties, depletion or taxes, for example, were not deducted directly from this income, but were reported among the various business deductions from total gross income.

Excluded from the statistics were certain royalties received under a lease agreement on timber, coal deposits, and domestic iron ore deposits, which were allowed special tax treatment. Under elective provisions of Code section 631, the net gain or loss on such royalties was included in the computation of net gain or loss on sales or exchanges of certain business property under section 1231. If the overall result of this computation was a net gain, it was eligible for treatment as a long-term capital gain, taxable at the capital gains rates. If the overall result was a net loss, it was fully deductible in the current year as an ordinary noncapital loss. See the discussions of "Net Capital Gains" and "Net Gain (or Loss), Non-capital Assets."

Size of Business Receipts

Size of business receipts was based on the gross amounts from sales and operations for industries except those in the finance, insurance, and real estate divisions. For these industries, total receipts, which is the sum of business receipts and investment income, were used as the basis for classification. See the discussions of "Business Receipts" and "Total Receipts."

Size of Income Tax After Credits (#)

Income-tax after credits was the net amount of income tax liability after deducting the foreign tax, investment, possessions tax, jobs, work incentive (WIN), nonconventional source fuel, alcohol fuel, research and employee stock ownership credits. It included the regular tax and alternative tax. As such, it excluded the tax from recomputing prior-year investment credit and additional tax for tax preferences.

Size of Total Assets

Size of total assets was based on the amount reported in the end-of-year balance sheet. Returns with zero assets were used as a classification for returns of: (1) liquidating or dissolving corporations which had disposed of all their assets and whose income tax returns were final returns; (2) merging corporations whose assets and liabilities were included in the returns of the acquiring corporations; (3) corporations filing a part-year tax return because of a change in accounting period; and (4) foreign corporations with income effectively connected with the conduct of a trade or business within the United States (except foreign insurance companies providing balance sheet information for U.S. branches). See also "Total Assets and Total Liabilities."

Small Business Corporation Returns (#)

Form 1120S, U.S. Small Business Corporation Income Tax Return, was filed by corporations electing to be taxed through stockholders under section 1372 of the Code. The Subchapter S Revision Act of 1982 extensively revised the laws for small business corporations with tax years beginning after December 31, 1982. The provisions of that act will be covered in Statistics of Income for 1983.

To qualify as a Small Business Corporation, a firm had to be a domestic corporation which was not a member of an affiliated group (as defined by Code section 1504) and did not:

- (1) have more than 25 shareholders (35 shareholders effective for tax years beginning after 1982); or
- (2) have as a shareholder a person (other than an estate and other than a trust) who was not an individual; or
- (3) have a nonresident alien as a shareholder; or
- (4) have more than one class of stock; or
- (5) have more than 80 percent of the corporation's gross receipts from sources outside the United States (this provision was repealed for tax years beginning after 1982); or
- (6) have more than 20 percent (25 percent for taxable years beginning in 1982) of the corporation's gross receipts from passive investment income for 3 consecutive tax years (see discussion of "Excessive Net Passive Income Tax" and "Income Tax" in this section).

Net income of Small Business Corporations was computed in the same manner as for most corporations. The net operating loss deduction and other statutory special deductions allowed most corporations, such as for dividends received, could not be taken.

An electing Small Business Corporation was generally not taxed. However, an existing corporation that elected (under Code section 1372) to become a Small Business Corporation was subject to a special tax for the first 3 taxable years of the election. On the other hand, a new corporation which had been in existence for less than 4 years and which was an electing Small Business Corporation for each year of its existence was not subject to the special tax at all. Section 1378 of the Code provided that the amount of the tax was the lower of the following: (1) 28 percent of the excess of net long-term capital gain (reduced by net short-term capital loss) over \$25,000 when net long-term capital gain was more than 50 percent of a net income that was over \$25,000; (2) 30 percent of the gain from the disposition of property using a "substituted basis" (i.e., the basis that was transferred from another corporation which

was not also an electing Small Business Corporation); or (3) the tax rates applied to net income. Foreign tax credit, investment credit, U.S. possessions tax credit, work incentive (WIN) credit, jobs credit, nonconventional source fuel credit, alcohol fuel credit, research credit and employee stock ownership credit were not available to the corporation to reduce this tax (although the cost of investment credit property and WIN program salaries and wages were allocated to stockholders for their use in computing the credits). Also, see "Excessive Net Passive Income Tax."

Generally, the income of the Small Business Corporation was taxable to its stockholders as ordinary income. Net long-term capital gains (reduced by any tax paid on them by the corporation) were not taxable as ordinary income, but instead retained their character in the hands of the stockholders. Also, stockholders were allowed to deduct their share of the corporation's deficit from other forms of individual (or fiduciary) income as part of their net operating loss deduction. Undistributed income earned in previous years was taxable to stockholders in the year it was earned, and could be distributed during the current year without any further tax.

Statutory Special Deductions (#)

Statutory special deductions is the term used for the statistics to describe the deductions for: (1) net operating losses of prior years, and (2) total "special deductions" as defined by the Code, i.e., the sum of deductions for intercorporate dividends received and for dividends paid on certain preferred stock of public utilities. Since these deductions were allowed by law, in addition to ordinary and necessary business deductions, they are shown as deductions from net income.

In general, net income less statutory special deductions equalled income subject to tax. However, the two dividend deductions were not restricted to returns with net income, nor, in general, to the amount of net income, and thus became part of the statutory "net operating loss" for some corporations. Statutory special deductions were not allowed to Small Business Corporations for which an election was made to be taxed through stockholders, nor to regulated investment companies and real estate investment trusts.

Although Domestic International Sales Corporations (DISC's) were not taxable, in order to compute "tax deferred income and income taxable to stockholders," two of the statutory special deductions, i.e., net operating loss deduction and intercorporate dividends received deduction, discussed below, were allowed.

Definitions for the statutory special deductions contained in the statistics are as follows:

- (1) Net operating loss deduction.—The total net operating loss deduction was based on statutory net operating losses of prior or subsequent years which could be used to reduce taxable income for a specified number of years. The amount shown in this report, however, consists only of losses from prior years actually used to reduce taxable income for the current year. Losses incurred after the current year and carried back to that year at a later date could not be reported on the returns used for this report. In general, losses were carried back over a 3-year period, chronologically, and any amount not offset against income during that time could then be carried forward against income for a period not exceeding 5 years

(for losses incurred before 1976) and to 15 years (for losses incurred for 1976 and thereafter).

Net operating losses on which the current-year deduction was based included: (a) the excess of ordinary and necessary business expenses over income in the previous loss years, and (b) statutory special deductions claimed in the loss year for dividends received and for dividends paid on certain preferred stock of public utilities (or any excess of such deductions over net income).

The net operating loss deducted for the current year was limited to net income reduced, first, by the deductions for dividends received and, second, for dividends paid on certain preferred stock of public utilities.

Net operating losses incurred by Domestic International Sales Corporations (DISC's) were deductible from net income only if the DISC had been a corporation prior to its election to become a DISC and only for losses incurred prior to the election. The statistics are overstated to the extent small amounts of net operating loss deductions were reported by DISC's without net income; no attempt was made to suppress these amounts for the statistics.

- (2) Total special deductions.—The total special deductions contained in this report was the sum of the following deductions:

(a) Intercorporate dividends received deduction.—The intercorporate dividends received deduction, under Code sections 243-246, was the sum of the following components:

(1) A deduction equal to 85 percent of dividends received from domestic corporations which were themselves subject to the income tax. This particular deduction accounted for the major portion of the intercorporate dividends received deduction. Since DISC's were not subject to tax, the intercorporate dividends received deduction was not allowed for dividends received by their stockholders. However, if the dividends were paid out of earnings and profits from a year before the election was made to become a DISC, the stockholders were entitled to the deduction for such dividends.

(2) A deduction equal to 85 percent of certain dividends received from foreign corporations (a) which had been engaged in a trade or business within the United States for at least 3 years, and (b) which also had at least 50 percent of their gross income "effectively connected" with the U.S. trade or business.

(3) A deduction equal to 100 percent of certain intragroup dividends allowed members of controlled groups not electing to file consolidated returns, but sharing instead, a single surtax exemption under Code section 1561.

(4) A deduction equal to 100 percent of dividends received from wholly-owned foreign subsidiaries whose entire gross income was "effectively connected" with the conduct of a trade or business within the United States.

(5) A deduction equal to about 59.13 percent of dividends received on certain preferred stock of public utilities for which a dividends paid deduction, described below, was also allowed the distributing corporation. The applicable percentage was based on the income tax rate.

(6) A deduction equal to 100 percent of dividends received by small business investment companies. For tax returns with net income for the taxable year, there was a limitation on the deduction, based on net income, for dividends received not subject to the 100 percent deduction (Code section 246). For these returns the deduction could not exceed 85 percent of net income less any 100 percent deduction for domestic intragroup dividends. This limitation was not applicable if the corporation had no net income for the year. In this case, the deduction became part of the statutory net operating loss previously described. In the case of life insurance companies, the above percentage deductions were further reduced by the ratio of investment yield less total exclusions (operations) to investment yield.

- (b) Deduction for dividends paid on certain preferred stock of public utilities.—For public utility companies, as defined by law, a special deduction was allowable under Code section 247 for dividends if paid on certain preferred cumulative stock deemed issued prior to October 1, 1942. This deduction, based on the income tax rate, amounted to about 30.4 percent of the dividends paid on such stock.

If the dividends paid were greater than net income reduced (in general) by all other statutory special deductions for the year, the deduction could not exceed the above-described percentage of net income after this adjustment.

Stockholders' Undistributed Taxable Income Previously Taxed

This end-of-year balance sheet item was the accumulated taxable income, i.e., net income (or deficit), earned by Small Business Corporations since they had first elected to be taxed through their stockholders, to the extent that it had not yet been distributed to the stockholders. Taxable income, whether distributed or not to the stockholders, was taxable to the stockholders in the year earned so that later distributions from this account were nontaxable. (See "Small Business Corporation Returns.") This item is reflected in the statistics for "Retained Earnings, Unappropriated" and "Net Worth" in those tables which show these items.

Taxable Income

See "Domestic International Sales Corporation Returns."

Tax Due at Time of Filing- (#)

Tax due was the amount of income tax liability reported as due at the time the return was filed. To show a tax due the return had to have income tax after foreign tax, investment, work incentive (WIN),

dividends; (b) payments with applications for extension of time in which to file; (c) payments and refunds on estimated tax; (d) credit for taxes on special fuels, nonhighway gasoline, and lubricating oil, and (e) U.S. income tax paid or withheld at the source (for Form 1120F returns).

The overpayment could be credited toward the following year's estimated tax, refunded, or partially refunded and partially credited.

The amounts shown do not reflect adjustments made after the return was filed. The results of audit, the carryback of net operating losses incurred in future years, the carryback of certain foreign taxes paid or accrued in future years used to increase the current year foreign tax credit, the carryback of unused tax credits, or the carryback of certain capital losses, may affect the final tax liability and the tax overpayment.

Since Domestic International Sales Corporations (DISC's) were not taxable, tax overpayment reported on Form 1120-DISC consisted solely of the refund of U.S. excise tax on special fuels, nonhighway gasoline, and lubricating oil.

Also, see "Tax Due at Time of Filing."

Tax Preference Items (#)

See "Additional Tax for Tax Preferences."

Tentative Investment Credit

See "Investment Credit."

Total Assets and Total Liabilities (#)

Total assets and total liabilities were those reported in the end-of-year balance sheet in the corporations' books of account. Total assets were net amounts after reduction by accumulated depreciation, accumulated amortization, accumulated depletion, and the reserve for bad debts. When reserves for bad debts were reported as liabilities, they were treated as reductions from the asset accounts to which they related and the totals of assets and liabilities were adjusted accordingly. When used in this report, the term total liabilities includes both the claims of creditors and stockholders' equity (see "Net Worth"). In addition, total liabilities were net amounts after reduction by the cost of Treasury stock.

Asset and liability estimates for returns of corporations that failed to provide complete balance sheet information were imputed from data in other schedules on the return form or by using either reference books or relationships between income statement and balance sheet items on similar returns in the same industrial group.

Because Forms 1120L and 1120M used by life insurance companies and certain mutual insurance companies did not provide for the complete reporting of balance sheet information, asset and liability data for these companies were obtained from reference books or from balance sheets filed with the returns in the form required by State law. These sources were also used for any other insurance companies, not filing returns on Forms 1120L or 1120M, which filed balance sheets in the form required by State law in lieu of the income tax return schedule. (See also "Size of Total Assets.")

Total Deductions

As presented in the tables of this publication, total deductions comprised (1) the cost of sales and operations, (2) the ordinary and necessary business deductions from gross income, and (3) net loss from

sales of noncapital assets. Components of total deductions are shown in the income statement segment of various tables throughout this report.

For certain mutual insurance companies, with total receipts under \$500,000, total deductions represents only investment expenses; business expenses were excluded by law.

Total Qualified Investment in 10 Percent Property

See "Investment Credit."

Total Receipts

The components of total receipts are shown in the income statement segment of various tables throughout this report. This amount was derived as follows:

Included items--(1) Gross taxable receipts (before deduction of cost of sales and operations, ordinary and necessary business expenses, and net loss from sales of noncapital assets), and (2) Nontaxable interest received from State and local Government obligations.

Excluded items--(1) Other nontaxable income recognized by the corporation, and (2) Certain taxable income from related foreign corporations only constructively received.

For certain mutual insurance companies, with total receipts under \$500,000, the gross taxable receipts included in the statistics represent only the receipts from investments; operating income was excluded by law.

Total Income Tax

See "Income Tax."

Total Receipts Less Total Deductions

This item differed from net income (less deficit) for tax purposes in that it included nontaxable "Interest on State and Local Government Obligations" and excluded "Constructive Taxable Income from Related Foreign Corporations." As such, it included all of the income "actually" (as opposed to "constructively") received by the corporation and reported on the income tax return.

Unused Investment Credit

This was the portion of the tentative investment credit (plus the carryover of unused credit from prior years) which was in excess of the actual investment credit claimed for the current year. Subject to limitations, the unused credit could be carried back or carried over for use in other years as described under "Investment Credit."

The amounts shown in the statistics were computed on a return-by-return basis by taking the difference between the credit claimed and the sum of the tentative credit and the credit carryover.

U.S. Possessions Tax Credit

In order to provide a tax incentive for domestic corporations to invest in Puerto Rico and U.S. possessions (including American Samoa, Guam, Johnston Island, Midway Islands, and Wake Island, but not the Virgin Islands), the Tax Reform Act of 1976 added, under Code section 936, a tax credit - the U.S. possessions tax credit. Under Code section 936, the U.S. possessions tax credit was equal to the U.S. tax on the corporations' income from sources within a possession in which the corporations actively conducted a trade or business.

Before the U.S. possessions tax credit could be claimed, a domestic corporation had to make an

possessions tax, jobs, nonconventional source fuel, alcohol fuel, research, employee stock ownership credits, and overpaid windfall profit tax. For this purpose, the income tax included tax from recomputing prior-year investment credit, additional tax for tax preferences, tax on undistributed Personal Holding Company income, Tax from Section 1 (tax on income from U.S. sources not effectively connected with a U.S. trade or business), and excess net passive income tax. Tax due based on this total tax was the amount payable after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain dividends; (b) payments with applications for extension of time in which to file; (c) payments and refunds on estimated tax; (d) credit for taxes on special fuels, nonhighway gasoline, and lubricating oil; and (e) U.S. income tax paid or withheld at source (for Form 1120F returns).

The entire tax due could be paid with the return at the time of filing, or the corporation could elect to pay the tax due in two equal installments. One installment had to be paid at the prescribed time of filing. The balance was due not later than 3 months after that date.

The amounts shown do not reflect adjustments made after the return was filed. The results of tax audit, the carryback of net operating losses, the carryback of foreign taxes paid or accrued in future years, the carryback of unused tax credits or the carryback of certain capital losses, may affect the final tax liability and the tax due.

Tax from Section 1 (#)

Income from U.S. sources that was not effectively connected with the conduct of a trade or business in the United States was subject to a 30 percent tax rate, however, in certain cases it was taxed at a lower rate due to a tax treaty. This income included, in general:

- (1) interest, dividends, rents, royalties, salaries, wages, premiums, annuities, compensation and other fixed or determinable periodic income;
- (2) gains from disposal of timber, coal or domestic iron ore;
- (3) gains from sale or exchange of patents, copyrights, and other intangible property; and
- (4) bonds or other evidences of debts.

See also "Income Tax."

Taxes Paid

Taxes paid included the amounts reported as an ordinary and necessary business deduction as well as identifiable amounts reported in the cost of sales and operation schedules. Included among the deductible taxes were ordinary State and local taxes paid or accrued during the year; social security and payroll taxes; unemployment insurance taxes; import and tariff duties; and business, license and privilege taxes. Income and profit taxes paid to foreign countries or U.S. possessions were also deductible unless claimed as a credit against income tax. However, Small Business Corporations electing to be taxed through their stockholders had to deduct from gross income any foreign taxes they paid. They could not claim a foreign tax credit, nor could they pass these taxes on to their stockholders for their use as a foreign tax credit. (See "Foreign Tax Credit.")

Taxes not deductible included Federal income and excess profits taxes, gift taxes and taxes assessed against local benefits.

Some corporations included sales taxes and excise and related taxes, which were part of the sales price of their products, as receipts. When this occurred, an equal and offsetting amount was usually included in the cost of sales and operations or as part of the separate deduction for taxes paid. When included in the cost of sales and operations, these taxes often were not identifiable and, therefore, could not be included in the statistics for taxes paid.

Tax from Recomputing Prior Year Investment Credit (#)

This tax, a recapture of investment credit, was required when depreciable (or amortizable) property used in computing the investment credit of a prior year was either disposed of or ceased to be qualifying property before the end of its useful life assumed at the time the credit was originally computed.

The tax was payable for the year in which the property was disposed of or became disqualified. It amounted to the difference between the credit originally claimed based on the intended life in the year of acquisition and the credit that would have been allowed based on the actual life in the year of disposition or disqualification.

ERTA changed the recapture rules for when eligible property was disposed of. Under prior law, if property with a useful life of 7 years was not held for the full 7-year period, some and maybe all of the credit was recaptured. If the property was disposed of within the sixth or seventh year, one-third of the credit was recaptured; if disposed of within the fourth or fifth, two-thirds of the credit was recaptured; if disposed of within three years, all of the credit was recaptured. Under the new law, for investment credit property placed in service after 1980, a new "two-percent" recapture rule applied. As stated above, a 6 percent investment credit was applied to 3-year property and a 10 percent credit for other property. Under the Act, the regular credit is computed upon early disposition by allowing a 2 percent credit for each year the property was held. Therefore, no recapture was required for eligible 5-year, 10-year, or 15-year recovery property held for at least 5 years or for eligible 3-year property held for at least 3 years.

Unless otherwise indicated, tax from recomputing prior-year investment credit is included in the statistics for "Income Tax" in this report.

See "Investment Credit" in this section. Also see "Investment Credit" in the Changes in Law Section for the effects of Tax Equity and Fiscal Responsibility Act of 1982.

Tax Overpayment (#)

This was the amount reported as the excess of payments and credits for the tax already paid over total income tax liability at the time the return was filed. For this purpose, the income tax liability included tax from recomputing prior-year investment credit, additional tax for tax preferences, tax on undistributed Personal Holding Company income, tax from Section 1 (tax on income from U.S. sources not effectively connected with a U.S. trade or business), and overpaid windfall profit tax. Tax overpayment was also after reduction by the foreign tax, possessions tax, investment, work incentive (WIN), jobs, nonconventional source fuel, alcohol fuel, research and employee stock ownership credits. Overpayment then, was the excess of payments and credits over total tax liability after taking into account (a) credit for taxes deemed paid by regulated investment companies on undistributed capital gain

election and satisfy two tests: (1) receive for the "applicable" period immediately preceding the close of the taxable year at least 80 percent of its gross income from sources within a U.S. possession, and (2) receive for the "applicable" period at least 50 percent of its gross income from the active conduct of a trade or business within a U.S. possession. "Applicable" period was the lesser of 3 years or the period during which the corporation was engaged in the active conduct of a trade or business within a U.S. possession.

For additional information regarding the possessions tax credit, see Operation and Effect of the Possessions Corporation System of Taxation, Fourth Report, issued by the Department of the Treasury as required by the Tax Reform Act of 1976.

Work Incentive (WIN) Credit (#)

This credit was intended to expand job opportunities for Aid to Families with Dependent Children (AFDC) program recipients. Taxpayers were allowed a credit against their income tax liability if they were engaged in a trade or business and hired AFDC recipients under the Work Incentive (WIN) program of the Social Security Act (as authorized by the Revenue Act of 1971) or if they hired AFDC recipients under the Social Security Act, regardless of whether or not they were covered by the WIN program (as authorized by the Tax Reduction Act of 1975).

The Economic Recovery Tax Act of 1981 terminated the separate WIN credit for wages paid in tax years beginning after December 31, 1981. For tax years beginning in 1982 and later there was a new targeted group for certified WIN employees. Therefore, those corporations with accounting periods ending before 1982 could still claim a WIN credit. Those corporations with accounting periods beginning in 1982 could claim a WIN credit carryover, however, those statistics would be included in Jobs Credit.

Unused WIN credits were eligible to be carried back three years or carried forward fifteen years.

Zero Assets

In general, returns in this total assets-size class were:

- (1) final returns of liquidating or dissolving corporations which had disposed of all assets;
- (2) final returns of merging corporations whose assets and liabilities were reported in the returns of the acquiring corporations;
- (3) part-year returns of corporations (except initial returns of newly incorporated businesses); and
- (4) returns of foreign corporations with income "effectively connected" with the conduct of a trade or business in the United States (however, balance sheet data for U.S. branches of foreign insurance companies are included in the statistics and are classified by the size of total assets of these branches).

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Schedule J Tax Computation (See instructions for Schedule J on page 7)

Note: Fiscal year corporations, see instructions on page 10. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 11 of the instructions.

Calendar year corporations, see instructions for Schedule J on page 7. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and start with line 3.

- 1 Check if you are a member of a controlled group (see sections 1561 and 1563)
2 If line 1 is checked, see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:

- (i) \$, (ii) \$, (iii) \$, (iv) \$
3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D
4 (a) Foreign tax credit (attach Form 1118)
(b) Investment credit (attach Form 3468)
(c) Jobs credit (attach Form 5884)
(d) Employee stock ownership credit (applies only to fiscal year 1982-83 corporations—see instructions)
(e) Research credit (attach Form 6765)
(f) Possessions tax credit (attach Form 5735)
(g) Alcohol fuel credit (attach Form 6478)
(h) Credit for fuel produced from a nonconventional source (see instructions)

- 5 Total—Add lines 4(a) through 4(h)
6 Subtract line 5 from line 3
7 Personal holding company tax (attach Schedule PH (Form 1120))
8 Tax from recomputing prior-year investment credit (attach Form 4255)
9 Minimum tax on tax preference items (see instructions—attach Form 4626)

10 Total tax—Add lines 6 through 9. Enter here and on line 31, page 1.

Additional Information (See page 8 of instructions)

G Did you claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.)?
(2) Living accommodations (except employees on business)?
(3) Employees attending conventions or meetings outside the North American area?
(4) Employees' families at conventions or meetings?
(5) Employee or family vacations not reported on Form W-2?

H (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?

- If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; (c) taxable income or (loss) (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within your tax year; (d) highest amount owed by you to such corporation during the year; and (e) highest amount owed to you by such corporation during the year.
(2) Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of your voting stock?

- (a) Attach a schedule showing name, address, and identifying number.
(b) Enter percentage owned
(c) Was the owner of such voting stock a person other than a U.S. person?
If "Yes," enter owner's country

(d) Enter highest amount owed by you to such owner during the year

(e) Enter highest amount owed to you by such owner during the year

(Note: For purposes of H(1) and H(2), "highest amount owed" includes loans and accounts receivable/payable.)

I Refer to page 9 of instructions and state the principal: Business activity, Product or service

J Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation

K At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country?

L Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A or 926.

M During this tax year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

N During this tax year was any part of your tax accounting records maintained on a computerized system?

Schedule L Balance Sheets

Table with columns: ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY, Beginning of tax year (A, B), End of tax year (C, D). Rows include Cash, Trade notes and accounts receivable, Inventories, etc.

Schedule M-1 Reconciliation of Income Per Books With Income Per Return Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

Table with 2 columns for reconciliation. Rows include Net income per books, Federal income tax, Excess of capital losses over capital gains, etc.

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above) Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

Table with 2 columns for analysis of retained earnings. Rows include Balance at beginning of year, Net income per books, Other increases (itemize), etc.

1982

Department of the Treasury
Internal Revenue Service

Instructions for Form 1120 U.S. Corporation Income Tax Return

(References are to the Internal Revenue Code.)

Tax Highlights

Please note these important changes that have been made due to various tax laws. Changes A through C are based on the Economic Recovery Tax Act of 1981. Changes D through I are based on the Tax Equity and Fiscal Responsibility Act of 1982 enacted into law September 3, 1982.

A. Reduction in Corporate Tax Rates

Effective for tax years beginning after 1981, the tax rates are reduced for the two lowest taxable income brackets. For the taxable income bracket of \$25,000 or less, the tax rate decreases for 1982, from 17% to 16%, and for 1983, to 15%. For the taxable income bracket over \$25,000 but not over \$50,000, the tax rate decreases for 1982, from 20% to 19%, and for 1983, to 18%. The remaining tax rates of 30%, 40%, and 46% did not change.

Because of changes in these tax rates, fiscal year 1982-83 corporations must prorate their tax under section 21. Use the worksheet on page 11 of the instructions to make this computation.

B. Depreciation Changes

For tax years beginning after December 31, 1981, you may elect to expense part of the cost (up to \$5,000) of certain depreciable property that you bought during the year. See Form 4562, Depreciation and Amortization, for more information.

C. Charitable Contributions

Effective for tax years beginning after 1981, a corporation's maximum charitable contribution deduction will increase from 5% to 10% of its taxable income. See section 170(b)(2).

D. Reduction in Tax Preference Items

Fiscal year corporations (other than subchapter S corporations) may be required to reduce the following tax preference items by 15%: section 1202 capital gain, amortizable basis of pollution control facilities, intangible drilling costs, and mineral exploration and development costs. For more information and effective dates, see section 291.

E. Basis Adjustment for Investment Tax Credits

A taxpayer may be required to reduce the basis of property placed in service after December 31, 1982, by 50 percent of the regular, energy, or certified historic structure investment tax credit taken for the property. See the instructions for Form 3468, Computation of Investment Credit.

F. Leasing

Changes have been made to the safe harbor leasing rules that reduce the tax benefits on leases entered into or property placed in service after July 1, 1982, subject to certain transitional rules and rules for figuring the depreciation for qualified leased property (see sections 168(f) and (j)). The rules for figuring depreciation for property financed by tax-exempt obligations have also changed (see section 168(f)(12)).

G. Targeted Jobs Credit Changes

This credit has been extended to include wages paid to a qualified individual who begins work on or before December 31, 1984. Changes have been made in the certification rules and in the definition of certain targeted groups. For more information, see Form 5884, Jobs Credit (and WIN Credit Carryover).

H. Withholding on Interest and Dividends

Effective July 1, 1983, a corporation that is a payor of interest, dividends, or patronage dividends to certain recipients is required to withhold a tax of 10% on the amount paid. See the 1983 Instructions for Form 1096.

As recipients, however, most corporations are exempt from withholding on their income from these sources. Some withholding may have occurred: if for example, the corporation was a member of a partnership. If the corporation had withholding on its interest, dividend, or patronage dividend income after June 30, 1983, the corporation should include the withheld amount as a credit in the total for line 32(f). In the margin next to the entry on line 32(f), write the amount of the credit and identify it as "section 31(b) credit".

I. Accelerated Tax Payments

To avoid the estimated tax penalty for tax years beginning after December 31, 1982, the amount of estimated tax payments required by a corporation is increased from 80% to 90%. See sections 6655(b)(1) and (d)(3).

For tax years beginning after December 31, 1982, a corporation must pay the amount of unpaid taxes on line 33 within 2½ months after the end of the tax year. The election to pay in two equal installments will no longer be available.

Voluntary Contributions to Reduce the Public Debt

Quite often inquiries are received about how voluntary contributions to reduce the public debt may be made. A corporation may contribute by enclosing a separate check, payable to "Bureau of the Public Debt," with the tax return. These amounts are tax-deductible, subject to the rules and limitations for charitable contributions. Please keep the contribution to reduce the public debt separate from any amount payable with the tax return. Tax remittances should be made payable to "Internal Revenue Service."

General Instructions

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

A. Purpose

In general, Form 1120 is used to report income, gains, losses, deductions, and credits of U.S. corporations.

B. Filing Form 1120 Who Must File

The organizations listed below must file Form 1120. Note: If an organization more nearly resembles a corporation than a partnership or trust, it will be considered an association taxed as a corporation.

- Domestic corporations, whether or not they have any taxable income, unless exempt under section 501.
- Real estate investment trusts defined in section 856.
- Regulated investment companies defined in section 851.
- Insurance companies described in section 831.

Special Returns for Certain Organizations

Certain organizations, listed below, may have to file special returns.

- Foreign corporations other than life and mutual insurance companies filing Forms 1120L and 1120M: File Form 1120F.

- Life insurance companies (section 802): File Form 1120L.
- Mutual insurance companies (section 821): File Form 1120M.
- Exempt farmers' cooperatives (section 1381): File Form 990-C.
- Exempt organizations with unrelated trade or business income: File Form 990-T.
- Small business corporations (section 1372(e)): File Form 1120S.
- Domestic International Sales Corporations (section 992): File Form 1120-DISC.
- Political organizations (section 527): File Form 1120-POL.
- Homeowners associations (section 528): File Form 1120-H.

When to File

In general, a corporation must file Form 1120 by the 15th day of the 3rd month after the end of the tax year. A new corporation filing a short period return must generally file by the 15th day of the 3rd month after the short period ends. A corporation that has dissolved must generally file by the 15th day of the 3rd month after the date it dissolved.

Extensions.—File Form 7004 to request an automatic 3-month extension of time to file Form 1120.

File Form 7005 to request an additional extension after obtaining an automatic 3-month extension by filing Form 7004.

Period covered.—File the 1982 return for calendar year 1982 and fiscal years that begin in 1982 and end in 1983. For a fiscal year, fill in the tax year space at the top of the form.

Final return.—If the corporation ceases to exist, write "Final return" at the top of the form.

Where to File

| If the corporation's principal business, office, or agency is located in | Use the following Internal Revenue Service Center address |
|---|---|
| New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester | Holtzville, NY 00501 |
| New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont | Andover, MA 05051 |
| Alabama, Florida, Georgia, Mississippi, South Carolina | Atlanta, GA 31101 |
| Michigan, Ohio | Cincinnati, OH 45999 |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas | Austin, TX 73301 |
| Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | Ogden, UT 84201 |
| Illinois, Iowa, Missouri, Wisconsin | Kansas City, MO 64999 |
| California, Hawaii | Fresno, CA 93888 |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia | Memphis, TN 37501 |
| Delaware, District of Columbia, Maryland, Pennsylvania | Philadelphia, PA 19255 |

Page 2

Corporations having their principal place of business outside the United States or claiming a possessions tax credit (section 936) must file with the Internal Revenue Service Center, Philadelphia, PA 19255.

The separate income tax returns of a group of corporations located in several Service Center regions may be filed with the Service Center for the area in which the principal office of the managing corporation that keeps all the books and records is located.

Signature

The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If your corporate officer filled in Form 1120, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares Form 1120 and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120 should not sign. For example, a regular, full time employee of the corporation such as a clerk, secretary, etc. does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare Form 1120 must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The preparer required to sign the return MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give a copy of Form 1120 to the taxpayer in addition to the copy filed with IRS. Tax return preparers should be familiar with their responsibilities. See Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

C. Figuring and Paying the Tax

1. Accounting

Accounting methods.

Taxable income must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Corporations engaged in farming operations may be required to use the accrual method of accounting. See section 447 for exceptions to the general rule.

Unless the law specifically permits otherwise, the corporation may change the method of accounting used to report taxable income in earlier years (for income as a whole or for any material item) only by first getting consent on Form 3115, Application for Change in Accounting Method. Also see Publication 538, Accounting Periods and Methods.

Change in accounting period.

Before you can change an accounting period, you must get the Commissioner's approval (Regulation section 1.442-1) by filing Form 1128, Application for Change in Accounting Period. Also see Publication 538, Accounting Periods and Methods.

2. Rounding Off To Whole-Dollar Amounts

You may show the money items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

3. Depository Method of Tax Payment

The corporation must pay the tax due either in full when the return is filed, or in two equal installments of the amount on line 33 determined without regard to any Form 2220 penalty. However, if line 33 includes a penalty as reported on Form 2220, that amount should be paid in full at the time the return is filed. The installments are due by the 15th day of the 3rd month and the 15th day of the 6th month after the end of the tax year.

Deposit corporation income tax payments (and estimated tax payments) with a prescribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depository for Federal taxes or the Federal Reserve Bank or Branch (FRB) servicing the geographic area where the corporation is located. Records of deposits will be sent to IRS for crediting to the corporation's account. See the instructions on the back of Form 503 for more information and exceptions.

Prescribed FTD Forms 503 will be mailed to the corporation on a regular basis depending on the corporation's tax year. You may apply for these forms from the Internal Revenue Service Center where the corporation files its return. If you do not have these forms when a deposit is due, mail your payment to the Internal Revenue Service Center where the corporation files its return. When applying for FTD Form 503 (and also when making a deposit without FTD Form 503), include the corporation's name, employer identification number, address, and the tax year to which the deposits relate.

For more information concerning deposits, see Publication 583, Information for Business Taxpayers.

4. Estimated Tax

A corporation must make estimated tax payments if it can expect its estimated tax (income tax minus credits) to be \$40 or more.

You may use Form 1120-W, Corporation Estimated Tax, as a worksheet to compute estimated tax.

If the corporation overpaid estimated tax, you may be able to get a "quick refund" by filing Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. The overpayment must be both 1. at least 10% of expected income tax liability and 2. at least \$500. To apply, you must file Form 4466 with Instructions.

2½ months after the end of the tax year and before Form 1120 is filed.

D. Penalties

Avoid penalties and interest by correctly filing and paying the tax when due. The corporation may have to pay the following penalties unless it can show that failure to file or to pay was due to reasonable cause and not willful neglect. (These penalties are in addition to the interest charge on unpaid tax at a rate under section 6621.)

• A corporation that fails to file its tax return when due (including any extensions of time for filing) may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed. (The penalty is imposed on the net amount due.) The minimum penalty for failure to file a tax return within 60 days of the due date for filing (including extensions) is the lesser of the underpayment of tax or \$100.

• A corporation that fails to pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. (The penalty is imposed on the net amount due.)

A corporation that fails to pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment. For tax years beginning after December 31, 1982, section 6655(i) modifies the exceptions to the penalty in sections 6655(d)(1) and (2), by requiring certain large corporations to make a minimum payment of estimated tax equal to 75% or more of their current year's tax liability to avoid this underpayment penalty.

If the corporation underpaid estimated tax, attach Form 2220, Underpayment of Estimated Tax by Corporations, to show how the corporation figured the penalty or which exceptions the corporation believes it meets. Also be sure to check the box below line 33, Form 1120. If the corporation owes a penalty, enter the amount in the space below line 33.

If there is tax due on line 33, include the amount of the penalty in with the total. If there is a refund due, subtract the amount of the penalty from the overpayment on line 34.

Penalty for Overstated Tax Deposits.—If you overstate your deposits, you may be subject to a penalty. See section 6656(b).

E. Other Forms, Returns, Schedules, and Statements That May Be Required

a. Forms.

The corporation may have to file any of the following:

Forms W-2 and W-3, Wage and Tax Statement; and Transmittal of Income and Tax Statements.

Form W-2P, Statement for Recipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments.

Forms 1087-DIV, INT, MED, MISC, and OID, Nominees' information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discounts that

were received as a nominee on behalf of another person.

Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Form 5452, Corporate Report of Nontaxable Dividends.

Forms 966 and 1099L, Information returns regarding dissolution or liquidation, and distributions in liquidation.

Forms 1099-BCD, DIV, F, INT, MED, MISC, NEC, OID, PATR, and R, Information returns for reporting interest on bearer certificates of deposit, certain dividends and distributions, payments for certain fishing boat crew members, interest income, medical and health care payments, miscellaneous income payments, nonemployee compensation, original issue discount, patronage dividends, and total distributions from profit-sharing plans, retirement plans, and individual retirement arrangements.

Form 5713, International Boycott Report, for persons having operations in or related to "boycotting" countries. In addition, persons who participate in or cooperate with an international boycott, may have to complete Schedule A or Schedule B and Schedule C of Form 5713 to compute their loss of the following items: the foreign tax credit, the deferral of earnings of a controlled foreign corporation, and DISC benefits.

b. Consolidated return.
The parent corporation of an affiliated group of corporations must attach Form 851, Affiliations Schedule, to the consolidated return. For the first year a consolidated return is filed, each subsidiary must attach Form 1122, Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Income Tax Return.

File supporting statements for each corporation included in the consolidated return. Use columns to show the following, both before and after adjustments:

• Items of gross income and deductions.

• A computation of taxable income.

• Balance sheets as of the beginning and end of the tax year.

• A reconciliation of retained earnings.

• A reconciliation of income per books with income per return.

Attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

c. Real estate investment trusts.

Attach the appropriate schedules. See sections 856-860 for special rules.

d. Statements.

Stock ownership in foreign corporations. Attach the required statement if the corporation owned 5% or more in value of the outstanding stock of a foreign personal holding company. See section 551(c).

A corporation that controls a foreign corporation, or that is a 10%-or-more shareholder of a controlled foreign corporation, may have to file Form 5471, Information Return with Respect to a Foreign Corporation.

Transfers to a corporation controlled by the transferor. If a person receives stock

or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the person (transferor) and the transferee must attach the information required by Regulation section 1.351-3.

Corporations that liquidate within one calendar month under section 333. These corporations must attach a computation of accumulated earnings and profits, including all items of income and expense accrued up to the date the transfer of all property is completed. Use the format in Rev. Proc. 75-17, 1975-1 C.B. 677.

e. Amended return.

Use Form 1120X, Amended U.S. Corporation Income Tax Return, to correct any error in a previously filed income tax return.

f. Financial statements.

Do not complete Schedules M-1 and M-2 or similar statements if your total assets at the end of the tax year (line 14, column (D) of Schedule L) are less than \$25,000.

You may use either Schedule L or copies of other balance sheets required by Federal, State, or other authorities. The balance sheets must agree with your books and records. You must reconcile any differences. On line 1 of whatever balance sheet you use, include as cash any certificates of deposit and other cash equivalents.

Banks, insurance companies, and other corporations required to file substantially similar statements of income and expense to any Federal, State, or other authority may file copies of such statements instead of the information required on lines 1 through 30 of Form 1120. Railroads may substitute Form 1090, Statement of Income, and Profit and Loss Accounts. In these cases, use Schedule M-1 to reconcile taxable income with the net profit that is shown on the statement and that would be entered as line 30.

Statements filed under this procedure must contain sufficient information to enable IRS to reconstruct an income and expense statement and a balance sheet similar to that contained on Form 1120, without contacting the taxpayer during processing.

g. Attachments.

If you need more space on forms or schedules, attach separate sheets to the back of Form 1120. Attach schedules in alphabetical order and forms in numerical order. Be sure to put the taxpayer's name and employer identification number (EIN) on each sheet.

A corporation that does not have an EIN should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form at most IRS or Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which you send Form 1120. If you have not received the EIN by the filing time for Form 1120, write "Applied for" in the space for the EIN.

For more information concerning an EIN, see Publication 583, Information for Business Taxpayers.

Total Assets. Enter the total assets of the corporation. If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Gross Income

Line 1

Gross receipts

Enter gross receipts or sales from all business operations except those that must be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see Regulation sections 1.451-3 and 1.451-5.

If the installment method is used, enter on line 1 the gross profit on collections from installment sales, and carry the same amount to line 3. Attach a schedule showing the following for the current year and the 3 preceding years: a. gross sales, b. cost of goods sold, c. gross profits, d. percentage of gross profits to gross sales, e. amount collected, and f. gross profit on amount collected.

Line 2

Cost of goods sold

See the instructions for Schedule A.

Line 4

Dividends

See the instructions for Schedule C.

Line 5

Interest

Enter interest on U.S. obligations and on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest income against interest expense.

Line 6

Gross rents

Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation in the proper lines for deductions.

Line 8

Capital gain net income

Every sale or exchange of a capital asset must be reported in detail on Schedule D, even though no gain or loss is indicated.

If the net long-term capital gain is more than the net short-term capital loss, or if there is only a net long-term capital gain, compute the alternative tax to see if it produces a smaller tax.

Page 4

Line 9

Net gain or (loss)

Enter the net gain or loss from Form 4797, Supplemental Schedule of Gains and Losses, line 11(a), Part II.

Line 10

Other income

Enter any other taxable income not listed above, and explain its nature on an attached schedule. Examples of other income are recoveries of bad debts deducted in prior years under the specific charge-off method; the amount of credit for alcohol used as fuel (determined without regard to the limitation based on tax) that was entered on Form 6478, Credit for Alcohol Used as Fuel; and refunds of taxes deducted in prior years. Do not offset current year's taxes with tax refunds. If "other income" consists of only one item, explain what it is in parentheses on line 10.

Deductions

Transaction between related taxpayers. See section 267 for limitation on deductions for unpaid expenses and interest.

Line 12

Compensation of officers

Enter on line 12 the total compensation of officers.

Complete Schedule E only if your total receipts (line 1(a), plus lines 4 through 10, of page 1, Form 1120) are \$150,000 or more.

Complete Schedule E, columns 1 through 6, for all officers. The corporation determines who is an officer under the laws of the State where incorporated.

Complete Schedule E, column 7 for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means 1. amounts, other than compensation, received as advances or reimbursements and 2. amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 7 does not have to be completed for any officer whose combined amount is less than \$50,000.

In a consolidated return, each member of an affiliated group must furnish this information.

Line 13

Salaries and wages

Enter on line 13(a) the amount of total salaries and wages paid or incurred for the tax year. Do not include salaries and wages deducted elsewhere on your return, such as contributions to a Simplified Employee Pension which are deducted on line 24.

Enter on line 13(b) the amount of jobs credit from Form 5884, Jobs Credit (and WIN Credit Carryover).

Line 14

Repairs

Enter the cost of incidental repairs, such

as labor and supplies, that do not add to the value of the property or appreciably prolong its life. However, see the instructions for line 20.

Expenditures to remove architectural and transportation barriers to handicapped and elderly. For rules for expenses in tax years beginning before January 1, 1983, to remove architectural and transportation barriers to handicapped and elderly persons, see section 190 and related regulations.

Line 15

Bad debts

Bad debts may be treated in either of two ways: 1. as a deduction for debts that become worthless in whole or in part, or 2. as a deduction for a reasonable addition to a reserve for bad debts. (See section 166.)

Use Form 3115 if you want to apply for a change in the method of computing bad debts.

Line 17

Taxes

Enter taxes paid or accrued during the tax year.

Do not include the following: 1. Federal income taxes; 2. foreign or U.S. possession income taxes if a tax credit is claimed; or 3. taxes not imposed on the corporation.

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

Line 18

Interest

Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (For exceptions, see section 265(2).)

Mutual savings banks, building and loan associations, and cooperative banks can deduct the amounts paid or credited to the accounts of depositors as dividends, interest, or earnings. (See section 591.)

Generally, a cash basis taxpayer cannot deduct prepaid interest allocable to years following the current tax year. For example, a cash basis calendar year taxpayer, who in 1982 prepaid interest allocable to any period after 1982, can deduct only the amount allocable to 1982. Please see Publication 545, Interest Expense.

Generally, for positions established after June 23, 1981, the interest and carrying charges on straddles can not be deducted and must be capitalized. See section 263(g).

Line 19

Contributions

Enter contributions or gifts actually paid within the tax year to or for the use of charitable and governmental organizations described in section 170(c) and any unused contributions carried over from prior years.

The total amount claimed may not be more than 10% of taxable income (line 30) computed without regard to the

following: 1. any deduction for contributions; 2. the special deductions in line 29(b); 3. deductions allowed under sections 249 and 250; 4. any net operating loss carryback to the tax year under section 172; and 5. any capital loss carryback to the tax year under section 1212(a)(1).

Charitable contributions over the 10% limitation may not be deducted for the tax year but may be carried over to the next 5 tax years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid by the 15th day of the 3d month after the end of the tax year if the contributions are authorized by the board of directors during the tax year. Attach to the return a declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the tax year. Also attach a copy of the resolution.

If a contribution is in property other than money, attach a schedule describing the kind of property contributed and the method used in determining its fair market value. If you made a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the donation, the type of legal interest contributed, and describe the conservation purpose furthered by the donation.

If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property. For a charitable contribution of property, you must reduce the contribution by the sum of:

1. the ordinary income, short-term capital gain and

2. for certain contributions, 60.87% of the long-term capital gain, that would have resulted if the property were sold at its fair market value. The reduction for 60.87% of the long-term capital gain applies to 1. contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and 2. contributions of any property to or for the use of certain private foundations. (See section 170(e) and Regulation section 1.170A-4.)

For special rules for contributions of inventory and other property to certain organizations, see section 170(e)(3) and Regulation section 1.170A-4A.

Charitable Contributions of Scientific Property Used for Research. Effective August 14, 1981, a corporation (other than a personal holding company or a service organization) can receive a larger deduction for contributing scientific property used for research to an institution of higher education. For further information, see section 170(e).

Line 20

Depreciation

Besides depreciation, include in line 20 part of the cost (up to \$5,000) you elect to expense of certain recovery property placed in service during tax year 1982. See the instructions for Form 4562, Depreciation and Amortization.

Line 22

Depletion

See sections 613 and 613A for percentage depletion rates applicable to natural deposits.

Attach Form T (Timber), Forest Industries Schedules, if you claim a deduction for depletion of timber.

Line 24

Pension, profit-sharing, etc., plans

Employers who maintain a pension, profit-sharing, or other funded deferred compensation plan whether or not qualified under the Internal Revenue Code and whether or not a deduction is claimed for the current tax year, generally are required to file one of the forms described below. The Employee Retirement Income Security Act of 1974 imposes penalties for failure to timely file these forms.

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C or 5500-R.—Complete the applicable form for each plan with fewer than 100 participants.

Note: Only one return is required to be filed for a multiemployer collectively-bargained plan. Contributing employers are not required to file separately.

Line 25

Employee benefit programs

Enter the amount of contributions to employee benefit programs (for example, insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24. Also include contributions to a qualified group legal services plan. Section 120 imposes certain rules on an employer which will permit employees (including spouses and dependents) to exclude from income employer contributions to a qualified group legal services plan.

Line 26

Other deductions

Include in line 26 the deduction taken for amortization. See Form 4562. Generally, you may not take a deduction for the amount of any item or part of it allocable to a class of exempt income. (See section 265(2) for exceptions.)

If patronage dividends are included in line 26, show this deduction and any other deduction not listed above on an attached schedule.

Generally, you can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business. However, you cannot deduct an expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for an activity that is usually considered entertainment, amusement, or recreation. (Note: you may be able to

deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or Form 1099-NEC for an independent contractor).

See Publication 463, Travel, Entertainment, and Gift Expenses, for more details. **Note:** You cannot deduct penalties imposed on corporations such as those included in General Instruction D.

Line 28

Taxable income before NOL deduction and special deductions

Special "at risk" rules under section 465 generally apply to closely held corporations engaged in any activity as a trade or business or for the production of income. Such corporations may have to adjust the amount on line 28. See below. However, the "at risk" rules do not apply to 1. holding real property other than mineral property and 2. equipment leasing under section 465(c)(4), (5), and (6). These "at risk" rules apply to a closely held corporation that may or may not be a personal holding company.

A closely held corporation that is NOT a personal holding company. Adjust the amount on line 28 for section 465(d) losses. These losses are limited to the amount for which the closely held corporation is "at risk" for each separate activity at the close of the tax year.

For a corporation involved in more than one activity that incurs a loss for the year, report each loss separately. Attach a schedule reflecting the amount "at risk" and gross income and deductions for each activity that has a loss.

If the corporation sells or otherwise disposes of an asset or its interest (either total or partial) in an activity to which the "at risk" rules apply, determine the net profit or loss from the activity by combining the gain or loss on the sale or disposition with the profit or loss from the activity. If the corporation has a net loss, it may be limited because of the "at risk" rule.

Treat any loss from an activity not allowed for the tax year as a deduction allocable to the activity in the next tax year.

A closely held corporation that is a personal holding company. For the amount to enter on line 28, see Schedule PH (Form 1120), Specific Instructions for line 1, regarding section 465 losses.

Line 29(a)

Net operating loss deduction

The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the tax year. (Section 172(e).)

Generally, you may carry a net operating loss back to each of the 3 years preceding the year of the loss and carry it over to each of the 15 years following the year of the loss. You may carry back 10 years the part of the net operating loss attributable to a product liability loss. (See section 172(b)(1)(H).) There is also an available election to carry a net operating loss over to just each of the 15 years following the year of the loss. You may make the election by attaching a statement to a return that is filed on time (including extension).

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sions.) The election is irrevocable. After applying the net operating loss to the first tax year to which it may be carried, the portion of the loss you may carry to each of the remaining tax years is the excess, if any, of the loss over the sum of the taxable income for each of the prior tax years to which you may carry the loss. (See section 172(b).)

If there is a carryback of a net operating loss, net capital loss, an unused investment credit, unused work incentive (WIN) credit, or unused jobs credit, file Form 1139, Corporation Application for Tentative Refund, within 12 months after the close of the tax year for a "quick refund" of taxes. (See section 6411.)

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers. Also see Publication 536, Net Operating Losses and the At-Risk Limits.

Line 29(b)

Special deductions

See the instructions for Schedule C.

Lines 32(e) and 32(f)

Credit for overpaid windfall profit tax

A corporation that has overpaid its windfall profit tax may claim a credit on its income tax return. Use Form 6249, Computation of Overpaid Windfall Profit Tax, to figure the credit. Include the amount of the credit in the total for line 32(e). Write in the margin, next to the entry on line 32(e), the amount of the credit and identify it as "Overpaid Windfall Profit Tax."

Credit for withholding on interest and dividends

A fiscal year corporation, whose tax year ends after June 30, 1983, can take a credit for the amount of tax withheld under section 3451 from interest, dividend, or patronage dividend income paid or credited after June 30, 1983, by a payor. Include the amount of the credit in the total for line 32(f). In the margin, next to the entry on line 32(f), write the amount of the credit and identify it as "section 31(b) credit."

Schedule A

Cost of Goods Sold

Valuation Methods. Your inventories can be valued at: 1. cost; 2. cost or market value (whichever is lower); or 3. any other method that is approved by the Commissioner of Internal Revenue and that conforms to the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods must change to a method permitted for Federal income tax purposes. Such change should be made by filing Form 3115. For more information about the change, see Regulation section 1.446-1(e)(3) and Rev. Proc. 80-51, 1980-2 C.B. 818.

In line 8(a), check the method(s) used for valuing inventories. Under "lower of

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cost or market," market generally applies to normal market conditions where there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For more requirements, see Regulation section 1.471-4.

Inventory may be valued below cost when the merchandise is 1. unsalable at normal prices or 2. unusable in the normal way because the goods are "subnormal" (that is because of damage, imperfections, shop wear, etc.) within the meaning of Regulation section 1.471-2(c). Such goods may be valued at a current bona fide selling price minus direct cost of disposition (but not less than scrap value) if you can establish such a price. See Regulation section 1.471-2(c) for more requirements.

If this is the first year the "Last-in First-out" (LIFO) inventory method was either adopted or extended to inventory goods not previously valued under the LIFO method, provided in section 472, attach Form 970, Application to Use LIFO Inventory Methods, or a statement with the information required by Form 970. Also check the LIFO box in line 8(b). Enter the amount or percent of total closing inventories covered under section 472 in line 8(c). Estimates are acceptable.

Full absorption method of inventory costing. For a corporation engaged in manufacturing or production operations, use the full absorption method of inventory costing. If the corporation is not using the full absorption method, it must change to it. Under this method both direct and certain indirect production costs are included for inventory valuation purposes. You may change to full absorption by filing Form 3115. For more details, see Rev. Proc. 75-40, 1975-2 C.B. 571 and Regulation section 1.471-11.

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

For certain cooperatives, if per unit retain allocations (defined under section 1388(f)) are included on line 4, Schedule A, show this cost and any other costs not included in lines 1 through 3 on an attached schedule to Form 1120.

Schedule C

Dividends and Special Deductions

Line 1, Column (A)

Enter dividends that are received from domestic corporations subject to income tax and that are subject to the 85% deduction under section 243(a)(1). Include on this line taxable distributions from a DISC or former DISC that are designated as being eligible for the 85% deduction.

Small business investment companies must enter dividends received from domestic corporations subject to income tax even though a deduction is allowed for the entire amount of such dividends in line 1 of column (C). For dividends received from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings received from mutual savings banks, etc., are really interest. Do not treat them as dividends.

Line 2, Column (A)

Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

Line 3, Column (A)

Enter dividends that are received from foreign corporations and that qualify for the 85% deduction provided in section 245(e).

Line 4, Column (A)

Enter dividends that are received from wholly-owned foreign subsidiaries and that are eligible for the 100% deduction provided in section 245(b).

In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a tax year during which 1. all of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and 2. all of its gross income from all sources is effectively connected with the conduct of a trade or business within the U.S.

Lines 1, 2, 3, 4, Column (C)

A small business investment company operating under the Small Business Investment Act of 1958 may deduct 100% of dividends received from domestic corporations subject to income tax. (Section 243(a)(2).)

No deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)) to the extent the dividend 1. is paid out of the corporation's accumulated DISC income or previously taxed income, or 2. is a deemed distribution under section 995(b)(1).

In general, no dividends-received deduction will be allowed on any share of stock 1. that is disposed of if the corporation held it 15 days or less, or 2. to the extent the corporation is under an obligation to make corresponding payments for substantially identical stock or securities.

Line 5, Column (C)

Limitation on dividends-received deduction. Line 5 of column (C) may not be more than 85% of line 28, page 1, Form 1120, minus line 6 of column (C). For this purpose, compute line 28 (Form 1120) without regard to any capital loss carryback to the tax year under section 1212(a)(1).

In a year in which a net operating loss occurs, this 85% limitation does not apply

even if the loss is created by the dividends-received deduction. (See sections 172(d) and 246(b).)

For a small business investment company, the dividends-received deduction of 100% included in line 5 of column (C) is not subject to the overall 85% limitation.

Financial institutions should see section 596 for the special limitation on the dividends-received deduction.

Line 6, Columns (A) and (C)

Enter only those dividends that are subject to the elective provisions of section 243(b) and that are entitled to the 100% dividends-received deduction under section 243(a)(3). Corporations making this election are subject to the provisions of section 1561.

Line 7, Column (A)

Enter foreign dividends not reportable on lines 3 and 4 of column (A). Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F (sections 951-964).

Line 8, Column (A)

Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported in line 5, Schedule J, Form(s) 5471.

Line 9, Column (A)

Include gross-up for taxes deemed paid under sections 902 and 960.

Line 10, Column (A)

Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% deduction.

Line 11, Column (A)

Include the following:

- Dividends (other than capital gain dividends and exempt interest dividends) that are received from regulated investment companies and that are not subject to the 85% deduction.
- Dividends from tax-exempt organizations.
- Dividends (other than capital gain dividends) received from a real estate investment trust which, for the tax year of the trust in which the dividends are paid, qualify under sections 856-860.
- Dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock.
- Any other taxable dividend income not properly reported above. If patronage dividends or per-unit retain allocations are included in Schedule C, line 11, column (A), identify the total of these amounts in a schedule attached to Form 1120.

Line 12, Column (C)

Deduction for dividends paid on certain preferred stock of public utilities. Section

247 allows public utilities a deduction of 30.435% of either 1. dividends paid on their preferred stock during the tax year, or 2. taxable income computed without regard to this deduction, whichever is less. In a year in which a net operating loss occurs, compute the deduction without regard to section 247(a)(1)(B). (See section 172(d).)

Schedule J

Tax Computation

Fiscal year 1982-83 corporations must use the worksheet on page 11 of the instructions to compute their tax.

A 1982 calendar year corporation that is not a member of a controlled group (these members should see lines 1 and 2 below) will compute the tax on its taxable income as follows:

| If the amount on Form 1120, Line 30, Schedule J, Line 3: | Enter on Form 1120, Schedule J, Line 3: | But not over— | Over— | Of the amount over— |
|--|---|---------------|---------------|---------------------|
| Page 1 is: | | 0 | 0 | 0 |
| | | \$25,000 | \$25,000 | 16% |
| | | 50,000 | \$4,000 + 19% | \$25,000 |
| | | 75,000 | 8,750 + 30% | 50,000 |
| | | 100,000 | 16,250 + 40% | 75,000 |
| | | 100,000 | 26,250 + 46% | 100,000 |

If the alternative tax does not apply, enter on line 3 of Schedule J, the amount computed above. If the alternative tax applies, see Schedule D (Form 1120). (Personal holding companies—see Schedule PH (Form 1120) before completing Schedule J.)

Lines 1 and 2

Members of a controlled group, as defined in section 1563, are entitled to only one \$25,000 amount in each taxable income bracket.

When a controlled group adopts or later amends an apportionment plan, each member must attach to its tax return a copy of its consent to this plan. The copy (or an attached statement) must show the part of the \$25,000 in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulation section 1.1561-3(b) for them and for the time and manner of making the consent.

Equal Apportionment Plan. If no apportionment plan is adopted, the members of the controlled group must divide the \$25,000 in each taxable income bracket equally among themselves. For example, controlled group AB consists of corporation A and corporation B. They do not elect an unequal apportionment plan. Therefore, corporation A is entitled to \$12,500 (one-half of \$25,000) in each taxable income bracket. Corporation B is also entitled to \$12,500 in each taxable income bracket.

Unequal Apportionment Plan. Members of a controlled group may elect an unequal apportionment plan and divide the \$25,000 in each taxable income bracket as they

wish. There is no need for consistency between taxable income brackets. Any member of the controlled group may be entitled to all, some, or none of the \$25,000 in a taxable income bracket. (But the total amount for all members of the controlled group cannot be more than \$25,000 in any taxable income bracket.) Each member of a controlled group must compute the tax as follows:

Note: If alternative tax applies, 1982 calendar year corporations should do the following: (1) Complete lines 1 and 2 of Schedule J. (2) On line 1 below, instead of entering amount from line 30, page 1, Form 1120, enter amount from line 14, Schedule D. (3) Complete lines 2 through 15 below, and, (4) Enter amount from line 15 below on line 15 of Schedule D and complete balance of Schedule D.

- Enter taxable income (line 30, page 1)
- Enter line 1 or your portion of the first \$25,000 taxable income bracket, whichever is less
- Subtract line 2 from line 1
- Enter line 3 or your portion of the second \$25,000 taxable income bracket, whichever is less
- Subtract line 4 from line 3
- Enter line 5 or your portion of the third \$25,000 taxable income bracket, whichever is less
- Subtract line 6 from line 5
- Enter line 7 or your portion of the fourth \$25,000 taxable income bracket, whichever is less
- Subtract line 8 from line 7
- 16% of line 2
- 19% of line 4
- 30% of line 6
- 40% of line 8
- 46% of line 9
- Total of lines 10 through 14. Enter this amount on line 3 of Schedule J.

Line 3

Bank Holding Companies.—Section 6158 provides that a bank holding company may elect to pay in installments the tax attributable to the sale of certain assets whose divestiture is certified by the Board of Governors of the Federal Reserve System. If the bank holding company chooses this election, attach a statement showing the tax computation and the amount of the installment paid with this return. Also, in the right-hand margin next to line 3, Schedule J, enter the amount of the installment payment followed by the words "computed under section 6158." If an election under section 1103(g) or (h) applies, enter the words "section 1103(g) election" or "section 1103(h) election," as the case may be. **Mutual savings banks conducting life insurance business.** The tax under section 594 consists of the sum of 1. a partial tax computed on Form 1120 on the taxable income of the bank determined without regard to income or deductions allocable to the life insurance department, and 2. a partial tax on the taxable income computed on Form 1120L of the life insurance department. Enter the combined tax on line 3 of Schedule J, Form 1120. Attach Form 1120L as a schedule and identify it as such.

Line 4(b)

Investment credit. If your corporation invested in certain types of trade or business property, or qualified energy property, you may be able to take the investment credit, or the energy investment credit, or both credits.

Use Form 3468, Computation of Investment Credit, to figure these credits.

Line 4(c)

Jobs credit. The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. Generally, the allowable credit is equal to 50% of qualified first-year wages paid or incurred and 25% of qualified second-year wages paid or incurred. See Form 5884, Jobs Credit (and WIN Credit Carryover) for definitions, special rules, and limitations. Also see Publication 906, Jobs and Research Credits.

Do not take an expense deduction for the part of the wages or salaries paid or incurred which is equal to the amount of the jobs credit (determined without regard to the limitation based on the tax (section 53)).

Any WIN credit carryover should be claimed with the jobs credit. See the instructions for Form 5884 for more information.

Line 4(d)

Employee stock ownership credit. For tax years ending after December 31, 1982, corporations may take a tax credit equal to the value of employer stock (or money used to buy stock) that they contribute to a tax credit Employee Stock Ownership Plan (ESOP). The credit is limited to a percentage of the total compensation of participating employees. See Form 8007, Credit for Employee Stock Ownership Plan, for definitions, limitations and the computation of the credit.

Line 4(e)

Research credit. Amounts paid or incurred before January 1, 1986, for qualified research expenses in carrying on a trade or business are allowed as a credit. Use Form 6765, Credit for Increasing Research Activities, to figure the credit.

Line 4(f)

Possessions tax credit. See Form 5712, Election to be Treated as a Possessions Corporation Under Section 936, for rules on how to elect to claim the possessions tax credit (section 936). Compute the credit on Form 5735, Computation of Possessions Corporation Tax Credit Allowed Under Section 936.

Line 4(g)

Alcohol fuel credit. You may be able to take a credit for alcohol used as fuel. This applies to straight alcohol you sell at retail or use as fuel in your trade or business. It also applies to an alcohol mixture you sell or use as fuel in your trade or business. Use Form 6478, Credit for Alcohol Used As Fuel, to figure the credit.

Line 4(h)

Credit for fuel produced from a non-conventional source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 44D contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to your return showing the computation of the credit.

Line 8

Tax from recomputing prior-year investment credit. If property is disposed of or ceases to be qualified property before the end of life-years used in computing the regular or energy investment credit, you may have to recapture the credit. (See Form 4255, Recapture of Investment.)

Line 9

Minimum tax. Attach Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries, if the corporation has tax preference items in excess of \$10,000, OR if there is any minimum tax liability deferred from a prior tax year.

Line 10

Real estate investment trust excise tax. An excise tax is imposed on certain real estate investment trust taxable income not distributed during the tax year (section 4981). Attach a copy of your tax computation and include the amount of tax in the total for line 10, Schedule J (Form 1120). Write in the margin, next to the entry on line 10, the amount of the tax and identify it as "section 4981 tax."

Schedule M-2

Unappropriated Retained Earnings

Line 5

Distributions under the Bank Holding Company Act. If an election under section 1103(g) or (h) applies to a section 1101 distribution, the bank holding company

making the distribution must enter the words "section 1103(g) election" or "section 1103(h) election," as the case may be, in the right-hand margin next to line 5, Schedule M-2 (Form 1120).

Additional Information

Be sure to answer questions G through N on page 3, Form 1120. The instructions that follow are keyed to these questions.

Question H(2)(c).

U.S. person

The term "U.S. person" means: 1. a citizen or resident of the United States; 2. a domestic partnership; 3. a domestic corporation; or 4. any estate or trust (other than a foreign estate or trust within the meaning of section 7701(a)(31)).

"Owner's country," for individuals, is the owner's country of residence. For all others, it is the country where incorporated, organized, created, or administered.

Question K.

Foreign financial accounts

Check the Yes box if either 1. or 2. below applies to you. Otherwise, check the No box.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country AND

- The combined value of the accounts was more than \$1,000 at any time during the year; AND
- The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1, Report of Foreign Bank and Financial Accounts, to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question K, file Form 90-22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS.

You can get Form 90-22.1 from many IRS offices.

Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Standard Industrial Classification System authorized by Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises by type of activity in which they are engaged.

Using the list below, enter on page 1, under C, the code number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means gross receipts (line 1(a), page 1) plus all other income (lines 4 through 10, page 1).

On page 3, under I, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

Agriculture, Forestry, and Fishing

Code
0400 Agricultural production.
0600 Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.

Mining

Code
1000 Metal mining:
1010 Iron ores.
1070 Copper, lead and zinc, gold and silver ores.
1098 Other metal mining.
1150 Coal mining.
Oil and gas extraction:
1330 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.
Nonmetallic minerals, except fuels:
1430 Dimension, crushed and broken stone; sand and gravel.
1498 Other nonmetallic minerals, except fuels.

Construction

Code
1500 General building contractors and operative builders:
1510 General building contractors.
1531 Operative builders.
1600 Heavy construction contractors.
Special trade contractors:
1711 Plumbing, heating, and air conditioning.
1731 Electrical work.
1798 Other special trade contractors.

Manufacturing

Code
2000 Food and kindred products:
2010 Meat products.
2020 Dairy products.
2030 Preserved fruits and vegetables.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar and confectionery products.
2081 Malt liquors and malt.
2088 Alcoholic beverages, except malt liquors and malt.
2089 Bottled soft drinks, and flavorings.
2096 Other food and kindred products.
2100 Tobacco manufacturers.
Textile mill products:
2228 Weaving mills and textile finishing.
2250 Knitting mills.
2298 Other textile mill products.
Apparel and other textile products:
2315 Men's and boys' clothing.
2345 Women's and children's clothing.
2388 Other apparel and accessories.
2390 Miscellaneous fabricated textile products.
Lumber and wood products:
2415 Logging, sawmills, and planing mills.
2430 Millwork, plywood, and related products.
2498 Other wood products, including wood buildings and mobile homes.
2500 Furniture and fixtures.
Paper and allied products:
2625 Pulp, paper, and board mills.
2699 Other paper products.
Printing and publishing:
2710 Newspapers.
2720 Periodicals.
2735 Books, greeting cards, and miscellaneous publishing.
2799 Commercial and other printing, and printing trade services.

Code
2815 Industrial chemicals, plastics materials and synthetics.
2830 Drugs.
2840 Soap, cleaners, and toilet goods.
2850 Paints and allied products.
2898 Agricultural and other chemical products.
Petroleum refining and related industries (including those integrated with extraction):
2910 Petroleum refining (including integrated).
2998 Other petroleum and coal products.
Rubber and misc. plastics products:
3050 Rubber products; plastics footwear, hose and belting.
3070 Misc. plastics products.
Leather and leather products:
3140 Footwear, except rubber.
3198 Other leather and leather products.
Stone, clay, and glass products:
3225 Glass products.
3240 Cement, hydraulic.
3270 Concrete, gypsum, and plaster products.
3298 Other nonmetallic mineral products.

Code
3370 Ferrous metal industries; misc. primary metal products.
3380 Nonferrous metal industries.
Fabricated metal products:
3410 Metal cans and shipping containers.
3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.
3430 Plumbing and heating, except electric and warm air.
3440 Fabricated structural metal products.
3460 Metal forgings and stampings.
3470 Coating, engraving, and allied services.
3480 Ordnance and accessories, except vehicles and guided missiles.
3490 Misc. fabricated metal products.
Machinery, except electrical:
3520 Farm machinery.
3530 Construction and related machinery.
3540 Metalworking machinery.
3550 Special industry machinery.
3560 General industrial machinery.
3570 Office, computing, and accounting machine equipment.
3598 Other machinery except electrical.

Code
3630 Household appliances.
3665 Radio, television, and communication equipment.
3670 Electronic components and accessories.
3698 Other electrical equipment.
3710 Motor vehicles and equipment.
Transportation equipment, except motor vehicles:
3725 Aircraft, guided missiles and parts.
3730 Ship and boat building and repairing.
3798 Other transportation equipment, except motor vehicles.
Instruments and related products:
3815 Scientific instruments and measuring devices; watches and clocks.
3845 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.

Code
3998 Other manufacturing products.
Transportation and Public Utilities
Transportation:
4000 Railroad transportation.
4100 Local and interurban passenger transit.
4200 Trucking and warehousing.
4400 Water transportation.
4500 Transportation by air.
4600 Pipe lines, except natural gas.
4700 Miscellaneous transportation services.
Communication:
4825 Telephone, telegraph, and other communication services.
4830 Radio and television broadcasting.
Electric, gas, and sanitary services:
4910 Electric services.
4920 Gas production and distribution.
4930 Combination utility services.
4990 Water supply and other sanitary services.

Code
5008 Machinery, equipment, and supplies.
5010 Motor vehicles and automotive equipment.
5020 Furniture and home furnishings.
5030 Lumber and construction materials.
5040 Sporting, recreational, photographic, and hobby goods, toys and supplies.
5050 Metals and minerals, except petroleum and scrap.
5060 Electrical goods.
5070 Hardware, plumbing and heating equipment and supplies.
5098 Other durable goods.
Nondurable:
5110 Paper and paper products.
5129 Drugs, drug proprietaries, and druggists' sundries, and notions.
5130 Apparel, piece goods, and notions.
5140 Groceries and related products.
5150 Farm-product raw materials.
5160 Chemicals and allied products.
5170 Petroleum and petroleum products.
5180 Alcoholic beverages.
5190 Misc. nondurable goods.

Finance, Insurance, and Real Estate

Code
6000 Mutual savings banks.
6030 Bank holding companies.
6090 Banks, except mutual savings banks and bank holding companies.
Credit agencies other than banks:
6120 Savings and loan associations.
6140 Personal credit institutions.
6150 Business credit institutions.
6199 Other credit agencies.
Security, commodity brokers, and services:
6210 Security brokers, dealers, and flotation companies.
6295 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.
Insurance:
6355 Life insurance.
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.
6359 Other insurance companies.
6411 Insurance agents, brokers, and service.
Real estate:
6511 Real estate operators and lessors of buildings.
6516 Lessors of mining, oil, and similar property.
6518 Lessors of railroad property.
6530 Condominium management and cooperative housing associations.
6550 Subdividers and developers.
6599 Other real estate.
Holding and other investment companies, except bank holding companies:
6742 Regulated investment trusts.
6743 Real estate investment trusts.
6744 Small business investment companies.
6749 Other holding and investment companies except bank holding companies.

Code
6600 Lessors of buildings.
6616 Lessors of mining, oil, and similar property.
6618 Lessors of railroad property.
6630 Condominium management and cooperative housing associations.
6650 Subdividers and developers.
6699 Other real estate.
Holding and other investment companies, except bank holding companies:
6742 Regulated investment trusts.
6743 Real estate investment trusts.
6744 Small business investment companies.
6749 Other holding and investment companies except bank holding companies.

Wholesale Trade

Code
5220 Building materials dealers.
5251 Hardware stores.
5265 Garden supplies and mobile home dealers.
5300 General merchandise stores.
Food stores:
5410 Grocery stores.
5490 Other food stores.
Automotive dealers and service stations:
5515 Motor vehicle dealers.
5541 Gasoline service stations.
5598 Other automotive dealers.
5600 Apparel and accessory stores.
5700 Furniture and home furnishings stores.
5800 Eating and drinking places.
Misc. retail stores:
5912 Drug stores and proprietary stores.
5921 Liquor stores.
5995 Other retail stores.

Code
7000 Hotels and other lodging places.
7200 Personal services.
Business services:
7310 Advertising.
7389 Business services, except advertising.
Auto repair; miscellaneous repair services:
7500 Auto repair and services.
7600 Misc. repair services.
Amusement and recreation services:
7812 Motion picture production, distribution, and services.
7830 Motion picture theaters.
7900 Amusement and recreation services, except motion pictures.
Other services:
8015 Offices of physicians, including osteopathic physicians.
8021 Offices of dentists.
8040 Offices of other health practitioners.
8050 Nursing and personal care facilities.
8060 Hospitals.
8071 Medical laboratories.
8098 Other medical services.
8111 Legal services.
8200 Educational services.
8300 Social services.
8600 Membership organizations.
8911 Architectural and engineering services.
8930 Accounting, auditing, and bookkeeping.
8980 Miscellaneous services (including veterinarians).

General Instructions for Fiscal Year 1982-83 Corporations

Purpose of Worksheet on page 11

Effective for tax years beginning after 1982, the Economic Recovery Tax Act of 1981 reduced the corporate tax rates. This will result in a lower tax liability. The tax rates changed from 16% of the first \$25,000 of taxable income, 19% of the next \$25,000 of taxable income, 30% of the next \$25,000 of taxable income, 40% of the next \$25,000 of taxable income, and 46% of taxable income in excess of \$100,000; to 15% of the first \$25,000 of taxable income; 18% of the next \$25,000 of taxable income; 30% of the next \$25,000 of taxable income; 40% of the next \$25,000 of taxable income; and 46% of taxable income in excess of \$100,000.

Because of changes in the tax rates, the proration rules of section 21 apply. Fiscal year 1982-83 corporations must prorate their tax to reflect these changes. Thus, a fiscal year corporation will compute its tax for the year by prorating a tax for the period before 1983 and for the period after 1982, using the tax rates in effect for each period. The accompanying worksheet for fiscal year 1982-83 provides for such computation.

Computation of Tax.—In computing the tax, the corporation computes a regular tax (Part I) and an alternative tax (Part II) for each period and takes the lower tax for each period. The sum of the prorated tax for each period is the total on line 44, Part III.

Specific Instructions

Parts I & II

Lines 2, 4, 6, and 8, Part I (and Lines 22, 24, 26, and 28, Part II).—These lines represent the four taxable income brackets used in computing the tax for the periods before 1983 and after 1982. Members of a controlled group should see the instructions for Schedule J, lines 1 and 2, on page 7, for amounts to be entered in lieu of \$25,000.

Part III

Line 41, Portion of Tentative Tax.—Multiply line 40 by:

(a) $\frac{\text{number of days in tax year before 1/1/83}}{\text{number of days in tax year}}$

OR

(b) applicable decimal from table below (column (A)).

Taxpayers with a 52-53 week tax year must use (a) above.

Line 43, Portion of Tentative Tax.—Multiply line 42 by:

(a) $\frac{\text{number of days in tax year after 12/31/82}}{\text{number of days in tax year}}$

OR

(b) applicable decimal from table below (column (B)).

Taxpayers with a 52-53 week tax year must use (a) above.

Table

| Fiscal year | (A) Before 1983 Line 40 x applicable fraction or decimal listed below and enter result on line 41 | (B) After 1982 Line 42 x applicable fraction or decimal listed below and enter result on line 43 |
|-------------------|--|---|
| 2/1/82- 1/31/83 | 334/365 or .915068 | 31/365 or .084932 |
| 3/1/82- 2/28/83 | 306/365 or .838356 | 59/365 or .161644 |
| 4/1/82- 3/31/83 | 275/365 or .753425 | 90/365 or .246575 |
| 5/1/82- 4/30/83 | 245/365 or .671233 | 120/365 or .328767 |
| 6/1/82- 5/31/83 | 214/365 or .583311 | 151/365 or .413699 |
| 7/1/82- 6/30/83 | 184/365 or .504110 | 181/365 or .495890 |
| 8/1/82- 7/31/83 | 153/365 or .419178 | 212/365 or .580822 |
| 9/1/82- 8/31/83 | 122/365 or .334247 | 243/365 or .665753 |
| 10/1/82- 9/30/83 | 92/365 or .252055 | 273/365 or .747945 |
| 11/1/82- 10/31/83 | 61/365 or .167123 | 304/365 or .832877 |
| 12/1/82- 11/30/83 | 31/365 or .084932 | 334/365 or .915068 |

**Worksheet for Fiscal Year 1982-83 Corporations—
Tax Computation Schedule (Do Not File—Keep for your Records)**

Part I Computation of Regular Tax

Computation at Tax Rates Applicable Before 1/1/83

| | | |
|----|--|-------|
| 1 | Enter taxable income from Form 1120, line 30, page 1 | _____ |
| 2 | Enter line 1 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 3 | Subtract line 2 from line 1 | _____ |
| 4 | Enter line 3 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 5 | Subtract line 4 from line 3 | _____ |
| 6 | Enter line 5 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 7 | Subtract line 6 from line 5 | _____ |
| 8 | Enter line 7 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 9 | Subtract line 8 from line 7 | _____ |
| 10 | 16% of line 2 | _____ |
| 11 | 19% of line 4 | _____ |
| 12 | 30% of line 6 | _____ |
| 13 | 40% of line 8 | _____ |
| 14 | 46% of line 9 | _____ |
| 15 | Total of lines 10 through 14. If applicable, enter here and on line 40, Part III | _____ |

Computation at Tax Rates Applicable After 12/31/82

| | | |
|----|---|-------|
| 16 | 15% of line 2 | _____ |
| 17 | 18% of line 4 | _____ |
| 18 | Total of lines 12, 13, 14, 16, and 17. If applicable, enter here and on line 42, Part III | _____ |

Part II Computation of Alternative Tax

Computation at Tax Rates Applicable Before 1/1/83

| | | |
|----|---|-------|
| 19 | Taxable income (line 1, Part I) | _____ |
| 20 | Enter net capital gain from Schedule D (Form 1120), line 10 | _____ |
| 21 | Subtract line 20 from line 19 | _____ |
| 22 | Enter line 21 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 23 | Subtract line 22 from line 21 | _____ |
| 24 | Enter line 23 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 25 | Subtract line 24 from line 23 | _____ |
| 26 | Enter line 25 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 27 | Subtract line 26 from line 25 | _____ |
| 28 | Enter line 27 or \$25,000, whichever is less. (Members of a controlled group, see instructions) | _____ |
| 29 | Subtract line 28 from line 27 | _____ |
| 30 | 16% of line 22 | _____ |
| 31 | 19% of line 24 | _____ |
| 32 | 30% of line 26 | _____ |
| 33 | 40% of line 28 | _____ |
| 34 | 46% of line 29 | _____ |
| 35 | 28% of line 20 | _____ |
| 36 | Alternative tax—total of lines 30 through 35. If this amount is less than the regular tax on line 15, Part I, enter here and on line 40, Part III | _____ |

Computation at Tax Rates Applicable After 12/31/82

| | | |
|----|--|-------|
| 37 | 15% of line 22 | _____ |
| 38 | 18% of line 24 | _____ |
| 39 | Alternative tax—total of lines 32, 33, 34, 35, 37, and 38. If this amount is less than the regular tax on line 18, Part I, enter here and on line 42, Part III | _____ |

Part III Proration of Tentative Taxes

| | | |
|----|--|-------|
| 40 | Tentative tax (regular tax from line 15, or alternative tax from line 36, whichever is less) | _____ |
| 41 | Portion of tentative tax before 1/1/83—See instructions for computation | _____ |
| 42 | Tentative tax (regular tax from line 18, or alternative tax from line 39, whichever is less) | _____ |
| 43 | Portion of tentative tax after 12/31/82—See instructions for computation | _____ |
| 44 | Income tax—Add lines 41 and 43. Enter here and on Form 1120, line 3, Schedule J, page 3 | _____ |

SECTION II Income Effectively Connected With the Conduct of a Trade or Business in the U.S.—See instructions

IMPORTANT—Fill in all applicable lines and schedules. If you need more space, see instruction B7(e).

Table with columns for Gross Income (lines 1-11), Deductions (lines 12-28), and Taxable Income (lines 29-31). Includes sub-sections for Compensation of Officers (lines 13-15) and Special Deductions (lines 16-18).

Schedule A Cost of Goods Sold (See instructions)

Schedule A table with lines 1-6 for inventory and cost of goods sold. Includes instructions for valuing closing inventory (lines 7-11) and determining inventory method (lines 12-14).

Schedule IC Dividends and Special Deductions (See instructions)

Schedule IC table with columns for Dividends Received (A), % (B), and Special Deductions (C). Lists categories like Domestic corporations, public utilities, and foreign corporations.

Schedule E Compensation of Officers (See instructions) Complete Schedule E only if your total receipts (line 1(a) plus lines 4 through 10, of Section II, page 3) are \$150,000 or more.

Schedule E table with columns for Name of officer, Social security number, Time devoted to business, Percent of corporation stock owned, Amount of compensation, and Expense account allowances.

Total compensation of officers—Enter here and on line 12, Section II, page 3

Schedule F Bad Debts—Reserve Method (See instructions)

Schedule F table with columns for Year, Trade notes and accounts receivable outstanding, Sales on account, Amount added to reserve, Amount charged against reserve, and Reserve for bad debts at end of year.

Schedule J Tax Computation (See instructions for Schedule J.)

Note: Fiscal year corporations, see instructions on pages 9 and 10. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and enter on line 3, the amount from line 44, Part III, of the fiscal year worksheet provided on page 9 of the instructions.

Calendar year corporations, see instructions for Schedule J. If you are not a member of a controlled group of corporations (sections 1561 and 1563), omit lines 1 and 2, and start with line 3.

1 Check if you are a member of a controlled group (see sections 1561 and 1563)
2 If line 1 is checked, see instructions and enter your portion of the \$25,000 amount in each taxable income bracket:
(i) \$ (ii) \$ (iii) \$ (iv) \$
3 Income tax (see instructions to figure the tax; enter this tax or alternative tax from Schedule D, whichever is less). Check if from Schedule D
4 (a) Foreign tax credit (attach Form 1118)
(b) Investment credit (attach Form 3468)
(c) Jobs credit (attach Form 5884)
(d) Employee stock ownership credit (applies only to fiscal year 1982-83 corporations—see instructions)
(e) Research credit (attach Form 6765)
(f) Alcohol fuel credit (attach Form 6478)
(g) Credit for fuel produced from a nonconventional source (see instructions)
5 Total—Add lines 4(a) through 4(g)
6 Subtract line 5 from line 3
7 Tax from recomputing prior-year investment credit (attach Form 4255)
8 Total tax—Add lines 6 and 7. Enter here and on line 2, page 1

Other Deductions
Table with 4 columns: Explanation, Amount, Explanation, Amount. Includes a TOTAL line at the bottom.

Additional Information Required
M Business description (see page 11 of instructions)
(1) Business code number
(2) Principal business activity
(3) Principal product or service
N Did you claim a deduction for expenses connected with:
(1) Entertainment facility (boat, resort, ranch, etc.)?
(2) Living accommodations (except for employees on business)?
(3) Employees attending conventions or meetings outside the North American area? (See section 274(h).)
(4) Employees' families at conventions or meetings?
If "Yes," were any of these conventions or meetings outside the North American area? (See section 274(h).)
(5) Employee or family vacations not reported on Form W-2?
O During the tax year was any part of your tax accounting records maintained on a computerized system?

Schedule L Balance Sheets

Table with 4 columns: (A) Beginning of tax year, (B) End of tax year, (C) End of tax year, (D) End of tax year. Rows include ASSETS (1-14) and LIABILITIES AND STOCKHOLDERS' EQUITY (15-26).

Schedule M-1 Reconciliation of Income Per Books With Income Per Return. Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

1 Net income on books
2 Federal income tax
3 Excess of capital losses over capital gains
4 Income subject to tax not recorded on books this year (itemize)
5 Expenses recorded on books this year not deducted in this return (itemize)
(a) Depreciation . . . \$
(b) Contributions carryover . \$
7 Income recorded on books this year not included in this return (itemize)
(a) Tax-exempt interest \$
8 Deductions in this tax return not claimed against book income this year (itemize)
(a) Depreciation . . . \$
(b) Contributions carryover . \$
9 Total of lines 7 and 8
10 Income (line 29, page 3)—line 6 less line 9

Schedule M-2 Analysis of Unappropriated Retained Earnings Per Books (line 24 above) Do not complete this schedule if your total assets (line 14, column (D), above) are less than \$25,000.

1 Balance at beginning of year
2 Net income on books
3 Other increases (itemize)
5 Distributions: (a) Cash
(b) Stock
(c) Property
6 Other decreases (itemize)
7 Total of lines 5 and 6
8 Balance at end of year (line 4 less line 7)

Corporation Returns/1982 • Forms and Instructions

1982 Department of the Treasury Internal Revenue Service

Instructions for Form 1120F

U.S. Income Tax Return of a Foreign Corporation

(References are to the Internal Revenue Code)

Tax Highlights

Please note these important changes that have been made due to revisions in various tax laws. The first three highlights are based on the Economic Recovery Tax Act of 1981. The rest of the highlights are based on the Tax Equity and Fiscal Responsibility Act of 1982 enacted into law September 3, 1982.

Reduction in Corporate Tax Rates

Effective for tax years beginning after 1981, the tax rates are reduced for the two lowest taxable income brackets. For the taxable income bracket of \$25,000 or less, the tax rate decreases for 1982, from 17% to 16%, and for 1983, to 15%. For the taxable income bracket between \$25,000 and \$50,000, the tax rate decreases for 1982, from 20% to 19%, and for 1983, to 18%. The remaining tax rates of 30%, 40%, and 46% did not change.

Because of changes in these tax rates, fiscal year 1982-83 corporations must prorate their tax under section 21. Use the worksheet on page 9 of the instructions to make this computation.

Depreciation Changes

For tax years beginning after December 31, 1981, you may elect to expense part of the cost (up to \$5,000) of certain depreciable property that you bought during the year. See Form 4562, Depreciation and Amortization, for more information.

Charitable Contributions

Effective for tax years beginning after 1981, a corporation's maximum charitable contribution deduction increases from 5% to 10% of its taxable income. See section 170(b)(2).

Reduction in Tax Preference Items

Fiscal year corporations (other than subchapter S corporations) may be required to reduce the following tax preference items by 15%: section 1250 capital gain, amortizable basis of pollution control facilities, intangible drilling costs, and mineral exploration and development costs. For more information and effective dates, see section 291.

Basis Adjustment for Investment Tax Credits

A taxpayer may be required to reduce the basis of property placed in service after December 31, 1982, by 50 percent of the regular, energy, or certified historic structure investment tax credit taken for the property. See the instructions for Form 3468, Computation of Investment Credit.

Leasing

Changes have been made to the safe harbor leasing rules that reduce the tax benefits on leases entered into or property placed in service after July 1, 1982, subject to certain transitional rules and the rules for figuring the depreciation for qualified leased property (see sections 168(f) and (j)). The rules for property financed by tax-exempt obligations have also changed (see section 168(f)(12)).

Accelerated Tax Payments

To avoid the estimated tax penalty for tax years beginning after December 31, 1982, the amount of estimated tax payments required by a corporation is increased from 80% to 90%. See sections 6655(b)(1) and (d)(3).

For tax years beginning after December 31, 1982, a corporation must pay the amount of unpaid taxes on line 8 within 2½ months after the end of the tax year. The election to pay in two equal installments will no longer be available.

Withholding on Interest and Dividends

Effective July 1, 1983, a corporation that is a payor of interest, dividends, or patronage dividends to certain recipients is required to withhold a tax of 10% on the amount paid. See the 1983 Instructions for Form 1096.

As recipients, however, most corporations are exempt from withholding on their income from these sources. Some withholding may have occurred, if for example, the corporation was a member of a partnership. If the corporation had withholding on its interest, dividend, or patronage dividend income after June 30, 1983, the corporation should include the withheld amount as a credit

in the total for line 6(f). In the margin next to the entry on line 6(f), write the amount of the credit and identify it as "section 31(b) credit".

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says that we must tell you why we are collecting this information, how it is to be used, and whether your response is voluntary, required to obtain a benefit, or mandatory. We ask for the information to carry out the Internal Revenue laws of the United States. The information is used to ensure that you are complying with these laws and so that we can figure and collect the correct amount of tax. Your response is mandatory.

General Instructions

A. Purpose of Form 1120F

Form 1120F is used to report a foreign corporation's income, deductions, credits, and tax in the United States. If a refund is due, Form 1120F may be used to claim it.

B. Filing the Return

1. Who Files Form 1120F.—Except for corporations described in instruction B2, every foreign corporation must file this form if, during the tax year, it did any of the following:

- Had income from any U.S. source.
- Engaged in a trade or business in the U.S., whether or not it had income from that trade or business.
- Had tax preference items, as described in section 57, that affect the corporation's computation of its unrelated business income.
- Overpaid income tax that it wants refunded.

The foreign corporation must file Form 1120F even if its income is tax-exempt under an income tax treaty or Code section.

The Mexican or Canadian branch of a U.S. mutual life insurance company must file Form 1120F on the same basis as a foreign corporation if the U.S. company elects to exclude the branch's income and expenses from its own gross income (section 819A).

A receiver, assignee, or trustee in dissolution or bankruptcy must file Form 1120F if that person has or holds title to virtually all a foreign corporation's property or business. The form is due whether or not the property or business is being operated.

An agent in the U.S. must file the return if the foreign corporation has no office or place of business in the U.S. when the return is due.

Consolidated returns.—In general, a foreign corporation filing Form 1120F

cannot belong to an affiliated group of corporations that files a consolidated return. An exception is made for some Canadian and Mexican subsidiary corporations that are maintained solely to own and operate property under Canadian or Mexican law.

2. Who Does Not File Form 1120F.—A foreign corporation does not need to file Form 1120F in any of the following cases:

- It did not engage in a trade or business in the U.S. during the year, and its full U.S. tax was withheld at the source. In cases of overwithholding, see Instruction D.
- It is a beneficiary of an estate or trust that engaged in a trade or business in the U.S., but it would not itself need to file otherwise.
- It files Form 1120L as a foreign life insurance company or Form 1120M as a foreign mutual insurance company.

3. Foreign Governments.—Foreign governments are generally not taxed on investment income from U.S. sources. Income from certain "commercial activities," however, is taxable. For rules, definitions, and examples, please see section 892 and regulations section 1.892-1.

4. Dispositions of U.S. Real Property Interest by a Foreign Corporation.—A foreign corporation that disposes of its U.S. real property interest must treat the gain or loss as income that is effectively connected with a U.S. trade or business, even if the corporation is not otherwise engaged in a U.S. trade or business. This income must be reported in Section II of Form 1120F and must be reflected on Schedule D (Form 1120).

U.S. real property interest.—Generally, U.S. real property interest is an interest in real property located in the United States.

See section 897 for further details. Also, see section 6039C for reporting requirements for certain information returns concerning dispositions of U.S. real property interests.

5. When to File.—File Form 1120F by the 15th day of the 3rd month after the end of the tax year if the corporation has an office or place of business in the U.S. Also, see regulations section 1.6081-2 (a) for rules concerning an automatic 3-month extension of time to file for foreign corporations that maintain an office or place of business in the United States.

If the corporation does not have an office or place of business in the U.S., file the return by the 15th day of the 6th month after the end of the tax year.

Extensions.—File Form 7004 to request an automatic 3-month extension of time to file Form 1120F. After you obtain that extension (or the automatic extension explained above) file Form 7005 if

Page 2

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you need an additional 3-month extension.

Period covered.—File the 1982 return for calendar year 1982 and fiscal years that began in 1982 and end in 1983. If the return is for a fiscal year, fill in the tax year space at the top of the form.

Change in accounting period.—To change your accounting period, see regulations section 1.442-1 and Form 1128, Application for Change in Accounting Period.

Final return.—If the corporation ceased to exist during the tax year, write "Final return" at the top of the form.

6. Where to File.—File Form 1120F with the Internal Revenue Service Center, Philadelphia, PA 19255.

7. Other Forms, Schedules, and Statements That May Be Required.—

(a) **Forms.** The corporation may also have to file other forms. A partial list includes:

Form 5471.—Information Return with Respect to a Foreign Corporation. This form is filed by certain officers, directors, or U.S. shareholders of a foreign personal holding company. The company's undistributed income must be reported as dividend income in the gross income of its U.S. shareholders, as described in section 551. See sections 189 and 280 for limits on certain deductions.

Form 1096.—Annual summary and transmittal of Forms 1099, U.S. Information returns.

Forms 1099-BCD, DIV, INT, MISC, R.—Some of the information returns that must be filed to report certain payments, such as dividends and interest. For more information, see Form 1096 and instructions.

Schedule PH (Form 1120).—Attach to Form 1120F if the foreign corporation is a personal holding company described in section 542, but not a foreign personal holding company described in section 552.

Form 4626.—Minimum tax computation. Attach to Form 1120F if the corporation has either more than \$10,000 in tax preference items (whether or not it has minimum tax) or minimum tax liability deferred from an earlier year.

Form 5713.—International boycott report for persons having operations in or related to "boycotting" countries. In addition, persons who participate in or cooperate with an international boycott may have to complete Schedule A or B and Schedule C of Form 5713 to compute their loss of the following items: the foreign tax credit, the deferral of earnings of a controlled foreign corporation, and DISC benefits.

(b) **Statements.**

Tax treaty statement.—If the tax on any of the corporation's gross income is

limited by a tax treaty between the U.S. and the country under whose laws the corporation is organized, attach a statement to Form 1120F. The statement should show:

- The amounts of tax withheld;
- The names and post office addresses of withholding agents; and

• Enough information to show how the corporation qualifies under the treaty for a lower tax rate or a tax exemption.

Transfers to corporation controlled by transferor.—If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by regulations section 1.351-3.

Statement in place of schedules.—If the foreign corporation has no gross income for the tax year, do not complete the Form 1120F schedules. Instead, attach a statement to the return showing what types and amounts of income are excluded from gross income.

(c) **Amended return.**

To correct any error in a Form 1120F already filed, file an amended Form 1120F and write "Amended" across the top.

(d) **Financial statements.**

Do not complete Schedules M-1 and M-2 or similar statements if your total assets at the end of the tax year (line 14, column (D) of Schedule L) are less than \$25,000.

You may use either Schedule L or copies of other balance sheets required by Federal, State, or other authorities. The balance sheets must agree with your books and records. You must reconcile any differences. On line 1 of whatever balance sheet you use, include as cash any certificate of deposit and other cash equivalents.

You may limit the balance sheets and reconciliation to:

- The corporation's assets in the U.S. and its other assets used in the trade or business in the U.S., and

• Its income effectively connected with the conduct of a trade or business in the U.S. and its other income from sources in the U.S.

Corporations required to file substantially similar statements of income and expense to any Federal, State, or other authority may file copies of such statements instead of the information required on lines 1 through 31, Section II, but these statements must receive prior approval by IRS. Send requests for approval to: IRS Substitute Forms Program D:R:R:1, 1111 Constitution Avenue, N.W., Washington, D.C. 20224. In these cases, use Schedule M-1 to reconcile taxable income with the net profit that is shown

on the statement and that would be entered in line 31, Section II.

(e) Attachments.

If you need more space, attach separate sheets to the back of Form 1120F. Attach schedules in alphabetical order and forms in numerical order. Be sure to put the taxpayer's name and employer identification number (EIN) on each sheet.

8. Signature.—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If your corporate officer filled in Form 1120F, the Paid Preparer's space under the "Signature of officer" should remain blank. If someone prepares Form 1120F and does not charge the corporation, that person should not sign. Certain others who prepare Form 1120F should not sign. For example, a regular, full-time employee such as a clerk, secretary, etc., of the corporation does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare Form 1120F must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The preparer required to sign the return MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature (Signature stamps or labels are not acceptable.);
- Give a copy of Form 1120F to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. See Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

C. Figuring and Paying the Tax

1. Accounting Methods.—Taxable income must be computed using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits otherwise, the corporation may change from the method of accounting it used to report taxable income in earlier years (for income as a whole or for any material item) only by first getting consent on Form 3115, Application for Change in Accounting Method. Also see Publication 538, Accounting Periods and Methods.

2. Gross Income and Tax Rates.—For purposes of Form 1120F, a foreign cor-

poration is taxed on its gross income. That includes only:

- Gross income that is derived from sources in the U.S. and that is not effectively connected with the conduct of a trade or business in the U.S. This income is taxed at 30% or a lower treaty rate. Use Section I to report this income and figure the tax on it.

- Gross income, from any source, that is effectively connected with the conduct of a trade or business in the U.S. This income is taxed at regular corporate tax rates. Use Section II to report this income and figure the tax on it.

To determine the source of income, follow sections 861 through 864 and the related regulations, except as tax treaties provide otherwise.

Election to treat real property income as effectively connected income.—If a foreign corporation has income from real property in the U.S. or from an interest in such property, the corporation may elect to treat the income as effectively connected with the conduct of a trade or business in the U.S. Income affected by such an election includes:

- Rents or royalties from mines, wells, or other natural deposits; and
- Gain described in section 631(b) or (c).

To make the election, attach a statement that you are making it when you file Form 1120F for the first year involved. That year and each year the election continues, use Section II to figure the tax on this income. Also attach a schedule each year, as described in regulations section 1.882-2, concerning the property or the interest in the property.

3. Paying the Tax.—Any tax due must be paid either in full when the return is filed or in two equal installments. Write the corporation's employer identification number on all payments.

Foreign corporation with no office or place of business in the U.S.—If the corporation makes installment payments, they are due by the 15th day of the 6th month and the 15th day of the 9th month after the end of the tax year.

The tax may be paid by check or money order, payable to the Internal Revenue Service, and sent to the Internal Revenue Service Center, Philadelphia, PA 19255.

Foreign corporation with an office or place of business in the U.S.—If the corporation makes installment payments, they are due by the 15th day of the 3rd month and the 15th day of the 6th month after the end of the tax year. However, see regulations section 1.6081-1 for an automatic extension of time to pay.

Deposit corporation income tax payments (and estimated tax payments) with a preinscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depository for Federal taxes

or the Federal Reserve Bank or Branch (FRB) serving the geographic area where the corporation is located. Records of deposits will be sent to IRS for crediting to the corporation's account. See the instructions on the back of Form 503 for more information and exceptions.

Preinscribed FTD Forms 503 will be mailed to the corporation on a regular basis depending on the corporation's tax year. You may apply for these forms from the Philadelphia Service Center. The application should give the corporation's name, employer identification number, and address. Show the tax year to which the deposits relate, and identify the corporation as a foreign corporation.

For more information concerning deposits, see Publication 583, Information for Business Taxpayers.

4. Estimated Tax.—A corporation must make estimated tax payments if it can expect its estimated tax (income tax minus credits) to be \$40 or more.

You may use Form 1120-W, Corporation Estimated Tax, as a worksheet to compute estimated tax.

If the corporation overpaid estimated tax, you may be able to get a "quick refund" by filing Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. The overpayment must be both 1. at least 10% of expected income tax liability and 2. at least \$500. To apply, you must file Form 4466 within 2½ months after the end of the tax year and before Form 1120F is filed.

D. Claim for Refund

If a foreign corporation has only income that is not effectively connected with the conduct of trade or business in the U.S. and Form 1120F is being used as a claim for refund, include all income from sources in the U.S., even though all tax on it was paid at the source.

If the refund results from withholding tax at the source, attach a statement to Form 1120F. The statement should show:

- The amounts of tax withheld;
- The names and post office addresses of withholding agents;
- The name in which the tax was withheld, if different from the taxpayer's name; and
- If applicable, enough information to show that the taxpayer was entitled to a reduced tax rate under a treaty, as explained above in instruction B7(b).

E. Penalties

Avoid penalties and interest by filing correctly and paying the tax when due. The corporation may have to pay the following penalties unless it can show that not filing or not paying was due to reasonable cause and not willful neglect. (These penalties are in addition to the interest charge on unpaid tax at a rate under section 6621.)

- A corporation that does not file its tax return when due (including any extensions of time for filing) may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed. (The penalty is imposed on the net amount due.) The minimum penalty for failure to file a tax return within 60 days of the due date (including extensions) is the lesser of the underpayment of tax or \$100.

- A corporation that does not pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. (The penalty is imposed on the net amount due.)

- A corporation that does not pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment.

If the corporation underpaid estimated tax, attach Form 2220, Underpayment of Estimated Tax by Corporations, to show how the corporation figured the penalty or which exceptions the corporation believes it meets.

For tax years beginning after December 31, 1982, section 6655(i) modifies the exceptions to the penalty in sections 6655(d)(1) and (2), by requiring certain large corporations to make a minimum payment of estimated tax equal to 75% or more of their current year's tax liability to avoid this underpayment penalty.

If there is tax due on line 8, page 1, include the penalty in the total. If there is a refund due, subtract the penalty from the overpayment on line 9, page 1.

Penalty for Overstated Tax Deposits.—If you overstate your deposits, you may be subject to a penalty. See section 6656(b).

F. Rounding Off

You may show money items as whole-dollar amounts by dropping amounts under 50 cents and increasing amounts from 50 to 99 cents to the next higher dollar.

G. Credit for overpaid windfall profit tax. If you are a producer of crude oil subject to the windfall profit tax and have overpaid the tax, attach Form 6249, Computation of Overpaid Windfall Profit Tax, to claim the overpayment. See Form 6249 for rules and instructions. Include the amount of the credit in the total for line 6(e), page 1, Form 1120F and enter the amount of credit in the margin next to line 6(e) and identify it as "overpaid windfall profit tax."

Specific Instructions

Section I.—Income From U.S. Sources That Is Not Effectively Connected with the Conduct of a Trade or Business in the U.S.

Any gross income of this kind that a foreign corporation has is taxed at 30%

or a lower treaty rate. No deductions are allowed against this income. (Section 881.) A corporation created or organized in Guam or under the law of Guam is not considered a foreign corporation for purposes of the tax imposed by section 881.

This income includes the following, to the extent it is not effectively connected with the conduct of a trade or business in the U.S.

1. Interest (other than original issue discount as defined in section 1232(b)), dividends, rents, royalties, salaries, wages, premiums, annuities, compensation, and other fixed or determinable periodic income;

2. Gains described in section 631(b) or (c) from disposal of timber, coal, or domestic iron ore with a retained economic interest;

3. Gains from the sale or exchange of patents, copyrights, and other intangible property described in section 881(a)(4); and

4. For bonds or other evidences of debts:

- issued after September 28, 1965, and before April 1, 1972: gain from the sale or exchange of property that is not a capital asset, as figured under section 1232(a)(2)(B); or for corporate obligations issued before April 1, 1972: amounts that would be considered gain from such a sale or exchange, except that the obligations were issued after May 27, 1969;

- issued after March 31, 1972, and payable more than 6 months from the original issue date (no matter how long the taxpayer holds these items): amounts that would be considered gain from the sale or exchange of a capital asset under section 1232(a)(2)(B), except that the obligations were issued after May 27, 1969; and for interest on such obligations: the original issue discount accrued on the obligation since the last interest payment, up to the amount of the interest minus the applicable tax.

Section II.—Income Effectively Connected with the Conduct of a Trade or Business in the U.S.

Foreign corporations engaged in a trade or business in the U.S. are taxed at regular corporate rates on all the following income:

1. Income, gain, or loss from U.S. sources derived in the conduct of the trade or business.
2. Limited categories of foreign source income.
3. Certain fixed or determinable periodic income from U.S. sources.
4. Gain or loss from U.S. sources from the sale or exchange of capital assets if:

- the income, gain or loss is from assets used in, or held for use in, the conduct of the corporation's trade or business, or

- the activities of the corporation's trade or business were a material factor in the realization of the income, gain, or loss.

For more information, see section 864(c).

Gains on disposition of stock in a DISC or former DISC and distributions from accumulated DISC income, including deemed distributions, are treated as coming from a trade or business conducted through a permanent establishment in the U.S.

A foreign corporation not engaged in a trade or business in the U.S. will not report income in Section II unless it:

- elects to treat real property income as effectively connected income; or
- was created or organized in a U.S. possession, and receives interest on U.S. obligations. In that case, the interest is treated as effectively connected income.

Gross Income

(Numbered to correspond with the line numbers on page 3 of the return.)

In lines 1 through 10 enter gross income (regardless of source) that is effectively connected with the conduct of a trade or business within the U.S.

1. **Gross receipts.**—Enter gross receipts or sales from all business operations except those that must be reported in lines 4 through 10. For reporting advance payments and long-term contracts, see regulations sections 1.451-3 and 1.451-5.

If the installment method of reporting is used, enter on line 1 the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current and 3 preceding years: a. gross sales, b. cost of goods sold, c. gross profit, d. percentage of gross profit to gross sales, e. amount collected, and f. gross profit on amount collected.

2. **Cost of goods sold.**—See instructions for Schedule A.

4. **Dividends.**—See instructions for Schedule C.

5. **Interest.**—Enter interest on U.S. obligations and loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest income against interest expense.

6. **Gross rents.**—Enter the gross amount received for the rent of property. Deduct expenses such as repairs, interest, taxes, and depreciation on the proper lines for deductions.

8. **Capital gain net income.**—Every sale or exchange of a capital asset must be reported in detail in Schedule D (Form 1120) even though no gain or loss is indicated.

If the net long-term capital gain is more than the net short-term capital loss, or if there is only a net long-term capital gain, compute the alternative tax on

separate Schedule D (Form 1120) to see if it produces a smaller tax.

9. Net gain or (loss).—Enter the net gain or loss from line 11(a), Part II, Form 4797, Supplemental Schedule of Gains and Losses.

10. Other income.—Enter any other taxable income not listed above and explain its nature on an attached schedule. Examples of other income would be recoveries of bad debts deducted in earlier years under the specific charge-off method and refunds of taxes deducted in earlier years. Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, explain what it is in parentheses on line 10.

Deductions

In computing the taxable income of a foreign corporation engaged in a trade or business within the U.S., deductions are allowed only to the extent that they are connected with income that is effectively connected with the conduct of a trade or business within the U.S. Charitable contributions, however, may be deducted whether or not they are so connected. See section 882(c)(1) for allocation of deductions.

Transaction between related taxpayers. See section 267 for limitation on deductions for unpaid expenses and interest.

12. Compensation of officers.—Enter on line 12 the total compensation of officers.

Complete Schedule E only if your total receipts (line 1a plus lines 4 through 10, of Section II, page 3) are \$150,000 or more. Complete columns 1 through 6, Schedule E, for all officers. Complete column 7, Schedule E, for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, other than compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or on behalf of an officer. Column 7 does not have to be completed for any officer for whom the combined amount is less than \$50,000.

13. Salaries and wages.—Enter on line 13(a) the total salaries and wages paid or incurred for the tax year. Do not include salaries and wages deducted elsewhere on your return, such as contributions to a Simplified Employee Pension, which are deducted on line 25.

Enter on line 13(b) the amount of jobs credit from Form 5884, Jobs Credit (and WIN Credit Carryover), determined without regard to the limitation on tax.

14. Repairs.—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value of the

property or appreciably prolong its life. However, see the instructions for line 20.

Expenditures to remove architectural and transportation barriers to handicapped and elderly. For rules for expenses in tax years beginning before January 1, 1983, to remove architectural and transportation barriers to handicapped and elderly persons, see section 190 and related regulations.

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

Use Form 3115 if you want to apply for a change in the method of computing bad debts.

17. Taxes.—Enter taxes paid or accrued during the tax year.

Do not include Federal income tax; foreign or U.S. possession income tax if a foreign tax credit is claimed; or taxes not imposed upon the corporation.

See section 164(d) for apportionment of tax on real property between seller and purchaser.

See section 906(b)(1) for rules concerning certain foreign taxes imposed on income from U.S. sources that may not be deducted.

18. Interest.—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. (For exceptions, see section 265.)

Generally, a cash basis taxpayer cannot deduct prepaid interest allocable to years after the current tax year. For example, a cash basis taxpayer, who in 1982 prepaid interest allocable to any period after 1982, can only deduct the amount allocable to 1982. Please see Publication 545, Interest Expense.

Generally, for positions established after June 23, 1981, the interest and carrying charges as to straddles cannot be deducted and must be capitalized. See section 263(g).

19. Contributions.—Enter contributions or gifts actually paid within the tax year to, or for the use of, charitable and governmental organizations described in section 170(c) and any unused contributions carried over from earlier years.

The total amount claimed may not exceed 10% of taxable income (line 31) computed without regard to (1) any deduction for contributions, (2) the special deductions in line 30(b), (3) deductions allowed under sections 249 and 250, (4) any net operating loss carryback to the tax year under section 172, and (5) any capital loss carryback to the tax year under section 1212(a)(1).

Charitable contributions over the 10% limitation may not be deducted for the tax year but may be carried over to the next 5 tax years.

A contribution carryover is not allowed, however, to the extent that it increases a net operating loss carryover. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid on or before the 15th day of the 3d month after the end of the tax year if the contributions are authorized by the board of directors during the tax year. Attach to the return a declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the tax year. Also attach a copy of the resolution.

If a contribution is in property other than money, attach a schedule describing the kind of property contributed and the method used in determining its fair market value. If you made a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the donation, the type of legal interest contributed, and describe the conservation purpose furthered by the donation.

If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property.—For a charitable contribution of property, you must reduce the contribution by the sum of:

- (1) the ordinary income, short-term capital gain and
- (2) for certain contributions, 60.87% of the long-term capital gain,

that would have resulted if the property were sold at its fair market value. The reduction for 60.87% of the long-term capital gain applies to 1. contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and 2. contributions of any property to or for the use of certain private foundations. (See section 170(e) and regulations section 1.170A-4.)

For special rules regarding the contribution of inventory and other property to certain organizations, see section 170(e)(3) and regulations section 1.170A-4A.

A corporation (other than a personal holding company or a service organization) can receive a larger deduction for contributing scientific property used for research to an institution of higher education. For further information, see section 170(e).

20. Depreciation.—Besides depreciation, include in line 20 part of the cost

(up to \$5,000) you elect to expense of certain recovery property placed in service during tax year 1982. See the instructions for Form 4562, Depreciation and Amortization.

23. Depletion.—See sections 613 and 613A for percentage depletion rates applicable to natural deposits.

Attach Form T, (Timber), Forest Industries Schedules, if you claim a deduction for depletion of timber.

25. Pension, profit-sharing, etc. plans.—Employers who maintain a pension, profit-sharing, or other funded deferred compensation plan (other than a Simplified Employee Pension) whether or not qualified under the Internal Revenue Code and whether or not a deduction is claimed for the current tax year, generally are required to file one of the forms described below. The Employee Retirement Income Security Act of 1974 imposes penalties for failure to timely file these forms.

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C or 5500-R.—Complete the applicable form for each plan with fewer than 100 participants.

Only one return is required to be filed for a plan of a controlled group of corporations or a multiemployer-collectively-bargained plan. Contributing employers are not required to file separately.

26. Employee benefit programs.—Enter the amount of contributions to employee benefit programs (for example, insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 25. Also include contributions to a qualified group legal services plan. Section 120 imposes certain rules on an employer which will permit employees (including spouses and dependents) to exclude from income employer contributions to a qualified group legal services plan.

27. Other deductions.—You may not take a deduction for any amount allocable to a class of exempt income including income exempt by tax treaty. Items directly attributable to wholly exempt income must be allocated to exempt income, and items directly attributable to any class of taxable income must be allocated to taxable income.

If an item is indirectly attributable both to taxable income and exempt income, allocate a reasonable proportion of the item to each class of income. Make the allocation in light of the facts involved.

Attach a statement showing (1) each class of exempt income and (2) the expense items allocated to each class. Show separately the amount allocated by apportionment.

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Include in line 27 the deduction taken for amortization. See Form 4562.

Generally, you can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business. However, you cannot deduct an expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used for an activity that is usually considered entertainment, amusement, or recreation. (Note: you may be able to deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or Form 1099 NEC for an independent contractor.) See Publication 463, Travel, Entertainment, and Gift Expenses, for more details.

Note: You cannot deduct penalties imposed on corporations such as those included in General Instruction E.

29. Taxable income before NOL deduction and special deductions.—Special "at risk" rules under section 465 generally apply to closely held corporations engaged in any activity as a trade or business or for the production of income. Such corporations may have to adjust the amount on line 29. See below. However, the "at risk" rules do not apply to (1) holding real property other than mineral property and (2) equipment leasing under section 465(c)(4), (5), and (6). These "at risk" rules apply to a closely held corporation which may or may not be a personal holding company.

A closely held corporation that is NOT a personal holding company.—Adjust the amount on line 29 for section 465(d) losses. These losses are limited to the amount for which the closely held corporation is "at risk" for each separate activity at the close of the tax year.

For a corporation involved in more than one activity that incurs a loss for the year, report each loss separately. Attach a schedule reflecting the amount "at risk" and gross income and deductions for each activity that has a loss.

If the corporation sells or otherwise disposes of an asset, or its interest (either total or partial) in an activity to which the "at risk" rules apply, determine the net profit or loss from the activity by combining the gain or loss on the sale or disposition with the profit or loss from the activity. If the corporation has a net loss, it may be limited because of the "at risk" rules.

Treat any loss from an activity not allowed for the tax year as a deduction allocable to the activity in the next tax year.

A closely held corporation that IS a personal holding company.—For the amount to be entered on line 29 of Form 1120F, see Schedule PH (Form 1120), Specific Instructions for line 1, regarding section 465 losses.

30(a). Net operating loss deductions.—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the tax year. (Section 172(a).)

Generally, you may carry a net operating loss back to each of 3 years before the year of the loss and carry it over to each of the 15 years after the year of loss. You may carry back 10 years the part of the net operating loss attributable to a product liability loss. (See section 172(b)(1)(H).) There is also an available election to carry a net operating loss over to just each of the 15 years following the year of the loss. You make this election by attaching a statement to a timely filed return, including extensions. The election is irrevocable. After applying the net operating loss to the first tax year to which it may be carried, the part of the loss you may carry to each of the remaining tax years is any excess of loss over the sum of the taxable incomes for each of the earlier tax years to which you may carry the loss. (Section 172(b).)

If there is a carryback of a net operating loss, a net capital loss, an unused investment credit, an unused job credit, file Form 1139, Corporation Application For Tentative Refund, within 12 months after the end of the tax year for a "quick refund" of tax. (Section 6411.)

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers.

Also see Publication 536, Net Operating Losses and the At-Risk Limits.

30(b). Special deductions.—See instructions for Schedule C.

Schedule A—Cost of Goods Sold

Valuation methods.—Your inventories can be valued at: (a) cost, (b) cost or market value, whichever is lower, or (c) any other method approved by the Commissioner of Internal Revenue, that conforms to the applicable regulations cited below.

Taxpayers using erroneous valuation methods should file Form 3115 to change to a method permitted for Federal income tax purposes. For further details, see regulations section 1.446-1(a)(3) and Rev. Proc. 80-51, 1980-2 C.B. 818.

Line 8.—In line 8(a), check the method(s) used for valuing inventories. Under "lower of cost or market," market generally applies to normal market conditions where a current bid price prevails at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase

transactions that occurred near the date the inventory is valued. For more requirements, see regulations section 1.471-4.

Inventory may be valued below cost when the merchandise is unsalable at normal prices or unusable in the normal way because the goods are "subnormal" (that is, because of damage, imperfections, shop wear, etc.) within the meaning of regulations section 1.471-2(c). Such goods may be valued at a current bona fide selling price less direct cost of disposition (but not less than scrap value) if you can establish such a price. See regulations section 1.471-2(c) for more requirements.

If this is the first year the "Last-in First-out" (LIFO) inventory method was either adopted or extended to inventory goods not previously valued under the LIFO method, provided in section 472, attach Form 970, Application to Use LIFO Inventory Methods, or a statement with the information required by Form 970. Also check the LIFO box in line 8(b). Enter the amount or percent of total closing inventories covered under section 472 in line 8(c). Estimates are acceptable.

Full absorption method of inventory costing.—For a corporation engaged in manufacturing or production operations, use the full absorption method of inventory costing. If the corporation is not using the full absorption method of inventory costing, it must change to it. Under this method both direct and certain indirect production costs are included for inventory value purposes. You may change to full absorption by filing Form 3115. For more details, see Rev. Proc. 75-40, 1975-2 C.B. 571 and regulations section 1.471-11.

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

For certain cooperatives, if per unit retain allocations (defined under section 1388(f)) are included on line 4, Schedule A, attach a schedule showing this cost and any other costs not included in lines 1 through 3.

Schedule C—Dividends and Special Deductions

(Line references are to the lines in Schedule C.)

Column A instructions

1. Enter dividends received from domestic corporations subject to income tax and the 85% deduction under section 243(a)(1). For dividends received from a regulated investment company, see sec-

tion 854 for the amount subject to the 85% deduction.

Include on this line taxable distributions received from a DISC or former DISC that are designated as being eligible for the 85% dividends-received deduction.

So-called dividends or earnings received from mutual savings banks, etc., are really interest. Do not treat them as dividends.

2. Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

3. Enter dividends that are received from foreign corporations and that qualify for the 85% deduction provided in section 245(a).

6. Enter all other dividends received from foreign corporations that do not qualify for a dividends-received deduction.

7. If the corporation claims the foreign tax credit, the tax that is deemed paid under section 902(a) (relating to credit for corporate stockholder in a foreign corporation) must be treated as a dividend received from the foreign corporation. (See section 906(b)(4).)

8. Enter taxable distributions from a DISC or former DISC that are designated as not being eligible for the 85% deduction. See sections 246(d), 995(b), and 996(a)(3).

9. Include dividends (other than capital gain dividends and exempt interest dividends) received from regulated investment companies that do not qualify for the 85% deduction; dividends from tax-exempt organizations; dividends (other than capital gain dividends) received from a real estate investment trust that, for the tax year of the trust in which the dividends are paid, qualifies under sections 856-860; dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments with respect to similar stock; and any other taxable dividend income not properly reported above.

Column C instructions

Exclusion of certain dividends.—In general, no dividends-received deduction will be allowed on any share of stock (a) that is disposed of if the corporation held it 15 days or less, or (b) to the extent the corporation is under an obligation to make corresponding payments with respect to substantially identical stock or other securities.

No dividends-received deduction is allowed under section 243 for a dividend from a DISC or former DISC (as defined in section 992(a)) to the extent the dividend is paid out of the corporation's accumulated DISC income, previously taxed

income, or is a deemed distribution under section 995(b)(1).

4. Limitation on dividends-received deduction.—Line 4 may not be more than 85% of line 29, page 3. For this purpose compute line 29, page 3, without regard to any capital loss carryback to the tax year under section 1212(a)(1).

In a year in which a net operating loss occurs, this 85% limit does not apply even if the loss is created by the dividends-received deduction. (See sections 172(d) and 246(b).)

5. Deductions for dividends paid on certain preferred stock of public utilities.—Section 247 allows public utilities a deduction of 30.435% of either (1) dividends paid on their preferred stock during the tax year, or (2) taxable income computed without regard to this deduction, whichever is less. In a year in which a net operating loss occurs, compute the deduction without regard to section 247(a)(1)(B). (See section 172(d).)

Schedule J—Tax Computation

Fiscal year corporations should see the worksheet immediately following these instructions for the computation of their tax.

A 1982 calendar year corporation that is not a member of a controlled group (these members should see lines 1 and 2 below) will compute the tax on its taxable income as follows:

| If the amount on Line 31, page 3, Form 1120F is: | | Enter on Schedule J, Line 3: | | Of the amount over— | |
|--|---------------|------------------------------|-----|---------------------|---|
| Over— | But not over— | | 16% | | 0 |
| 0 | \$25,000 | | | | |
| \$25,000 | 50,000 | \$4,000 + 19% | | \$25,000 | |
| 50,000 | 75,000 | 8,750 + 30% | | 50,000 | |
| 75,000 | 100,000 | 16,250 + 40% | | 75,000 | |
| 100,000 | | 26,250 + 46% | | 100,000 | |

If the alternative tax does not apply, enter on line 3 of Schedule J, the amount computed above. If the alternative tax applies, see Schedule D (Form 1120).

(Personal holding companies—see Schedule PH (Form 1120) before completing Schedule J.)

Lines 1 and 2

Members of a controlled group, as defined in section 1563, are entitled to only one \$25,000 amount in each taxable income bracket.

When a controlled group adopts or later amends an apportionment plan, each member must attach to its tax return a copy of its consent to this plan. The copy (or an attached statement) must show the part of the \$25,000 in each taxable income bracket apportioned to that member. There are other requirements as well. See regulations section 1.1561-3(b) for them and for the time and manner of making the consent.

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Page 7

Equal Apportionment Plan. If no apportionment plan is adopted, the members of the controlled group must divide the \$25,000 in each taxable income bracket equally among themselves. For example, controlled group AB consists of corporation A and corporation B. They do not elect an unequal apportionment plan. Therefore, corporation A is entitled to \$12,500 (one-half of \$25,000) in each taxable income bracket. Corporation B is also entitled to \$12,500 in each taxable income bracket.

Unequal Apportionment Plan. Members of a controlled group may elect an unequal apportionment plan and divide the \$25,000 in each taxable income bracket as they wish. There is no need for consistency between taxable income brackets. Any member of the controlled group may be entitled to all, some, or none of the \$25,000 in a taxable income bracket. (But the total amount for all members of the controlled group cannot be more than \$25,000 in any taxable income bracket.) Each member of a controlled group must compute the tax as follows:

Note: If alternative tax applies, 1982 calendar year corporations should do the following: (1) Complete lines 1 and 2 of Schedule J. (2) On line 1 below, instead of entering amount from line 31, page 3, Form 1120F, enter amount from line 14, Schedule D, Form 1120. (3) Complete lines 2 through 15 below, and (4) Enter the amount from line 15 below on line 15 of Schedule D and complete balance of Schedule D.

1. Enter taxable income (line 31, page 3).....
2. Enter line 1 or your portion of the first \$25,000 taxable income bracket, whichever is less.....
3. Subtract line 2 from line 1.....
4. Enter line 3 or your portion of the second \$25,000 taxable income bracket, whichever is less.....
5. Subtract line 4 from line 3.....
6. Enter line 5 or your portion of the third \$25,000 taxable income bracket, whichever is less.....

7. Subtract line 6 from line 5.....
8. Enter line 7 or your portion of the fourth \$25,000 taxable income bracket, whichever is less.....
9. Subtract line 8 from line 7.....
10. 16% of line 2.....
11. 19% of line 4.....
12. 30% of line 6.....
13. 40% of line 8.....
14. 46% of line 9.....
15. Total of lines 10 through 14. Enter this amount on line 3 of Schedule J.

Line 4(a). Foreign tax credit.—A foreign corporation engaged in a trade or business within the U.S. can take a credit for income, war profits, and excess profits taxes paid, accrued, or deemed paid to any foreign country or U.S. possession during the tax year. This credit applies to income effectively connected with the conduct of a trade or business within the U.S. In general, the per country limitation cannot be used in computing the foreign tax credit. For further details, see sections 901, 902, 906, and Form 1118.

Line 4(b). Investment credit.—If your corporation invested in certain types of trade or business property, or qualified energy property, you may be able to take the investment credit, the energy investment credit, or both credits.

Use Form 3468, Computation of Investment Credit, to figure these credits.

Line 4(c). Jobs credit.—The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. Generally, the allowable credit is equal to 50% of qualified first-year wages paid or incurred and 25% of qualified second-year wages paid or incurred. See Form 5884 and Publication 906, Jobs and Research Credits, for definitions, special rules, and limits.

Do not take an expense deduction for the part of the wages or salaries paid or incurred that equals the jobs credit (determined without regard to the limitation based on tax (section 53)).

Any WIN credit carryover should be claimed with the jobs credit. See the in-

structions for Form 5884 for more information.

Line 4(d). Employee stock ownership credit.—For tax years ending after December 31, 1982, corporations may take a tax credit equal to the value of employer stock (or money used to buy stock) that they contribute to a tax credit Employee Stock Ownership Plan (ESOP). The credit is limited to a percentage or the total compensation of participating employees. See Form 8007, Credit for Employee Stock Ownership Plan, for definitions, limitations and the computation of the credit.

Line 4(e). Research credit.—Amounts paid or incurred before January 1, 1986, for qualified research expenses in carrying on a trade or business are allowed as a credit. Use Form 6765, Credit for Increasing Research Activities, to figure the credit.

Line 4(f). Alcohol fuel credit.—You may be able to take a credit for alcohol used as fuel. This applies to straight alcohol you sell at retail or use as fuel in your trade or business. It also applies to an alcohol mixture you sell or use as fuel in your trade or business. Use Form 6478, Credit for Alcohol Used As Fuel, to figure the credit.

Line 4(g). Credit for fuel produced from a nonconventional source.—A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 44D contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to your return showing the computation of the credit.

Line 7. Tax from recomputing a prior year investment credit.—If property is disposed of before the life-years category used in computing the regular or energy investment credit, you may have to recapture the investment credit. (See Form 4255, Recapture of Investment Credit.)

Worksheet for Fiscal Year 1982-83 Foreign Corporations—Tax Computation Schedule

| Part I Computation of Regular Tax | |
|---|--|
| Computation at Tax Rates Applicable Before 1/1/83 | |
| 1 | Enter taxable income from Form 1120F, line 31, page 3 |
| 2 | Enter line 1 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 3 | Subtract line 2 from line 1 |
| 4 | Enter line 3 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 5 | Subtract line 4 from line 3 |
| 6 | Enter line 5 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 7 | Subtract line 6 from line 5 |
| 8 | Enter line 7 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 9 | Subtract line 8 from line 7 |
| 10 | 16% of line 2 |
| 11 | 19% of line 4 |
| 12 | 30% of line 6 |
| 13 | 40% of line 8 |
| 14 | 46% of line 9 |
| 15 | Total of lines 10 through 14. If applicable, enter here and on line 40, Part III |
| Computation at Tax Rates Applicable After 12/31/82 | |
| 16 | 15% of line 2 |
| 17 | 18% of line 4 |
| 18 | Total of lines 12, 13, 14, 16, and 17. If applicable, enter here and on line 42, Part III |
| Part II Computation of Alternative Tax | |
| Computation at Tax Rates Applicable Before 1/1/83 | |
| 19 | Taxable income (line 1, Part I) |
| 20 | Enter net capital gain from Schedule D (Form 1120), line 10 |
| 21 | Subtract line 20 from line 19 |
| 22 | Enter line 21 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 23 | Subtract line 22 from line 21 |
| 24 | Enter line 23 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 25 | Subtract line 24 from line 23 |
| 26 | Enter line 25 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 27 | Subtract line 26 from line 25 |
| 28 | Enter line 27 or \$25,000, whichever is less. (Members of a controlled group, see instructions) |
| 29 | Subtract line 28 from line 27 |
| 30 | 16% of line 22 |
| 31 | 19% of line 24 |
| 32 | 30% of line 26 |
| 33 | 40% of line 28 |
| 34 | 46% of line 29 |
| 35 | 28% of line 20 |
| 36 | Alternative tax—total of lines 30 through 35. If this amount is less than the regular tax on line 15, Part I, enter here and on line 40, Part III |
| Computation at Tax Rates Applicable After 12/31/82 | |
| 37 | 15% of line 22 |
| 38 | 18% of line 24 |
| 39 | Alternative tax—total of lines 32, 33, 34, 35, 37, and 38. If this amount is less than the regular tax on line 18, Part I, enter here and on line 42, Part III |
| Part III Proration of Tentative Taxes | |
| 40 | Tentative tax (regular tax from line 15, or alternative tax from line 36, whichever is less) |
| 41 | Portion of tentative tax before 1/1/83—See instructions for computation |
| 42 | Tentative tax (regular tax from line 18, or alternative tax from line 39, whichever is less) |
| 43 | Portion of tentative tax after 12/31/82—See instructions for computation |
| 44 | Income tax—Add lines 41 and 43. Enter here and on Form 1120F, line 3, Schedule J, page 5 |

General Instructions for Fiscal Year 1982-83 Foreign Corporations

Purpose of Worksheet on page 9

Effective for tax years beginning after 1982, the Economic Recovery Tax Act of 1981 reduced the corporate tax rates. This will result in a lower tax liability. The tax rates changed from 16% of the first \$25,000 of taxable income, 19% of the next \$25,000 of taxable income, 30% of the next \$25,000 of taxable income, 40% of the next \$25,000 of taxable income, and 46% of taxable income in excess of \$100,000; to 15% of the first \$25,000 of taxable income, 18% of the next \$25,000 of taxable income, 30% of the next \$25,000 of taxable income, 40% of the next \$25,000 of taxable income, and 46% of taxable income in excess of \$100,000.

Because of changes in the tax rates, the proration rules of section 21 apply. Fiscal year 1982-83 corporations must

prorate their tax to reflect these changes. Thus, a fiscal year corporation will compute its tax for the year by prorating a tax for the period before 1983 and for the period after 1982, using the tax rates in effect for each period. The accompanying worksheet for fiscal year 1982-83 provides for such computation.

Computation of Tax—In computing the tax, the corporation computes a regular tax (Part I) and an alternative tax (Part II) for each period and takes the lower tax for each period. The sum of the prorated tax for each period is the total on line 44, Part III.

Specific Instructions

Parts I and II

Lines 2, 4, 6, and 8, Part I (and Lines 22, 24, 26, and 28, Part II).—These lines represent the four taxable income brackets used in computing the tax for the periods before 1983 and after 1982. Members of a controlled group should see the instructions for Schedule J, lines

1 and 2, on page 7, for amounts to be entered in lieu of \$25,000.

Part III

Line 41, Portion of Tentative Tax.—Multiply line 40 by:

(a) number of days in tax year before 1/1/83
number of days in tax year
OR

(b) applicable decimal from table below (column (A)).

Taxpayers with a 52-53 week tax year must use (a) above.

Line 43, Portion of Tentative Tax.—Multiply line 42 by:

(a) number of days in tax year after 12/31/82
number of days in tax year
OR

(b) applicable decimal from table below (column (B)).

Taxpayers with a 52-53 week tax year must use (a) above.

Table

| Fiscal year | (A) Before 1983 Line 40 x applicable fraction or decimal listed below and enter result on line 41 | (B) After 1982 Line 42 x applicable fraction or decimal listed below and enter result on line 43 |
|------------------|--|---|
| 2/1/82-1/31/83 | 334/365 or .915068 | 31/365 or .084932 |
| 3/1/82-2/28/83 | 306/365 or .838356 | 59/365 or .161644 |
| 4/1/82-3/31/83 | 275/365 or .753425 | 90/365 or .246575 |
| 5/1/82-4/30/83 | 245/365 or .671233 | 120/365 or .328767 |
| 6/1/82-5/31/83 | 214/365 or .586301 | 151/365 or .413699 |
| 7/1/82-6/30/83 | 184/365 or .504110 | 181/365 or .495890 |
| 8/1/82-7/31/83 | 153/365 or .419178 | 212/365 or .580822 |
| 9/1/82-8/31/83 | 122/365 or .334247 | 243/365 or .665753 |
| 10/1/82-9/30/83 | 92/365 or .252055 | 273/365 or .747945 |
| 11/1/82-10/31/83 | 61/365 or .167123 | 304/365 or .832877 |
| 12/1/82-11/30/83 | 31/365 or .084932 | 334/365 or .915068 |

Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Standard Industrial Classification System authorized by the Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises by type of activity in which they are engaged.

Using the list below, enter on page 5, under M, the code number for the specific industry group from which the largest percentage of "total re-

ceipts" is derived. "Total receipts" means gross receipts (line 1(a), page 3) plus all other income (lines 4 through 10, page 3). On page 5, under M, state the principal business activity and principal product or service that accounts for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

AGRICULTURE, FORESTRY AND FISHING

Code
0400 Agricultural production.
0600 Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.

MINING

Metal mining:
1010 Iron ores.
1070 Copper, lead and zinc, gold and silver ores.
1098 Other metal mining.
1150 Coal mining.
Oil and gas extraction:
1330 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.
Nonmetallic minerals (except fuels) mining:
1430 Dimension, crushed and broken stone: sand and gravel.
1498 Other nonmetallic minerals, except fuels.

CONSTRUCTION

General building contractors and operative builders:
1510 General building contractors.
1531 Operative builders.
1600 Heavy construction contractors.
Special trade contractors:
1711 Plumbing, heating, and air-conditioning.
1721 Electrical work.
1798 Other special trade contractors.

MANUFACTURING

Food and kindred products:
2010 Meat products.
2020 Dairy products.
2030 Preserved fruits and vegetables.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar and confectionery products.
2081 Malt liquors and malt.
2088 Alcoholic beverages, except malt liquors and malt.
2089 Bottled soft drinks, and flavorings.
2096 Other food and kindred products.
2100 Tobacco manufactures.
Textile mill products:
2228 Weaving mills and textile finishing.
2250 Knitting mills.
2298 Other textile mill products.

Apparel and other textile products:
2315 Men's and boys' clothing.
2345 Women's and children's clothing.
2368 Hats, caps, millinery, fur goods, and other apparel and accessories.
2390 Misc. fabricated textile products.

Lumber and wood products, except furniture:
2415 Logging camps and logging contractors, sawmills and planing mills.
2430 Millwork, plywood, and related products.
2498 Other wood products, including wood buildings and mobile homes.

2500 Furniture and fixtures.
Paper and allied products:
2625 Pulp, paper, and board mills.
2699 Other paper products.

Printing, publishing and allied industries:
2710 Newspapers.
2720 Periodicals.
2735 Books, mailing cards, and misc. printing.
2799 Commercial and other printing, and printing services.

Chemicals and allied products:
2815 Industrial chemicals, plastics materials and synthetics.
2830 Drugs.
2840 Soap, cleaners, and toilet goods.
2844 Paints and allied products.
2898 Agricultural and other chemical products.

Petroleum refining and related industries (including those integrated with extraction):
2910 Petroleum refining (including those integrated with extraction).
2998 Other petroleum and coal products.

Rubber and misc. plastics products:
3050 Rubber products; plastics footwear, hose and belting.
3070 Misc. plastics products.

Leather and leather products:
3140 Footwear, except rubber.
3198 Other leather and leather products.
Stone, clay, glass, and concrete products:
3225 Glass products.
3240 Cement, hydraulic.

Code

3270 Concrete, gypsum, and plaster products.
3298 Other nonmetallic mineral products.
Primary metal industries:
3370 Ferrous metal industries: misc. primary metal products.
3380 Nonferrous metal industries:
Fabricated metal products, except machinery and transportation equipment:
3410 Metal cans and shipping containers.
3428 Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.
3430 Plumbing and heating, except electric and warm air.
3440 Fabricated structural metal products.
3460 Metal forgings and stampings.
3470 Coating, engraving, and allied services.
3480 Ordnance and accessories, except vehicles and guided missiles.
3498 Misc. fabricated metal products.
Machinery, except electrical:
3520 Farm machinery.
3530 Construction mining, and materials handling machinery and equipment.
3540 Metalworking machinery.
3550 Special industry machinery, except metalworking machinery.
3560 General industrial machinery.
3570 Office, computing, and accounting machines.
3598 Engines and turbines, service industry machinery, and other machinery, except electrical.

Electrical and electronic machinery, equipment, and supplies:

3630 Household appliances.
3665 Radio, television, and communication equipment.
3670 Electronic components and accessories.
3698 Other electric equipment.
Transportation equipment:
3710 Motor vehicles and equipment.
3725 Aircraft, guided missiles and parts.
3730 Ship and boat building and repairing.
3798 Other transportation equipment.
Measuring and controlling instruments, photographic and medical goods, watches and clocks:
3815 Scientific instruments and measuring devices; watches and clocks.
3848 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.
3998 Other manufacturing products.

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES

Transportation:
4000 Railroad transportation.
4100 Local and interurban passenger transit.
4200 Trucking and warehousing.
4400 Water transportation.
4500 Transportation by air.
4600 Pipe lines, except natural gas.
4700 Other transportation services.

Communication:

4825 Telephone, telegraph, and other communication services.
4830 Radio and television broadcasting.
Electric, gas, and sanitary services:
4910 Electric services.
4920 Gas production and distribution.
4930 Combination utility services.
4990 Water supply and other sanitary services.

WHOLESALE TRADE

Durable:
5008 Machinery, equipment, and supplies.
5020 Motor vehicles and automotive equipment.
5070 Furniture and home furnishings.
5080 Lumber and construction materials.
5040 Sporting, recreational, photographic, and hobby goods, toys, and supplies.
5050 Metals and minerals, except petroleum and scrap.
5060 Electrical goods.
5070 Hardware, plumbing and heating equipment.
5098 Other durable goods.
Nondurable:
5110 Paper and paper products.
5129 Drugs, drug proprietaries, and druggists' sundries.
5130 Apparel, piece goods, and notions.
5140 Groceries and related products.
5150 Farm-product raw materials.
5160 Chemicals and allied products.
5170 Petroleum and petroleum products.
5180 Alcoholic beverages.
5190 Misc. nondurable goods.

Code

Building materials, hardware, garden supply, and mobile home dealers:
5220 Building materials dealers.
5251 Hardware stores.
5265 Garden supplies and mobile home dealers.
5300 General merchandise stores.
5410 Grocery stores.
5490 Other food stores.
Automotive dealers and service stations:
5515 Motor vehicle dealers.
5541 Gasoline service stations.
5598 Other automotive dealers.
5600 Apparel and accessory stores.
5700 Furniture and home furnishings stores.
5800 Eating and drinking places.
Misc. retail stores:
5912 Drug stores and proprietary stores.
5921 Liquor stores.
5995 Other misc. retail stores.

FINANCE, INSURANCE, AND REAL ESTATE

Banking:
6030 Mutual savings banks.
6050 Bank holding companies.
6090 Banks, except mutual savings banks and bank holding companies.
Credit agencies other than banks:
6120 Savings and loan associations.
6140 Personal credit institutions.
6150 Business credit institutions.
6199 Other credit agencies.

Security, commodity brokers, dealers, exchanges, and services:
6210 Security brokers, dealers, and flotation companies.
6299 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.

Insurance:
6355 Life insurance.
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.
6399 Other insurance companies.
6411 Insurance agents, brokers, and services:

Real estate:
6511 Real estate operators (except developers) and lessors of buildings.
6516 Lessors of mining, oil, and similar property.
6518 Lessors of railroad property and other real property.
6530 Condominium management and cooperative housing associations.
6550 Subdividers and developers.
6599 Other real estate.

Holding and other investment companies:
6742 Regulated investment companies.
6743 Real estate investment trusts.
6744 Small business investment companies.
6749 Holding and other investment companies.

6799 Other holding and other investment companies.

6800 Other holding and other investment companies.

6900 Other holding and other investment companies.

6950 Other holding and other investment companies.

6999 Other holding and other investment companies.

7000 Hotels and other lodging places.
7200 Personal services.
Business services:
7310 Advertising.
7399 Business services, except advertising.
Auto repair and services; misc. repair services:
7500 Auto repair and services.
7600 Misc. repair services.

Amusement and recreational services:
7812 Motion picture production, distribution, and services.
7830 Motion picture theaters.
7900 Amusement and recreation services, except motion pictures.

Other services:
8015 Offices of physicians, including osteopathic physicians.
8021 Offices of dentists.
8040 Offices of other health practitioners.
8050 Nursing and personal care facilities.
8060 Hospitals.
8071 Medical laboratories.
8099 Other medical services.
8111 Legal services.
8200 Educational services.
8300 Social services.
8600 Membership organizations.
8910 Architectural and engineering services.
8930 Accounting, auditing, and bookkeeping.
8980 Miscellaneous services (including veterinarians).

Form **1120L** U.S. Life Insurance Company Income Tax Return OMB No. 1545-0128

Department of the Treasury Internal Revenue Service For calendar year 1982, or other tax year beginning 1982 and ending 1982

1982

| | | |
|----------------------|-----------------------------------|--|
| Please type or print | Name | A Employer identification number |
| | Number and street | B Date incorporated |
| | City or town, State, and ZIP code | For Paperwork Reduction Act Notice, see page 1 of the instructions |

| | | | |
|----------------|--|------|--|
| Taxable Income | 1 (a) Taxable investment income (from Schedule C, line 12) | 1(a) | |
| | (b) Gain from operations (from Schedule E, line 25, page 4). (If a loss, enter zero) | 1(b) | |
| | (c) Enter the smaller of (a) or (b) | 1(c) | |
| | 2 50% of any excess of 1(b) over 1(a). (Also enter on Schedule G, line 2(a), page 6) | 2 | |
| | 3 Amount subtracted from policyholders' surplus account (from Schedule G, page 6) | 3 | |
| | 4 Life insurance company taxable income (add lines 1(c), 2, and 3) | 4 | |

5 Check if you are a member of a controlled group (see sections 1561 and 1563)

If checked, see instructions and enter your share of the \$25,000 amount in each taxable income bracket:

(a) \$ (b) \$ (c) \$ (d) \$

6 Income tax (see page 11 of instructions to figure the tax.) If you use the alternative tax, check this box and enter the tax from Schedule D (Form 1120) here 6

| | | | |
|-----|---|------|--|
| Tax | 7 (a) Foreign tax credit (attach Form 1118) | 7(a) | |
| | (b) Investment credit (attach Form 3468) | 7(b) | |
| | (c) Jobs credit (attach Form 5884) | 7(c) | |
| | (d) Other credits (see instructions) | 7(d) | |
| | 8 Add lines 7(a) through (d) | 8 | |
| | 9 Balance of tax (subtract line 8 from line 6) | 9 | |
| | 10 Foreign corporations—tax on income not connected with U.S. business (see Tax Computation Instructions) | 10 | |
| | 11 Increase in tax from refiling an earlier year investment credit (attach Form 4255) | 11 | |
| | 12 Minimum tax on tax preference items (see instructions—attach Form 4626) | 12 | |
| | 13 Total tax (add lines 9 through 12) | 13 | |

| | | | |
|--|---|-------|--|
| Tax | 14 (a) Overpayment from 1981 allowed as a credit | 14(a) | |
| | (b) 1982 estimated tax payments | 14(b) | |
| | (c) Less refund of 1982 estimated tax applied for on Form 4466 | 14(c) | |
| | (d) Tax deposited with Form 7004 | 14(d) | |
| | (e) Tax deposited with Form 7005 (attach copy) | 14(e) | |
| | (f) Credit from regulated investment companies (attach Form 2439) | 14(f) | |
| | (g) Federal tax on special fuels, gasoline and lubricating oil (attach Form 4136) | 14(g) | |
| | (h) U.S. income tax paid or withheld at source | 14(h) | |
| | (i) Other payments (see instructions) | 14(i) | |
| | (j) Total refundable credits (add lines 14(a) through (i)) | 14(j) | |
| 15 TAX DUE (subtract line 14(j) from line 13). See instructions for special election and depository method of payment | 15 | | |
| 16 OVERPAYMENT (subtract line 13 from line 14(j)) | 16 | | |
| 17 Enter amount of line 16 you want: Credited to 1983 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/> | 17 | | |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

| | | | |
|--------------------------|--|----------|--|
| Please Sign Here | Signature of officer | Date | Title |
| | Preparer's signature | Date | Check if self-employed <input type="checkbox"/> Preparer's social security no. |
| Paid Preparer's Use Only | Firm's name (or yours, if self-employed) and address | E.I. No. | ZIP code |

Form 1120L (1982)

Schedule A INVESTMENT YIELD (See instructions)

| | 1. Interest | 2. Accrual of discount | 3. Amortization of premium | 4. Total (for line 11 add cols. 1 and 2, and subtract col. 3) |
|--|--|------------------------|----------------------------|---|
| 1 Interest: | (a) Wholly exempt obligations | | | |
| | (b) U.S. obligations and U.S. instrumentaliities | | | |
| | (c) Loans, notes, mortgages, bank deposits, bonds, debentures, etc. | | | |
| | (d) Totals | | | |
| 2 Dividends (see instructions): | (a) Domestic corporations that qualify for the 85% deduction | | | |
| | (b) Certain preferred stock of public utilities | | | |
| | (c) Foreign corporations that qualify for the 85% or 100% deduction | | | |
| | (d) Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 243(a)(3)) | | | |
| | (e) Other (attach schedule) | | | |
| | (d) Totals | | | |
| 3 Gross rents | | | | |
| 4 Gross royalties | | | | |
| 5 Leases, terminations, etc. | | | | |
| 6 Excess of net short-term capital gain over net long-term capital loss (from Schedule D (Form 1120), line 9) | | | | |
| 7 Gross income from trade or business other than insurance business (attach schedule). Include amount from Form 4797, line 11(b)(1), for investment assets only (see instructions) | | | | |
| 8 GROSS INVESTMENT INCOME (add lines 1(d) through 7) | | | | |
| 9 (a) Total investment expenses (see instructions) | (b) Allowable deduction for investment expense (see instructions) | | | |
| | 10 Real estate expenses | | | |
| | 11 Depreciation (attach Form 4562) | | | |
| | 12 Depletion | | | |
| | 13 Trade or business deductions provided in section 804(c)(5) (attach schedule) | | | |
| 14 Total deductions (add lines 9(b) through 13) | | | | |
| 15 INVESTMENT YIELD (subtract line 14 from line 8). If less than zero, see instructions for Schedule E, line 15. | | | | |

Schedule A-1 LIMITATION OF INVESTMENT EXPENSE DEDUCTION (Do not fill in this schedule unless you claim a deduction for general expenses allocated to investment income.)

| | |
|---|---|
| 1 Mean of the assets for the tax year (from Schedule K, Part I, line 10, column 3) | |
| 2 Statutory amount (multiply line 1 by .0025) | |
| 3 Mortgage service fees | |
| 4 (a) (i) Investment yield figured without investment expenses | (ii) 3 3/4% of line 1 (multiply line 1 by .0375) |
| | (iii) Subtract line (ii) from line (i) |
| | (iv) 25% of line (iii) (multiply line (iii) by .25) |
| | (v) Mortgage service fees (from line 3) |
| | (vi) Subtract line (v) from line (iv) |
| | (b) (i) Mortgages without service fees (from Schedule K, Part I, line 2(a), column 3) |
| (ii) 1/4% of line (i) (multiply line (i) by .0025) | |
| (c) Enter the greater of line (a)(vi) or line (b)(ii) | |
| 5 Limit on deduction for investment expenses on line 9, Schedule A (add lines 2, 3, and 4(c)) | |

Schedule B PART I—EARNINGS RATE (Section 805(b))

| | |
|--|---|
| 1 Current earnings rate (Schedule A, line 15 divided by Schedule K, Part I, line 10, column 3) | % |
| 2 Earnings rate for first preceding year | % |
| 3 Earnings rate for second preceding year | % |
| 4 Earnings rate for third preceding year | % |
| 5 Earnings rate for fourth preceding year | % |
| 6 Total (add lines 1 through 5) | % |
| 7 Average earnings rate (see instructions) | % |

PART II—AVERAGE INTEREST RATE ASSUMED (Section 805(c)(2))

| 1. Kind of reserve (IRA, annuity, etc.) | 2. Assumed morbidity or mortality table | 3. Assumed interest rate | 4. Method of computation (Illinois Standards, etc.) | 5. Reserve at beginning of tax year* | 6. Reserve at end of tax year* | 7. Mean of column 5 and 6** | 8. Multiply column 3 by column 7 |
|--|---|--------------------------|---|--------------------------------------|--------------------------------|-----------------------------|----------------------------------|
| 1 | | | | | | | |
| 2 | | | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 Totals | | | | | | | |
| 6 Average interest rate assumed in figuring life insurance reserves (Divide line 5, column 8 by line 5, column 7) | | | | | | | % |

*See instructions for section 806(b) and section 818(c) adjustments. **Adjusted under section 806(a) (attach schedule).

PART III—PENSION PLAN RESERVES (Section 805(d))

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| 1 Section 805(d)(1) reserves | | | | | | | |
| 2 Section 805(d)(2) reserves | | | | | | | |
| 3 Section 805(d)(3) reserves | | | | | | | |
| 4 Section 805(d)(4) reserves | | | | | | | |
| 5 Section 805(d)(5) reserves | | | | | | | |
| 6 Section 805(d)(6) reserves | | | | | | | |
| 7 Totals (Enter amount from column 7 on Schedule B, Part VI, line 3) | | | | | | | |

PART IV—ADJUSTED LIFE INSURANCE RESERVES (Section 805(c)(1))

| | | | | | | |
|---|--|--|--|--|--|--|
| 1 Mean of the life insurance reserves (from Part II, line 5, column 7) | | | | | | |
| 2 (a) 100 times the adjusted reserves rate (the smaller of line 1 or line 7, Part I) | | | | | | |
| (b) 100 times the average rate of interest assumed (from Part II, line 6) | | | | | | |
| (c) Subtract line 2(b) from line 2(a) | | | | | | |
| 3 Enter 0.9 raised to the power n, where n is the number (positive or negative) on line 2(c) | | | | | | |
| 4 Adjusted life insurance reserves (multiply line 1 by line 3). Enter here and on Schedule B, Part VI, line 1 | | | | | | |

PART V—QUALIFIED GUARANTEED INTEREST (Section 805(f))

| | | | | | | |
|---|--|--|--|--|--------|--|
| 1 Qualified guaranteed interest under section 805(f)(3)(A)(ii)(I) | | | | | | |
| 2 Interest on participating annuity contracts assumed in calculating reserves under those contracts (section 805(f)(3)(A)(i)) | | | | | | |
| 3 Subtract line 2 from line 1 | | | | | x .925 | |
| 4 Multiply line 3 by 92.5% (0.925) | | | | | | |
| 5 Qualified guaranteed interest under section 805(f)(1) | | | | | | |
| 6 Total—Add lines 2, 4, and 5. Enter here and on line 5(e), Part VI | | | | | | |

PART VI—POLICY AND OTHER CONTRACT LIABILITY REQUIREMENTS (Section 805(a)) (See instructions)

| | | | | | | |
|---|--|--|--|--|--|---|
| 1 Adjusted life insurance reserves (from Part IV, line 4) | | | | | | |
| 2 Multiplied by the adjusted reserves rate (the smaller of line 1 or line 7, Part I) | | | | | | % |
| 3 Pension plan reserves (from Part III, line 7, column 7) | | | | | | |
| 4 Multiplied by the current earnings rate (from Part I, line 1) | | | | | | % |
| 5 Interest (a) Interest on indebtedness | | | | | | |
| (b) Amounts treated as interest | | | | | | |
| (c) Discount on prepaid premiums | | | | | | |
| (d) Interest on certain special contingency reserves | | | | | | |
| (e) Qualified guaranteed interest (from Part V, line 6) | | | | | | |
| 6 Policy and other contract liability requirements (add lines 2, 4 and 5(a) through (e)) | | | | | | |

Schedule C TAXABLE INVESTMENT INCOME (Section 804(a)(2)) (See instructions)

| | | |
|---|--|------|
| 1 Total | | 100% |
| 2 Policyholders' share (section 804) (Divide Schedule B, Part VI, line 6, by Schedule A, line 15), but not more than 100% | | % |
| 3 Company's share (subtract line 2 from line 1) | | % |
| 4 Investment yield from Schedule A, line 15 | | |
| 5 Company's share (multiply line 4 by line 3) | | |
| 6 Net capital gain (from Schedule D (Form 1120) line 10) | | |
| 7 Add lines 5 and 6 | | |
| 8 (a) Interest wholly tax-exempt (from Schedule A, line 1(a), column 4) | | |
| (b) Multiply line 8(a) by line 3 | | |
| 9 Dividends-received deduction (affiliated groups—see instructions) | | |
| (a) 85% of Schedule A, line 2(a) | | |
| (b) 59.13% of Schedule A, line 2(b) | | |
| (c) 85% or 100% of Schedule A, line 2(c) | | |
| (d) Add lines 9(a), (b), and (c) | | |
| (e) Multiply line 9(d) by line 3 | | |
| (f) Enter the smaller of line 9(e) or 85% of line 12 figured without this deduction | | |
| 10 Small business deduction (10% of line 15, Schedule A; members of a controlled group see instructions). Do not enter more than \$25,000 | | |
| 11 Add lines 8(b), 9(f) and 10 | | |
| 12 Taxable investment income. Subtract line 11 from line 7. Do not enter less than zero. Enter here and on line 1(a), page 1 | | |

Schedule E GAIN OR (LOSS) FROM OPERATIONS (Section 809(b)) (See instructions)

| | | |
|---|--|------|
| 1 Total | | 100% |
| 2 Policyholders' share (section 809) (Divide Schedule E-1, line 7, by Schedule A, line 15), but not more than 100% | | % |
| 3 Company's share (subtract line 2 from line 1) | | % |
| 4 Investment yield from Schedule A, line 15 | | |
| 5 Company's share (multiply line 4 by line 3) | | |
| 6 Net capital gain (from Schedule D (Form 1120) line 10) | | |
| 7 (a) Gross premiums | | |
| (b) Less: return premiums | | |
| 8 (a) Decrease in reserves (after adjustments under section 810(a)) | | |
| (b) Decrease in section 811(b)(2) reserves. See Schedule E-2, Part I, line 3 | | |
| (c) 10% of any net decrease in reserves required by section 810(d) | | |
| 9 Other (attach schedule). Include amount from Form 4797, line 11(b)(2) for other than investment assets (see instructions) | | |
| 10 Total (add lines 5 through 9) | | |
| 11 Death benefits | | |
| 12 (a) Increase in reserves after reduction for investment yield under section 810(b) | | |
| (b) 10% of any net increase in reserves required by section 810(d) | | |
| 13 Assumption by another person of liabilities under insurance, etc., contracts | | |
| 14 (a) Interest wholly tax-exempt (from Schedule A, line 1(a), column 4) | | |
| (b) Multiply line 14(a) by line 3 | | |
| 15 Investment expenses.—Add the loss (if any) from line 15, Schedule A to the excess, if any, of line 9(a), Schedule A over line 9(b), Schedule A. Enter the total here | | |
| 16 Small business deductions (from Schedule C, line 10) | | |
| 17 Other deductions not deducted on Schedule A (attach schedule) | | |
| 18 Dividends reimbursed (from Schedule E-2, Part V, line 3) | | |
| 19 Total (add lines 11 through 18) | | |
| 20 (a) Dividends-received deduction (from Schedule C, line 9(d)) | | |
| (b) Multiply line 20(a) by line 3 | | |
| (c) Enter the smaller of line 20(b) or 85% of the excess of line 10 over line 19 | | |
| 21 Operations loss deduction (attach schedule) | | |
| 22 Tentative deduction (add lines 19, 20(c), and 21) | | |
| 23 (a) Dividends to policyholders (from Schedule E-2, Part IV, line 8) | | |
| (b) Certain nonparticipating contracts (from Schedule E-2, Part IV, line 10) | | |
| (c) Accident and health, and group life insurance (from Schedule E-2, Part IV, line 12) | | |
| 24 Total deductions. Add lines 22 through 23(c) | | |
| 25 Gain or (loss) from operations. Subtract line 24 from line 10. Enter here and on page 1, line 1(b) | | |

Schedule E-1 REQUIRED INTEREST (Section 809(a)(2))

Table with 5 columns: 1. Rate, 2. Beginning of tax year, 3. End of tax year, 4. Mean of columns 2 and 3, 5. Multiply column 1 by column 4. Rows include Sec. 810(c)(1) reserves, Sec. 810(c)(3) reserves, Sec. 810(c)(4) reserves, Sec. 810(c)(5) reserves, Sec. 810(c)(6) reserves, Total qualified guaranteed interest, and Required interest.

Schedule E-2

PART I—DIVIDENDS TO POLICYHOLDERS (Section 809(d)(3))

Table for Part I: Dividends paid to policyholders. Includes lines 1 (Dividends paid), 2(a) Reserve at the end of this year, 2(b) Reserve at the end of the preceding tax year, 2(c) Subtract line 2(b) from line 2(a), and 3 Total.

PART II—CERTAIN NONPARTICIPATING CONTRACTS (Section 809(d)(5))

Table for Part II: Certain nonparticipating contracts. Includes lines 1(a) Reserve at the end of the tax year, 1(b) Reserve at the beginning of the tax year, 1(c) Subtract line 1(b) from line 1(a), 1(d) 10% of line 1(c), 2(a) Net premiums, 2(b) 3% of line 2(a), and 3 Tentative deduction.

PART III—CERTAIN ACCIDENT AND HEALTH INSURANCE AND GROUP LIFE INSURANCE (Section 809(d)(6))

Table for Part III: Certain accident and health insurance and group life insurance. Includes lines 1(a) Net premiums, 1(b) 2% of line 1(a), 2(a) 50% of line 1(a), 2(b) Deductions allowed or allowable in earlier years, 2(c) Difference, and 3 Tentative deduction.

PART IV—LIMITATION ON DEDUCTION (SCHEDULE E, LINE 23) (Section 809(f))

Table for Part IV: Limitation on deduction. Includes lines 1-12 detailing the calculation of the limitation on deduction for Schedule E, line 23.

ALTERNATIVE LIMITATION (Section 809(f)(2))

Table for Alternative Limitation. Includes lines 13-20 detailing the calculation of the alternative limitation.

FIGURING LIMITATION UNDER SECTION 809(f)(3)

Table for Figuring Limitation Under Section 809(f)(3). Includes lines 21-27 detailing the calculation of the limitation under section 809(f)(3).

PART V—DIVIDENDS REIMBURSED (Section 809(d)(12))

Table for Part V: Dividends reimbursed. Includes lines 1 (Dividends reimbursed), 2(a) Reserve at the end of this tax year, 2(b) Reserve at the end of the preceding tax year, 2(c) Difference, and 3 Combine lines 1 and 2(c).

Schedule F—SHAREHOLDERS' SURPLUS ACCOUNT (Section 815(b))

Table for Schedule F: Shareholders' surplus account. Includes lines 1-11 detailing the calculation of the shareholders' surplus account.

Schedule G—POLICYHOLDERS' SURPLUS ACCOUNT (Section 815(c))

Table for Schedule G: Policyholders' surplus account. Includes lines 1-6 detailing the calculation of the policyholders' surplus account.

Schedule H Additional Information Required (See page 10 of instructions)

C Check if you are a:

(1) Legal reserve company—if checked:

Kind of company:

Stock

Mutual

Principal business:

Life insurance

Health and accident insurance

(2) Fraternal or assessment association

(3) Burial or other insurance company

D Enter the percentage that the total of your life insurance reserves (sec. 801(b)) plus unearned premiums and unpaid losses (whether or not ascertained) on noncancellable life, health or accident policies not included in life insurance reserves, is to your total reserves (sec. 801(c)). Attach schedule.

E Do you have any variable annuity contracts outstanding?%

F (1) Did you, at the end of the tax year, own, directly or indirectly, 50% or more of the voting stock of a domestic corporation (for rules of attribution, see section 267(c))?

If Yes, attach a schedule showing:

(a) Name, address, and identifying number;

(b) Percentage owned; and

(c) Taxable income or (loss) from line 28, page 1, Form 1120 of that corporation for the tax year ending with or within your tax year.

(2) Did any individual, partnership, corporation, estate, or trust, at the end of the tax year, own, directly or indirectly, 50% or more of your voting stock (for rules of attribution, see section 267(c))?

Yes No

If Yes, attach a schedule showing:

(a) Name, address, and identifying number, and

(b) Percentage owned.

(c) If the owner of that voting stock was a person other than a U.S. person, check Yes and show owner's country ▶

G Did you claim a deduction for:

(a) Entertainment facility (boat, resort, ranch, etc.)?

(b) Living accommodations (except for employees on business)?

(c) Employees attending conventions or meetings outside the North American area? (See section 274(h).)

(d) Employees' families at conventions or meetings? If Yes, were any of these conventions or meetings outside the North American area? (See section 274(h).)

(e) Employee or family vacations not reported on Form W-2?

H Were you a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957) If Yes, attach Form 5471 for each corporation.

I At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country?

J Were you ever the grantor of or transferor to a foreign trust that existed during the current tax year, whether or not you had any beneficial interest in it? If Yes, you may be required to file Forms 926, 3520, or 3520A.

K During the tax year were any of your tax accounting records maintained on a computerized system?

Yes No

Schedule J COMPENSATION OF OFFICERS (See page 10 of instructions for information to be attached.)

Schedule K ASSETS (Section 805(b)(4)) AND TOTAL INSURANCE LIABILITIES (Section 819(a)) (See instructions)

| PART I—ASSETS (Section 805(b)(4)) | | 1. Beginning of tax year | 2. End of tax year | 3. Mean of column 1 and column 2* |
|--|---|--------------------------|--------------------|-----------------------------------|
| 1 | Real estate | | | |
| 2 | Mortgages: (a) Without service fees | | | |
| | (b) With service fees | | | |
| 3 | Collateral loans | | | |
| 4 | Policy loans, including premium notes | | | |
| 5 | Corporate bonds | | | |
| 6 | Stocks | | | |
| 7 | Government obligations, etc. | | | |
| 8 | Bank deposits, cash, etc. | | | |
| 9 | Other assets (attach schedule) | | | |
| 10 | Totals | | | |
| | | General account | | Separate account |
| 11 Assets at the end of the tax year (from line 10, column 2) ▶ | | | | |

*Adjusted under section 806(a) (see instructions—attach schedule)

| PART II—Total Insurance Liabilities (Section 819(a)) | | | | | |
|--|------------------|-----------------|---|--------------------|---------------------|
| Item | 1. Section | 2. NAIC* page 3 | 3. Description of item | 4. General account | 5. Separate account |
| 1 | 801(c)(1) | Line 1 | Reserve for life policies and contracts | | |
| | | | Subtract: Deficiency reserves | | |
| 2 | 801(b)(1) | Line 2 | Reserve for accident and health policies | | |
| | | | Subtract: Reserves for rate credits | | |
| 3 | 810(c)(3) | Line 3 | Supplementary contracts without life contingencies | | |
| 4 | 801(b)(1) | Line 4.1 | Policy and contract claims, life | | |
| | | | Subtract: Resisted life claims | | |
| 5 | 801(b)(1) | Line 4.2 | Policy and contract claims, accident and health | | |
| 6 | 810(c)(4) | Line 5 | Policyholders' dividend and coupon accumulations | | |
| 7 | 810(c)(5) | Line 9 | Premiums and annuity considerations received in advance | | |
| | | | Subtract: Discount | | |
| 8 | 810(c)(5) | Line 10 | Liability for premium and other deposit funds | | |
| 9 | 810(c)(6) | | Miscellaneous insurance liabilities, not included above: | | |
| | | | (a) Special contingency reserves for group life, health and accident insurance | | |
| | | | (b) Amounts held at interest under insurance, annuity or deposit administration contracts or pension trust side funds | | |
| | 810(c)(3) | | (c) Funds held to provide for future conversion of policies or contracts | | |
| | 810(c)(3) | | (d) Amounts held pending issue of contracts supplementary to insurance or annuity contracts | | |
| | 801(c)(3) | | (e) Other insurance liability or adjustments: | | |
| | | | (i) Reserves for mortality fluctuations | | |
| | | | (ii) Liability for insurance or annuity benefits for employees and agents | | |
| | 801(c)(3) | | (f) Other items (please describe): | | |
| 10 | Totals | | | | |

*1982 Annual Statement Form approved by the National Association of Insurance Commissioners. References in column 2 apply to the general account only.
 U.S. GOVERNMENT PRINTING OFFICE: 1982-O-369-154 23-9914799

1982 Department of the Treasury Internal Revenue Service

Instructions for Form 1120L U.S. Life Insurance Company Income Tax Return

(Section references are to the Internal Revenue Code, unless otherwise specified.)

Tax Highlights

The following important changes have been made due to various tax laws. Changes A and B are based on the Economic Recovery Tax Act (ERTA) of 1981. Changes C through I are based on the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 enacted into law September 3, 1982.

A. Reduction in corporate tax rates.—Effective for tax years beginning after 1981, the tax rates are reduced for the two lowest taxable income brackets. For the taxable income bracket of \$25,000 or less, the tax rate decreases for 1982, from 17% to 16%, and for 1983, to 15%. For the taxable income bracket over \$25,000 but not over \$50,000, the tax rate decreases for 1982, from 20% to 19%, and for 1983 to 18%. The remaining tax rates of 30%, 40%, and 46% did not change.

Because of changes in these tax rates, fiscal year 1982-83 corporations must pro-rate their tax under section 21.

B. Depreciation changes.—For tax years beginning after December 31, 1981, you may elect to expense part of the cost (up to \$5,000 for 1982 and 1983) of certain depreciable property that you bought during the year. See Form 4562, *Depreciation and Amortization*, for more information.

C. Modified coinsurance.—TEFRA made a number of changes to the tax law as it relates to life insurance companies, including the repeal of section 820, *Optional Treatment of Policies Reinsured Under Modified Coinsurance Contracts*. For more information on this change and the effective dates, see sections 255 through 268 of TEFRA.

D. Reduction in tax preference items.—Fiscal year corporations may be required to reduce the following tax preference items by 15%: section

1250 capital gain, amortizable basis of pollution control facilities, intangible drilling costs, and mineral exploration and development costs. For more information and effective dates, see section 291.

E. Basis adjustment for investment tax credits.—A taxpayer may be required to reduce the basis of property placed in service after December 31, 1982, by 50% of the regular, energy, or certified historic structure investment tax credit taken for the property. See the instructions for Form 3468, *Computation of Investment Credit*.

F. Leasing.—Changes have been made to the safe harbor leasing rules that reduce the tax benefits on leases entered into or property placed in service after July 1, 1982, subject to certain transitional rules and rules for figuring the depreciation for qualified leased property (see sections 168(f) and (i)). The rules for figuring depreciation for property financed by tax-exempt obligations have also changed (see section 168(f)(12)).

G. Targeted jobs credit.—This credit has been extended to include wages paid to a qualified individual who begins work on or before December 31, 1984. Changes have been made in the certification rules and in the definition of certain targeted groups. For more information, see Form 5884, *Jobs Credit* (and WIN Credit Carryover).

H. Withholding on interest and dividends.—Effective July 1, 1983, a corporation that is a payer of interest, dividends, or patronage dividends to certain recipients is required to withhold a tax of 10% on the amount paid. See the 1983 Instructions for Form 1096.

As recipients, however, most corporations are exempt from withholding on their income from these sources. Some withholding may have occurred: if for example, the corporation was a member of a partnership.

If the corporation had withholding on its interest, dividend, or patronage dividend income after June 30, 1983, see the instructions for line 14(f) on page 12.

I. Accelerated tax payments.—To avoid the estimated tax penalty for tax years beginning after December 31, 1982, the amount of estimated tax payments required by a corporation is increased from 80% to 90%. See sections 6655(b)(1) and (d)(3).

For tax years beginning after December 31, 1982, a corporation must pay the amount of unpaid taxes on line 15 within 2½ months after the end of the tax year. The election to pay in two equal installments will no longer be available.

Voluntary Contributions to Reduce the Public Debt

Quite often inquiries are received about how voluntary contributions to reduce the public debt may be made. A corporation may contribute by enclosing a separate check, payable to "Bureau of the Public Debt," with the tax return. These amounts are tax-deductible, subject to the rules and limitations for charitable contributions. Please keep the contribution to reduce the public debt separate from any amount payable with the tax return. Tax remittances should be made payable to "Internal Revenue Service."

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws, and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose of Form 1120L.—Life insurance companies use Form 1120L to report income and expenses and to figure any tax that may be due.

Who must file Form 1120L.—Every domestic life insurance company and every foreign corporation carrying on an insurance business within the U.S. (if its U.S. business would qualify as a life insurance company) must file a return on Form 1120L. However, this is true only for companies:

• That issue life insurance and annuity contracts either separately or combined with health and accident insurance, or noncancellable contracts of health and accident insurance, and

• Whose life insurance reserves, plus unearned premiums and unpaid losses (whether or not ascertained) on noncancellable life, health, or accident policies not included in life insurance reserves, make up more than 50% of its total reserves, adjusted in each case for policy loans as required by section 801(d).

Noncancellable includes guaranteed renewable life, health, and accident insurance that the company cannot cancel but under which the company reserves the right to adjust premium rates by classes, according to experience under the kind of policy involved. Life insurance reserves and total reserves do not include deficiency reserves.

A burial or funeral benefit insurance company that directly manufactures funeral supplies or performs funeral services is taxable under section 821 or section 831 and should file Form 1120M, *U.S. Mutual Insurance Company Income Tax Return*, or Form 1120, *U.S. Corporation Income Tax Return*.

If a receiver, trustee in bankruptcy, or assignee has possession of, or holds title to, all or substantially all of a corporation's property or business whether or not it is being operated, that person must make a return in the same manner and form as would be required were the corporation to make its own return.

If a life insurance company disposes of its life insurance business and life insurance reserves under a reinsurance agreement with another company, but continues its corporate existence while winding up and liquidating its affairs, it will not be taxable as a life insurance company after the effective date of the agreement.

Where to file.

If the corporation's principal business, office, or agency is located in

Use the following Internal Revenue Service Center address

New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester

Holtzville, NY 00501

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Andover, MA 05501

Alabama, Florida, Georgia, Mississippi, South Carolina

Atlanta, GA 31101

Michigan, Ohio

Cincinnati, OH 45299

Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas

Austin, TX 73301

Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming

Opden, UT 84201

Where to file.

If the corporation's principal business, office, or agency is located in

Use the following Internal Revenue Service Center address

Illinois, Iowa, Missouri, Wisconsin

Kansas City, MO 64999

California, Hawaii

Fresno, CA 93888

Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia

Memphis, TN 37501

Delaware, District of Columbia, Maryland, Pennsylvania, foreign countries and U.S. possessions

Philadelphia, PA 19255

If all the books and records are kept in the managing corporation's principal office, the separate returns of a group of corporations may be filed with the service center where the managing corporation files its return.

When to file.—In general, a corporation must file Form 1120L by the 15th day of the 3rd month after its tax year ends. A new corporation filing a short period return must generally file by the 15th day of the 3rd month after the short period ends. A corporation that has dissolved must generally file by the 15th day of the 3rd month after the date it is dissolved.

Extensions of time for filing.—Use Form 7004, *Application for Automatic Extension of Time to File Corporation Income Tax Return*, to request an automatic 3-month extension if you need more time to file Form 1120L. If you need more time file Form 7005, *Application for Additional Extension of Time to File Corporation Income Tax Return*, to request more time after you have gotten an automatic 3-month extension by filing Form 7004.

Period covered.—File the 1982 return for calendar year 1982 and fiscal years that begin in 1982. If the corporation ceased to exist in 1982, write "FINAL RETURN" at the top of the form.

Accounting methods.—You must file the return using the accrual method of accounting or, to the extent permitted under regulations, a combination of the accrual method with any other method, except the cash receipts and disbursements method.

Unless the law specifically permits, you cannot change the method of accounting used to report income in earlier years (for income as a whole or for any material item) unless you first get IRS consent on Form 3115, *Application for Change in Accounting Method*.

Rounding off to whole-dollar amounts.—You may show money

items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

Percentage computations.—In figuring earnings rates, assumed rates, and the policyholders' and company's share of investment yield, carry out the computation to enough decimal places to ensure substantial accuracy and to eliminate any significant error in the resulting tax.

Pension, profit-sharing, etc., plans.—If you are an employer who maintains a pension, profit-sharing, or other funded deferred compensation plan whether or not it is qualified under the Internal Revenue Code and whether or not you claim a deduction for the current tax year, generally you are required to file one of the forms described below. Section 6652(f) of the Code provides penalties for not filing these forms on time.

Form 5500, Annual Return/Report of Employee Benefit Plan.—Complete this form for each plan with 100 or more participants.

Form 5500-C, Return/Report of Employee Benefit Plan, or Form 5500-R, Registration Statement of Employee Benefit Plan.—Complete the applicable form for each plan with fewer than 100 participants.

Note: Only one return is required to be filed for a plan of a controlled group of corporations or a multiemployer-collectively-bargained plan. Individual participating or contributing employers are not required to file separately.

Transfers to corporation controlled by transferor.—If a person receives stock or securities of a corporation in exchange for property, and does not have a gain or loss that is recognized under section 351, the transferor and the transferee must attach the information required by regulations section 1.351-3.

Other Forms Needed.—In addition to Form 1120L, you may need to file one or more information returns.

Every corporation must file information returns if it makes payments of rents, commissions, or other fixed or determinable income totaling \$600 or more to any one person in the course of its trade or business during the calendar year. It must report interest and dividend payments if they total \$10 or more.

For example, if the corporation pays an individual \$600 or more in

any calendar year to perform services under a subcontract type of arrangement in which no employment taxes are withheld, the corporation must file Form 1099-NEC, Statement for Recipients of Nonemployee Compensation.

Use Form 1096, Annual Summary and Transmittal of U.S. Information Returns, to summarize and send information returns to the Internal Revenue Service Center. For more information about filing information returns and exceptions, see the Instructions for Form 1096.

Note: Life insurance companies that do not include the NAIC annual statement with their income tax returns may be subject to a penalty. See Penalties, below.

Consolidated returns.—If an affiliated group of corporations includes one or more domestic insurance companies taxed under section 802 or 821, the common parent may elect to treat those companies as includable corporations. The insurance companies must have been members of the group for the 5 tax years immediately preceding the tax year for which the election is made. See section 1504 (c)(2).

Note: TEFRA has made a number of changes to the rules for consolidated returns. For information on these changes, see sections 262 and 263 of TEFRA.

Penalties.—Avoid penalties and interest by correctly filing and paying the tax when due.

1. A corporation that does not file its tax return by the due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25% for each month the return is not filed. The penalty is charged on the net amount due under section 6651 (a)(1). The minimum penalty for failure to file a tax return within 60 days of the due date (including extensions) is the lesser of the underpayment of tax or \$100.

Since regulations section 1.6012-2(c) requires that the NAIC annual statement be filed as part of the return, a penalty may be imposed under section 6651(a)(1) for not including the annual statement when filing the return.

2. A corporation that does not pay the tax when due may be subject to a penalty of 1/2% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. The penalty is charged on the net

amount due under section 6651 (a)(2).

These penalties will not be imposed if the corporation can show that the failure to file or to pay was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate determined under section 6621.

3. A corporation that does not pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment under section 6655, at a rate determined under section 6621.

If the corporation underpaid estimated tax, attach Form 2220, Underpayment of Estimated Income Tax by Corporations, to show how you figured the penalty or which exceptions you believe the corporation meets.

Signature.—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return he or she is required to file on behalf of a corporation.

Paid Preparer's Information.—If your corporate officer filled in Form 1120L, the Paid Preparer's Use Only area should remain blank. If someone prepares Form 1120L and does not charge the corporation, that person should not fill in the Paid Preparer's Use Only area. Certain others who prepare Form 1120L should not fill in the Paid Preparer's Use Only area. For example, a regular, full time employee of the corporation such as clerk, secretary, etc., does not have to sign.

Generally, anyone who is paid to prepare Form 1120L must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The person required to sign the return as preparer MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature (signature stamps or labels are not acceptable);

- Give a copy of Form 1120L to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should know their responsibilities. Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns, lists some of the preparers' other responsibilities and penalties

for which they may be liable. The publication also contains the regulations that govern their work.

Sales and Exchanges of Life Insurance Company Property

Capital assets.—Each item of property a corporation holds (whether or not connected with its business) is a capital asset, except as provided in section 1221. But gains or losses from the sale or exchange of depreciable assets of any business (other than an insurance business) that the life insurance company carries on will be treated as gains or losses from the sale or exchange of capital assets. In addition, gains or losses from the sale or exchange of investment assets will be treated as gains or losses from the sale or exchange of capital assets.

Complete Schedule D (Form 1120) according to its instructions. Enter the net-short-term capital gain minus the net long-term capital loss from line 9, Schedule D (Form 1120) on line 6, Schedule A, Form 1120L. Enter the net capital gain from line 10, Schedule D (Form 1120) on line 6, Schedule C, and line 6, Schedule E, Form 1120L. Attach Schedule D (Form 1120) to Form 1120L.

Assets used in a trade or business and involuntary conversions.—Use Form 4797, Supplemental Schedule of Gains and Losses, to report sales and exchanges of assets used in a trade or business, and involuntary conversions.

Section 817(a) provides that in applying section 1231(a), property used in a trade or business includes only (1) property used in carrying on an insurance business that is real property held for more than 1 year, or depreciable property held for more than 1 year; and (2) timber, coal, and domestic iron ore to which section 631 applies. The term does not include inventoriable property, property held primarily for sale to customers, or certain copyrights, literary, musical or artistic compositions, letters, or memoranda, and similar property.

Complete Form 4797 through line 11(a) according to its instructions. Enter ordinary income from investment assets (from line 25, Part III, Form 4797), on line 11(b)(1). Form 4797 (write "investment assets" in right hand margin), and on line 7, Schedule A, Form 1120L. Subtract line 11(b)(1) from line 11, Form 4797, and enter the result on line 11 (b)(2), Form 4797, and on line 9, Schedule E, Form 1120L. Attach Form 4797 to Form 1120L.

Special rules for section 817(b) property.—See section 817(b) and related regulations for how to limit the gain from the sale or exchange of any section 817(b) property.

Foreign Life Insurance Companies.—A foreign life insurance company that sells a U.S. real property interest must file Form 1120L and Schedule D (Form 1120) to report the sale. Gain or loss from the sale of a U.S. real property interest is considered effectively connected with the conduct of a U.S. business, even though the foreign life insurance company does not carry on any insurance business in the U.S. and is not otherwise required to file a U.S. income tax return.

Alternative tax on capital gains.—See instructions for line 6 on page 11 to figure the alternative tax.

Specific Instructions

Box A. Employer identification number.—Enter the corporation's employer identification number (EIN).

If the corporation does not have an EIN, apply for one on Form SS-4, Application for Employer Identification Number. You can get this form at most IRS or Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center where you send Form 1120L. If you have not received the EIN by the time to file Form 1120L, write "Applied for" in the space for the EIN.

SCHEDULE A—Investment Yield

Investment yield is gross investment income (defined in section 804 (b)), less the deductions allowed in section 804(c). Report all items of income and allowable deductions in Schedule A to provide the basis for the exclusion of the policyholders' share of the investment yield from the life insurance company's taxable income.

Line 1. Interest.—Enter interest from all sources during the tax year. Decrease the gross interest reported by the amortization of premium and increase it by the accrual of discount (except market discount) for the tax year on bonds, notes, debentures, or other evidences of indebtedness. Determine these amounts by:

- The method regularly used, if reasonable, or
- Regulations prescribed by the Secretary of the Treasury.

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Also see section 818(b). Attach a statement showing the method and computation used.

Line 2. Dividends

(a) Enter dividends received from domestic corporations subject to income tax that qualify for the 85% deduction under section 243(a)(1):

So-called dividends or earnings received from mutual savings banks, money market certificates, etc., are really interest and should not be treated as dividends.

For dividends received from a regulated investment company, see section 854 for the amount that qualifies for the 85% deduction.

(b) Enter dividends received on the preferred stock of a public utility subject to income tax that is allowed the deduction under section 247 for dividends paid.

(c) Enter dividends received:

- From foreign corporations that qualify for the 85% deduction under section 245(a);

- From wholly-owned foreign subsidiaries that qualify for the 100% deduction under section 245(b). Attach a schedule showing the amount of these dividends included on line 2(c).

(d) Enter dividends that qualify for the 100% dividends-received deduction under section 243(a)(3) that are subject to the elective provisions of section 243(b).

(e) Attach a schedule showing separately:

- Foreign dividends not reportable on line 2(c). (Exclude distributions of amounts constructively taxed in the current year or earlier years under subpart F.)

- Income constructively received from controlled foreign corporations under subpart F. This should equal the total amounts reported in Schedule J of Form(s) 5471, Information Return with Respect to Foreign Corporations.

- Gross-up of dividends for taxes considered paid under sections 902 and 960.

- Dividends (other than capital gain and exempt interest dividends) received from regulated investment companies that do not qualify for the 85% deduction.

- Dividends from tax-exempt organizations.

- Dividends (other than capital gain dividends) received from a real estate investment trust that, for the tax year of the trust in which the dividends are paid, qualifies under sections 856 through 860.

- Dividends not eligible for the dividends-received deduction because of the stock's holding period or an obligation to make corresponding payments on similar stock.

- Any other taxable dividend income not properly reported above.

Line 3. Gross rents.—Enter the gross rents received for property. Deduct expenses such as repairs, taxes, and depreciation in the proper lines for deductions.

Line 4. Gross royalties.—Enter gross royalties. If you take a deduction for depletion, report it on line 12.

Line 5. Leases, terminations, etc.—Enter the gross income from entering into (or changing or ending) any lease, mortgage, or other instrument or agreement from which the life insurance company earns interest, rents, or royalties.

Line 6. Net short-term capital gain minus net long-term capital loss.—Enter the amount by which the net short-term capital gain is more than the net long-term capital loss (line 9, Schedule D (Form 1120)).

Line 7. Gross income from trade or business other than insurance business.—Enter the gross income from any business (other than an insurance business) carried on by the life insurance company, or by a partnership of which the life insurance company is a member.

Include section 1245, section 1250, and other gains for investment assets only from Form 4797, line 11(b)(1). See instructions on page 3 under Assets used in a trade or business and involuntary conversions.

Deductions

Line 9. Investment expenses.—Enter expenses that are properly chargeable as investment expenses. If you allocate general expenses to investment expenses, the total deduction cannot exceed line 5, Schedule A-1.

Line 10. Real estate expenses.—Enter all ordinary and necessary building expenses (such as taxes, fire insurance, heat, light, labor, and the cost of incidental repairs which neither materially add to the value of the property nor appreciably prolong its life, but keep it in an ordinary efficient operating condition). Include only expenses for real estate the company owns. Do not include any amount for new buildings or for permanent improvements made to increase the value of any property; or any amount spent on foreclosed property before it is offered for rent.

Line 11. Depreciation.—See Instructions for Form 4562, Depreciation and Amortization.

Limitation on deductions for real estate owned and occupied.—Do not include in the deductions on lines 10 and 11 any amounts for real estate the company owns and occupies for insurance purposes. Allocate the deductions in the same ratio as the rental value of the space not occupied for insurance purposes is to the space that is occupied for insurance purposes. Attach a detailed schedule.

Line 12. Depletion.—See sections 613 and 613A for percentage depletion rates for natural deposits.

Attach Form T (Timber), **Forest Industries Schedules**, if you claim a deduction for timber depletion.

Line 13. Trade or business deductions.—Enter total deductions for any trade or business income that is included in the life insurance company's gross investment income under section 804(b)(3). Do not include deductions for any insurance business. Do not include losses from (or considered as from) sales or exchanges of capital assets, or property used in the business (as defined in section 1231(b)), or from the compulsory or involuntary conversion of property used in the business.

The deduction for net operating losses (section 172) and the special deductions (sections 241 through 250) are not allowed.

SCHEDULE B

Purpose.—This schedule is used to determine policy and other contract liability requirements. This computation furnishes the numerator, with the total investment yield as the denominator, to determine the policyholders' share of investment yield on Schedule C.

Definition.—Policy and other contract liability requirements means the total of:

- The adjusted life insurance reserves (from Part IV), multiplied by the adjusted reserves rate (the smaller of line 1 or line 7, Part I);
- The mean of the pension plan reserves at the beginning and end of the tax year (from Part III), multiplied by the current earnings rate (from Part I); and
- The interest paid.

Part I—Earnings Rates (Section 805(b))

Definitions.—Current earnings rate is the percentage determined by dividing the investment yield for the tax year from Schedule A by the mean of the assets at the beginning and end of the tax year from Schedule K, Part I, line 10, column 3:

Average earnings rate is the total of the current earnings rate for the current tax year and the earnings rate for each of the 4 tax years immediately preceding the current tax year, divided by 5. If the company was an insurance company (but not a life insurance company) in any of the 4 years preceding the current tax year, make the computation as if the company were a life insurance company for that year. If the company was not in existence or was not an insurance company for one or more of the 4 preceding years, make no entry for that year or years. Determine the average earnings rate (line 7) by adding the percentages and dividing this total by the number of years for which entries are made. For example, if entries are made on three lines, divide the total by 3.

Part II—Average Interest Rate Assumed (Section 805(c)(2))

Exclude pension plan reserves and reserves on any qualified guaranteed contract from life insurance reserves for determining the taxpayer's assumed rate under this part. See Parts III and V.

Columns 5 and 6. Adjustments under section 806(b).—If the basis for determining the amount of any item referred to in section 810(c) (life insurance reserves, etc.) at the end of the tax year differs from the basis for the determination at the beginning of the tax year, you must figure the amount at the end of the tax year on the old basis, and the amount at the beginning of the next tax year on the new basis.

Adjustment under section 818(c).—This adjustment is required if the company actually figures its life insurance reserves on a recognized preliminary term basis but elects to convert them to a net level premium basis in figuring the reserves for tax purposes.

If elected, the conversion may be made by one of two methods:

Method 1. Exact revaluation: Figure the reserves for all contracts (for which reserves are figured on a preliminary term basis) on a net level premium basis using the same mortality assumptions and interest rates for both the preliminary term basis and the net level premium basis.

Method 2. Approximate Revaluation: For contracts for which you figure reserves on the preliminary term basis, increase the reserves by the total of:

- \$19 per \$1,000 of insurance in force (other than term insurance), less 1.9% (.019) of reserves under

these contracts. (Note: for reserves established under contracts entered into before April 1, 1982, use \$21 per \$1,000 of insurance in force (other than term insurance), less 2.1% (.021) of reserves under these contracts); plus

- \$5 per \$1,000 of term insurance in force under contracts which, when issued, covered a period of more than 15 years, less 0.5% (.005) of reserves under these contracts.

A life insurance company may elect, under section 818(c), the approximate revaluation method for all its life insurance reserves, except for noncancellable accident and health reserves. For these you may use the exact revaluation method.

If the company makes an election of one of the two methods, the method chosen must be used (other than for purposes of the definition of life insurance under section 801) for the tax year of the election and all later years, unless a change is approved by the Commissioner.

The exception to this is if the company has an election in effect for the tax year beginning in 1981 to use Method 2, then it may change to using Method 1 for its first tax year beginning after 1981 without the Commissioner's approval.

Column 7. Adjustment under section 806(a).—If, during the tax year, life insurance reserves change due to the transfer between the company and another person of liabilities under contracts taken into account in figuring the reserves, adjust the mean of the reserves on a daily basis, to reflect the amount involved in the transfer. (See regulations section 1.806-3.) This adjustment applies whether or not the transferor of the liabilities was the original insurer. However, this adjustment does not apply to reinsurance another person cedes to the taxpayer or the taxpayer cedes to another person. For the definition of life insurance reserves, see section 801(b).

Part III—Pension Plan Reserves

Adjust these reserves under sections 806(b) and 818(c) as described in Part II above.

Part IV—Adjusted Life Insurance Reserves

This is the mean of the life insurance reserves (as defined in section 801(b)), figured under Part II and adjusted in Part IV. Use this amount to figure the policy and other contract liability requirements in Part VI.

Part V—Qualified Guaranteed Interest (Section 805(f))

For tax years beginning after December 31, 1981, life insurance companies may deduct all qualified guaranteed interest credited on qualified contracts. Qualified interest is interest figured:

1. At a stated rate that is guaranteed both before the period for which it accrues, and for at least 12 months (or to the end of the tax year in which the contract was issued); or

2. By a formula or other method that is guaranteed before the period for which it accrues; may not be changed by the company for at least 12 months (or to the end of the tax year in which the contract was issued); and is independent of the experience of the company.

Exception. The requirement that the rate be guaranteed for at least 12 months (or to the end of the tax year in which the contract was issued) does not apply to any moneys held under a contract on August 13, 1982, and to any interest on such moneys after that date. Also, a contract entered into after August 13, 1982, but before January 1, 1983, will be treated as meeting this 12 month requirement if it meets the requirement on the first contract anniversary date.

A qualified contract is any annuity contract (except those described in section 805(d)) that (1) involves (when the qualified interest is credited) life contingencies, (2) provides no right under State law for the policyholder to participate in the company's divisible surplus, and (3) allows the company, from time to time, to credit, as interest, amounts that are larger than those required by the contract.

Special rule for participating contracts. An annuity contract that would be a qualified contract but for the fact that it allows participation in the company's divisible surplus, will be treated as a qualified contract, but its deductible interest will be limited. The qualified guaranteed interest deduction for a participating contract is:

1. The interest that would be assumed in calculating the reserves under the contract, if it were not included in Part VI, lines 5(a) through 5(d); plus

2. 92.5% of the excess of:

(a) The qualified guaranteed interest determined without these rules and as if the contract was a qualified contract, over

(b) The amount in 1 above.

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Part VI—Policy and Other Contract Liability Requirements (Section 805(a))

Line 5. Interest Paid

For line 5, interest paid for the tax year may not include any amount paid or accrued after December 31, 1981, by a ceding company or its affiliates to any person in connection with a reinsurance agreement, other than interest because of delay in making periodic settlement of income and expense items under the terms of the agreement. However, if 20% or more of the liabilities are paid in cash, see the special transitional rule in section 257(b) of TEFRA.

(a) Enter all interest paid for the tax year, except on indebtedness incurred or continued to purchase or carry obligations on which the interest income is wholly tax-exempt.

(b) Enter all amounts treated as interest, whether or not guaranteed, for the tax year on insurance or annuity contracts (including supplementary contracts) that at the time of accrual do not involve life, health, or accident contingencies.

(c) Enter all discounts treated as interest, whether or not guaranteed, on premiums or other consideration paid in advance on insurance or annuity contracts.

(d) Enter all interest for the tax year on special contingency reserves under contracts of group term life insurance or group health and accident insurance that are established and maintained to provide insurance on retired lives, to stabilize premiums, or both.

(e) Enter all qualified guaranteed interest from Part V, line 6.

SCHEDULE C—Taxable Investment Income

General.—The policyholders' share of each item of investment yield (including tax-exempt interest and dividends received) of any life insurance company cannot be included in taxable investment income.

Line 2.—Enter the policyholders' percentage share of each item of investment yield. Determine this percentage by dividing the policy and other contract liability requirements from Schedule B by the investment yield from Schedule A. If the policy and other contract liability requirements are more than the investment yield, the policyholders' share must be 100%.

Line 3.—The difference between 100% and the percentage on line 2 is the life insurance company's share of any item of investment yield.

Line 4.—Enter on line 4 the amount shown in Schedule A, line 15.

Line 5.—Multiply the amount on line 4 by the percentage on line 3 to figure the company's share of investment yield.

Deductions

Line 8. Interest wholly tax-exempt.—On line 8(a) enter the amount from Schedule A, line 1(a), column 4. Next, multiply the amount on line 8(a) by the amount on line 3. Then enter the result on line 8(b).

Line 9. Dividends-received deduction.—(a) **Dividends received from domestic corporations.**—Enter 85% of the amount from Schedule A, line 2(a) (except dividends on certain preferred stock of public utilities) from domestic corporations subject to income tax. Members of certain affiliated groups may elect to deduct 100% of the qualifying dividends received from other members of the same group. Include their dividend deduction on line 9(a). See section 243.

(b) **Dividends received on certain preferred stock of public utilities.**—Enter 59.13% of the amount from Schedule A, line 2(b). See section 244.

(c) **Dividends received from foreign corporations subject to the 85% or 100% deduction.**—

• Enter 85% of the amount from Schedule A, line 2(c) that was received from foreign corporations that qualify for the 85% deduction.

• Enter 100% of the amount from Schedule A, line 2(c) that was received from wholly-owned foreign subsidiaries that qualify for the 100% deduction provided in section 245(b).

See section 245 for qualifications and limitations on these deductions.

(d) Add lines 9(a), 9(b) and 9(c).

(e) Multiply the amount on line 9(d) by the percentage on line 3 to figure the company's share of the dividends-received deduction.

(f) **Dividends-received deduction.**—The dividends-received deduction cannot be more than 85% of line 7, minus lines 8(b) and 10 (taxable investment income figured without this deduction).

A member of an electing affiliated group is also limited to 85% of taxable investment income figured without this deduction. But the qualifying dividends received from the same group are not subject to the 85% limitation.

In general, no dividends-received deduction will be allowed on any share

of stock if the corporation disposes of it after holding it 15 days or less; or to the extent the corporation is obligated to make corresponding payments on substantially identical stock or securities.

Line 10. Small business deduction.—Enter 10% of the investment yield from Schedule A. But the deduction cannot be more than \$25,000.

Members of a controlled corporate group are limited to one \$25,000 small business deduction. See section 1561(a).

SCHEDULE E—Gain or (Loss) From Operations (Section 809(b))

General.—The policyholders' share of each item of investment yield (including tax-exempt interest and dividends received) of any life insurance company cannot be included in gain or loss from operations.

Income

Line 2.—Enter the policyholders' percentage share of each item of investment yield. This percentage is determined by dividing the required interest from Schedule E-1 by the investment yield from Schedule A. If the required interest is more than the investment yield, then the policyholders' share must be 100%.

Lines 4 and 5.—See instructions for Schedule C, lines 4 and 5.

Line 7(a).—Enter the gross premiums and other consideration (including advance premiums, deposits, fees, assessments, consideration from assuming liabilities under contracts not issued by the company and dividends to policyholders reimbursed to the taxpayer by a reinsurer for reinsured policies) on insurance and annuity contracts (including supplementary contracts).

Line 7(b).—Enter return premiums, and premiums and other consideration for reinsurance ceded. Except for premiums or other consideration returned to another life insurance company from reinsurance ceded, you cannot include amounts returned when they are not fixed in the contract but depend on the company's experience or the management's discretion. But treat as return premiums amounts rebated or refunded due to policy cancellations or to incorrectly figured premiums. Then subtract line 7(b) from line 7(a) and enter the result in the column on the right.

Line 8(a). Decrease in reserves.—Take the sum of the items described in section 810(c) at the end of the tax

year, and then reduce it by the policyholders' share of investment yield not included in gain and loss from operations (multiply line 4 by line 2). Subtract this amount from the sum of the items at the beginning of the tax year. Enter the excess on line 8(a).

Note: For modified coinsurance contracts, except those in which the same company is the reinsurer and reinsured, the reinsured's section 810(c) amount at the end of 1982 is reduced (but not for figuring next year's beginning amount) by the excess of:

1. The reserves on contracts as of January 1, 1982 (figured by using the reinsured's method of computing reserves for tax purposes), over
2. The termination amount (defined in the instruction for line 9, below).

Line 8(b). Decrease in section 811(b)(2) reserves.—Enter the amount from line 3, Part I, Schedule E-2. This is the amount by which the decrease for the tax year in the reserves for policyholder dividends is more than the dividends paid to policyholders during the year.

Line 8(c). 10% of net decrease in reserves.—Enter 10% of any net decrease in reserves required under section 810(d).

Line 9. Other amounts.—Enter the total other income not included in figuring investment yield and not otherwise included above if the items are includable in gross income. Include all gains for other than investment assets from Form 4797, line 11(b)(2). See instructions on page 3 under **Assets used in a trade or business and involuntary conversions.** But exclude all gains that are, or are considered to be from the sale or exchange of capital assets.

Also, the reinsured, under a modified coinsurance contract, will include the termination amount, that is, the amount under the contract that the reinsurer would have to return to the reinsured if the contract terminated as of January 1, 1982.

Deductions

Line 11. Death benefits, etc.—Enter all claims and benefits accrued (including matured endowments and amounts allowed on surrender) and losses incurred (whether or not ascertained) during the year on insurance, annuity, and supplementary contracts. Losses incurred (whether or not ascertained) means a reasonable estimate of losses incurred but not reported, and losses reported, but the amount cannot be determined by the end of the year.

Line 12(a). Increase in reserves.—Take the sum of the items described in section 810(c) at the beginning of the tax year. Subtract this amount from the sum of the items at the end of the tax year, reduced by the policyholders' share of investment yield not included in gain or loss from operations (multiply line 4 by line 2). Enter the excess on line 12(a).

Note: The Note in the instructions for Line 8(a), above, also applies to figuring increases in the reserves for Line 12(a).

Line 12(b). 10% of net increase in reserves.—Enter 10% of any net increase in reserves required under section 810(d).

Line 13. Assumption by another person of liabilities under insurance, etc., contracts.—Enter the consideration (other than consideration from reinsurance ceded) from the assumption by another person of liabilities under insurance and annuity contracts (including supplementary contracts).

Lines 14(a) and 14(b). Interest wholly tax-exempt.—On line 14(a) enter the amount from Schedule A, line 1(a), column 4. Next, multiply the amount on line 14(a) by the amount on line 3. Then enter the result on line 14(b).

Line 15. Investment expenses.—(1) Subtract the amount allowed in figuring investment yield on line 9(b) of Schedule A from the total investment expenses. (2) If line 14, Schedule A, is more than line 8, Schedule A, add the excess to the result of (1) and enter the total on line 15.

Line 16. Small business deduction.—See instructions for Schedule C, line 10.

Line 17. Other deductions.—Enter the total of all other deductions not included in figuring investment yield and not included in lines 20 through 23(c). A reinsurer, under a modified coinsurance contract, will include as a deduction the amount under the contract (termination amount) that would have to be returned to the reinsurer if the contract terminated as of January 1, 1982. Attach a schedule showing the kind and amount of items included and group the minor items into one amount.

If you claim a deduction for depreciation, attach Form 4562, Depreciation and Amortization.

Include all items allowable as deductions in figuring taxable income except:

(a) **Interest.**—No deduction is allowed under section 163 for qualified guaranteed interest (as defined in section 805(f)(1)) or for interest on the items described in section 810(c).

(b) **Bad debts.**—No deduction is allowed for an addition to reserves for bad debts under section 166(c), but a deduction for specific bad debts is permitted if the other provisions of that section apply.

(c) **Contributions.**—Attach a schedule showing the name of each organization and the amount for a contribution made in property other than money. Describe the kind of property contributed and the method used in determining its fair market value. If you made a qualified conservation contribution under section 170(h), include the fair market value of the underlying property before and after the donation. Describe the conservation purpose furthered by your donation and the type of legal interest contributed. If you include a contribution carryover, show the amount and how it was determined. For limitation and the application of a charitable contribution carryover, see regulations section 1.809-6(c).

In applying section 170, figure the 10% limitation on total deductions under section 809(e)(3). See regulations section 1.809-6(c).

Charitable contributions over the 10% limitation may not be deducted for the tax year but may be carried over to the next 5 tax years.

Companies on the accrual basis may elect to deduct contributions paid by the 15th day of the 3d month after the end of the tax year if the board of directors authorizes the contribution during the tax year. Attach to the return a declaration, signed by an officer, stating that the resolution authorizing the contribution was adopted by the board of directors during the tax year. Also attach a copy of the resolution.

For a charitable contribution of property, you must reduce the contribution by the sum of:

- the ordinary income, short-term capital gain and
- for certain contributions, 60.87% of the long-term capital gain

that would have resulted if the property were sold at its fair market value. The reduction for 60.87% of the long-term capital gain applies to 1. contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and 2. contributions of any prop-

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erty to or for the use of certain private foundations. (See section 170(e) and regulations section 1.170A-4.)

For special rules for contributions of inventory and other ordinary income property to certain organizations, and contribution of scientific property used for research, see section 170(e).

For a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount that is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

(d) **Amortizable bond premiums.**—No deduction is allowed under section 171 since a deduction for these premiums has already been taken in Schedule A.

(e) **Net operating loss deduction.**—The deduction under section 172 is not allowed since an operations loss deduction is allowed. See line 21.

(f) **Dividends received.**—No deduction is allowed under sections 243, 244, or 245 because of the deduction allowed under section 809(d)(8). See line 20.

Line 18. Dividends reimbursed.—Enter the amount from Schedule E-2, Part V, line 3.

Line 20. Dividends-received deduction.—(a) **Dividends received from domestic corporations.**—Enter the amount from Schedule C, line 9(d).

(b) Multiply the amount on line 20(a) by the percentage on line 3 to figure the company's share of the dividends-received deduction.

(c) **Section 246(b) limitation.**—In applying the 85% limitation to the total dividends-received deduction, figure the gain from operations without the deductions for dividends to policyholders (line 23(a)); certain nonparticipating contracts (line 23(b)); accident and health insurance, and group life insurance (line 23(c)); the operations loss deduction (line 21); and the dividends-received deduction. Since those items have not been deducted, the 85% limitation applies to the amount by which line 10 is more than line 19.

For a member of an electing affiliated group, the 85% limitation also applies to any amount by which line 10 is more than line 19. But qualifying dividends received from the same group are not subject to the 85% limitation.

The 85% limitation does not apply to any year for which there is a loss from operations.

Line 21. Operations loss deduction.—This deduction determined under section 812 is similar to the net operating loss deduction provided by section 172.

The operations loss deduction is the total of the operations loss carryover and carrybacks to the tax year. See section 812(a).

Generally, you may carry a loss from operations incurred in tax years beginning after 1975 back to each of the 3 years preceding the year of the loss and carry it over to each of the 15 years following the year of the loss. Or you may make an irrevocable election to carry the loss only to each of the 15 years after the loss year. See section 812(b). If the company is a new company for the loss year, the carryover is for 18 years. For the definition of a new company, see section 812(e). After you apply the loss from operations to the first tax year to which it may be carried, the part of the loss you may carry to each of the remaining tax years is the amount by which the loss is more than the sum of the offsets for each of the earlier tax years to which the loss may be carried.

Offset means the increase in the operations loss deduction for the tax year that reduces the life insurance company taxable income (figured without section 802(b)(3)) for the year to zero.

To determine the loss from operations subtract line 10 from the allowable deductions. But:

- No operations loss deduction is allowed.
- You must figure the deductions allowed by section 243 (dividends received by corporations), section 244 (dividends received on certain preferred stock of public utilities), and section 245 (dividends received from certain foreign corporations) without section 246(b), as modified by section 809(d)(8)(B).

See section 844 for special loss carryover rules for an insurance company that has changed its form of organization or has had a change in the nature of its insurance business.

For tax treatment of recoveries of foreign expropriation losses, see section 1351.

Line 23.—The deduction for accident and health insurance and group life insurance, certain nonparticipating contracts, and dividends to policyholders cannot be more than the greater of the alternative limitation (if the company elects it) or \$1,000,000 (but limited by section 809(f)(3)) plus any amount by which:

- The gain from operations for the tax year, figured without these deductions, is more than

• The taxable investment income for the tax year.

The company may elect to use the alternative limitation by checking the box on line 7, Part IV, Schedule E-2. This limitation is generally equal to:

• 100% of dividends allocable to pension plan contracts described in section 805(d); plus

• \$1,000,000 (but limited by sections 809(f)(3)); plus

• 77.5% (for a mutual life insurance company) or 85% (for a stock life insurance company) of the excess of the deductions for dividends to policyholders (section 809(d)(3)) and certain nonparticipating contracts (section 809(d)(5)) over 100% of dividends allocable to pension plan contracts described in section 805(d).

Note: Members of a controlled group of corporations should see section 1561 for the proration of the \$1,000,000 amount.

The limitation the company chooses will first be applied to the deduction for dividends to policyholders; then to certain nonparticipating contracts; and finally to accident and health insurance and group life insurance. See Schedule E-2, Part IV.

SCHEDULE E-1—Required Interest (Section 809(a)(2))

To find the required interest for any tax year add the amount of qualified guaranteed interest (Schedule B, Part V line 6) and the products you get by multiplying each rate of interest required or assumed in calculating the reserves described in section 810(c) by the means of these reserves figured at that rate at the beginning and end of the tax year. In making this computation, do not include the reserves on qualified contracts (defined in section 805(f)(2)) in the figure for the reserves described in section 810(c).

SCHEDULE E-2

PART I—Dividends to Policyholders (Section 809(d)(3))

In general, amounts returned when the amount is not fixed in the contract but depends on the company's experience or the management's discretion are treated as dividends to policyholders. The term does not include interest paid (as defined in section 805(e)), dividends reimbursed (as defined in section 809(d)(12)), or so-called excess interest payments made for supplementary contracts not involving life, accident, or health contingencies merely because the interest payments are more than the

amounts guaranteed under these contracts.

To find the deduction, take the dividends paid to policyholders during the tax year and add (or subtract) any increase (or decrease) in the reserves for policyholder dividends payable during the next tax year. Reserves for policyholder dividends at the end of any tax year include all amounts set aside by the 15th day of the 3d month of the year after the tax year for payment of policyholder dividends during the year after the tax year.

If the decrease for the tax year in the reserves for policyholder dividends is more than the dividends paid to policyholders during the year, the excess is taken into account as an income item in Schedule E.

PART II—Certain Nonparticipating Contracts (Section 809(d)(5))

This deduction is the greater of:

• 10% of the increase for the tax year in the reserves for nonparticipating contracts (excluding group contracts), or

• 3% of the premiums for the tax year (as defined in Part III, except for the part of the premiums that is for annuity features) for nonparticipating contracts (other than group contracts) that are issued or renewed for periods of 5 years or more.

Reserves for nonparticipating contracts means the part of the life insurance reserves (excluding the part of the reserves that is for annuity features) for nonparticipating contracts (other than group contracts).

Whether a contract meets the 5-year requirement will be determined at the date it was issued or renewed. Thus, a 20-year nonparticipating endowment policy will qualify under section 809(d)(5), even though the individual insured dies at the end of the second year, since the policy was issued for a period of 5 years or more. However, a 1-year renewable term contract will not qualify, since at the date it was issued (or at any renewal date), it was not for a period of 5 years or more. Also, a policy originally issued for a 3-year period later renewed for an additional 3-year period will not qualify. But, if this policy were renewed for 5 years or more, the policy would qualify under section 809(d)(5) from the date it was renewed.

PART III—Certain Accident and Health Insurance and Group Life Insurance (Section 809(d)(6))

This deduction is 2% of the premiums for the tax year for accident and health insurance contracts (other than those to which Schedule E-2, Part II, applies) and group life insur-

ance contracts. Premiums means the net amount of the premiums and other consideration shown in Schedule E. But the deduction allowed for the current tax year and all preceding tax years cannot be more than 50% of the contract premiums for the current tax year.

PART IV—Limitation on Deduction (Schedule E, line 23) (Section 809(f))

This schedule calculates the limitation provided in section 809(f) and explained in connection with Schedule E, line 23.

PART V—Dividends Reimbursed (Section 809(d)(12))

This is the part of dividends to policyholders that is reimbursed to the taxpayer to another insurance company for policies the taxpayer has reinsured with the company.

The deduction for dividends reimbursed is figured in the same manner as the deduction for dividends to policyholders, above.

SCHEDULE F—Shareholders' Surplus Account (Section 815(b))

Section 815(b)(1) provides that each stock life insurance company (whether domestic or foreign) must establish and maintain a shareholders' surplus account. You must increase the balance in this account at the beginning of the tax year by the net additions under section 815(b)(2) (lines 2 through 8 of Schedule F). In determining how much to enter on line 3, reduce the net capital gain, if any, by the taxable income (figured without section 802(b)(3)). For the limitation of the dividends received deduction on line 4 when the 100% dividends received deduction under section 243(a) applies, see the instructions for Schedule E, line 20(c). Subtract from this account any amount treated under section 815 as a distribution to shareholders. Treat any distribution to shareholders as made first out of this account.

SCHEDULE G—Policyholders' Surplus Account (Section 815(c))

Section 815(c)(1) provides that every stock life insurance company (whether domestic or foreign) must establish and maintain a policyholders' surplus account. Increase the balance in this account at the beginning of the tax year by the additions in section 815(c)(2) (line 2 of Schedule G). Decrease the balance by the subtractions in section 815(c)(3) (line 4 of Schedule G).

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Line 4(a).—Enter the actual distributions to shareholders that are more than the amount on Schedule F, line 9.

Line 4(b).—(1) Subtract the taxpayer's tax rate from 100%. (2) Divide the distributions on line 4(a) by the difference. (3) Subtract line 4(a) from the result of (2). Enter the amount you get on line 4(b).

Line 4(c).—(1) Determine the total amounts to be subtracted from the policyholders' surplus account under sections 815(d)(1) and 815(d)(4). Do this only after you have made the subtractions on lines 4(a) and (b).

(2) Add 100% to the taxpayer's tax rate. For example, if the tax rate is 46%, the result would be 146%.

(3) Divide the result of step (1) by the result of step (2). Enter on line 4(c). You must also add the amount on line 4(c) to the shareholder's surplus account at the beginning of the next tax year.

Line 4(d).—Subtract the result of step (3) from the result of step (1). Enter on line 4(d). This is the tax on the amount on line 4(c).

Section 815(d)(5) provides that if any addition to the policyholders' surplus account increases or creates a loss from operations and part or all of the loss cannot be used in any other year to reduce the company's taxable income, then the loss will reduce the policyholders' surplus account at the time the addition was made. You must reduce the account after any addition and before any subtraction. If the account has been adjusted under section 815(d)(5) and the balance at the end of the preceding tax year is different from the balance at the beginning of this year, attach a schedule showing the adjustments.

SCHEDULE H—Additional Information Required

(The letters in these instructions correspond with questions on Form 1120L, Schedule H.)

F. U.S. person.—This means: a citizen or resident of the United States, a domestic partnership, a domestic corporation, or any estate or trust (except as defined in section 7701(a)(31)).

Owner's country, for individuals, is their country of residence. For all others, it is the country where incorporated, organized, created, or administered.

H. Stock ownership in foreign corporations.—Attach the required statement if the company owned 5% or more in value of the outstanding stock of a foreign personal holding company. See section 551(c).

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If you control a foreign corporation or are a 10% or more shareholder of a controlled foreign corporation, you may be required to file Form(s) 5471.

1. Foreign financial accounts.—Check the Yes box if:

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country, and

• The combined value of the accounts was more than \$1,000 at any time during the year; AND

• The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Otherwise, check the No box.

Get Form 90-22.1, Report of Foreign Bank and Financial Accounts, to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes, file Form 90-22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS.

You can get Form 90-22.1 from many IRS offices.

J. Foreign trusts.—Check the Yes box if you were ever a grantor of, or a transferor to, a foreign trust that existed during the tax year.

SCHEDULE J—Compensation of Officers

Attach a schedule using the following columns: 1. Name of officer. 2. Social security number. 3. Time devoted to business. 4. Amount of compensation. 5. Expense account allowance.

Complete columns 1 through 4 for all officers. Complete column 5 for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means amounts, other than compensation, received as advances or reimbursements, and amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer. Column 5 does not have to be completed for any officer for whom the combined amount is less than \$50,000.

Each member of an affiliated group included in a consolidated return must furnish this information.

SCHEDULE K—Assets (Section 805(b)(4)) and Total Insurance Liabilities (Section 819(a))

Part I—Assets

Note: All filers must complete Part I of Schedule K.

Definition.—Assets means all assets of the company (including non-admitted assets) and all moneys but not real and personal property (other than money) that the company uses to carry on an insurance business.

Valuation.—Use the fair market value for real property and stocks. Use the adjusted basis for determining gain on sale or other disposition for other assets. Determine this adjusted basis under section 1011, and related sections, without section 817(b).

Section 806(a) adjustment.—Life insurance reserves may either increase or decrease during the tax year because liabilities under contracts taken into account in figuring these reserves are transferred between the taxpayer and another person. If that happens, adjust the mean of the assets daily to reflect the amounts involved in the transfer. See regulations section 1.806-3. Attach a schedule showing the adjustment.

Part II—Total Insurance Liabilities

Note: All insurance companies required to file Form 1120L should submit this schedule.

Foreign insurance companies must maintain a certain surplus of U.S. assets over their U.S. insurance liabilities. That minimum surplus is determined by multiplying their U.S. insurance liabilities by a percentage proclaimed by the Secretary of the Treasury. The Secretary determines the percentage from data supplied by domestic insurance companies in Schedule K, Part II. See section 819(a).

Companies with only general accounts should complete column 4 of the schedule. Companies with segregated asset accounts should include information for their general accounts in column 4 and for the total of all separate accounts in column 5.

Total insurance liabilities means the sum of the total reserves as defined in section 801(c), plus the items referred to in paragraphs (3), (4), (5), and (6) of section 810(c), to the extent not included in total reserves, at the end of the tax year.

Enter each item of total insurance liabilities on the appropriate line. Enter on line 9(f) any other amounts included in the definition of total insurance liabilities, but not described on this schedule.

Foreign insurance companies should report total insurance liabilities and section 805(b)(4) assets for their U.S. business only.

Tax Computation Instructions—Page 1, Lines 5–17

General.—Section 802(a)(1) provides a tax on life insurance company taxable income figured at the rates in section 11.

Note: If you are filing this return for a fiscal year 82–83 corporation, see section 21 and section 11(b) as amended by the Economic Recovery Tax Act of 1981 before figuring your tax.

Line 5. Taxable income bracket amount.—Generally, corporations are entitled to one \$25,000 amount in each taxable income bracket. However, members of a controlled group (as defined in section 1563) must share the \$25,000 in each taxable income bracket.

Unless you elect an unequal apportionment plan, you as members of a controlled group will divide each taxable income bracket amount equally. But you may elect to divide the amounts in any way you choose.

If you adopt or amend an apportionment plan, each of you as a member of the controlled group must attach to your tax return a copy of your consent to the plan. The consent should show the amount of each taxable income bracket for that member, and other data. See section 1561 for the time and manner of making the election.

As a member of a controlled group you should enter your share of the taxable income bracket on lines 5(a), (b), (c), and (d) and figure your tax using the schedule below, instead of the instructions for line 6.

1. Enter taxable income (line 4, page 1).....
2. Enter line 1 above or your share of the first \$25,000 taxable income bracket, whichever is less.....
3. Subtract line 2 from line 1.....
4. Enter line 3 or your share of the second \$25,000 taxable income bracket, whichever is less.....
5. Subtract line 4 from line 3.....
6. Enter line 5 or your share of the third \$25,000 taxable income bracket, whichever is less.....
7. Subtract line 6 from line 5.....
8. Enter line 7 or your share of the fourth \$25,000 taxable income bracket, whichever is less.....

9. Subtract line 8 from line 7.....
10. 16% of line 2.....
11. 19% of line 4.....
12. 30% of line 6.....
13. 40% of line 8.....
14. 46% of line 9.....
15. Add lines 10 through 14. Enter here and on line 6, page 1.....

See Alternative Tax, below, if it applies.

Line 6. Income tax

| If the amount on line 4 is: | | Enter on line 6: | Of the amount over— |
|-----------------------------|---------------|------------------|---------------------|
| Over— | But not over— | | |
| 0 | \$25,000 | 16% | 0 |
| \$25,000 | 50,000 | \$4,000 + 19% | \$25,000 |
| 50,000 | 75,000 | 8,750 + 19% | 50,000 |
| 75,000 | 100,000 | 16,250 + 40% | 75,000 |
| 100,000 | | 26,250 + 46% | 100,000 |

See Alternative Tax, below, if it applies.

Alternative Tax.—Figure taxable income for the alternative tax as follows:

1. Taxable investment income¹ (page 1, line 1(a)).....
2. Net capital gain (line 10, Schedule D (Form 1120)).....
3. Subtract line 2 from line 1 (if less than zero, enter zero).....
4. Gain from operations (page 1, line 1(b)).....
5. Net capital gain (line 10, Schedule D (Form 1120)).....
6. Subtract line 5 from line 4 (if less than zero, enter zero).....
7. Smaller of line 3 or line 6.....
8. If line 6 is greater than line 3, enter 50% of any excess on this line.....
9. Amount subtracted from policyholders' surplus account (page 1, line 3).....
10. Add lines 7, 8, and 9.....

Enter the amount from line 10, above, on line 14, Schedule D (Form 1120). Complete the rest of that schedule according to its instructions.

Enter the smaller of the regular tax or the alternative tax on Form 1120L, page 1, line 6. Check the box on line 6 if the alternative tax applies.

Line 7(a). Foreign tax credit.—Use Form 1118, Computation of Foreign Tax Credit—Corporations, to figure the credit.

Line 7(b). Investment credit.—If your corporation invested in certain types of trade or business property, or qualified energy property, you may be able to take the investment credit. See Form 3468, Computation of Investment Credit, to figure this credit.

Line 7(c). Jobs credit.—The credit, if elected, is allowed for hiring members of certain targeted groups during the tax year. See Form 5884, Jobs Credit (and WIN Credit Carryover), for definitions, special rules, and limitations. Also see Publication 906, Jobs and Research Credits.

Do not take a deduction for that part of the wages or salaries paid or incurred that is equal to the jobs credit determined without the limitation based on tax. Members of a controlled group or a business under common control with other businesses, see section 280C.

Attach a schedule to Form 1120L to show how and where you reduced the salary and wage deduction(s). Show in this schedule the otherwise allowable deduction(s) before the reduction and the net amount actually deducted. Identify the line number, schedule, and page number of Form 1120L on which you made a reduction. If the reduction of salaries and wages is less than the jobs credit on Form 5884 explain the difference.

Line 7(d). Other credits.—Possessions corporation tax credit.—Use Form 5712, Election to be Treated as a Possessions Corporation Under Section 936, to claim this tax credit. Figure the credit on Form 5735, Computation of Possessions Corporation Tax Credit Under Section 936, and include the credit in line 7(d). Write the amount of the credit and identify it as a section 936 credit on the line next to the entry space. Attach Forms 5712 and 5735 to your return.

Alcohol fuel credit and production of nonconventional source fuel credit.—If the corporation can claim a credit for alcohol fuels or production of nonconventional source fuels, include it on this line. See the instructions for Form 6478, Credit for Alcohol Used as Fuel, and sections 44D, 44E and 86. Attach Form 6478 or a separate schedule to the return.

Credit for increasing research activities.—If the corporation is engaged in qualified research activities, see Form 6765, Credit for Increasing Research Activities, for how to claim the credit. Write the amount of the credit on the dotted line next to the entry on line 7(d) and identify it as a section 44F credit. Attach Form 6765 to your return.

Employee stock ownership credit.—For tax years ending after December 31, 1982, corporations may take a tax credit equal to the value of employer stock (or money used to buy stock) that they contribute to a tax credit Employee Stock Ownership Plan (ESOP). See Form 8007, Credit for Employee Stock Ownership Plan, for definitions, limitations and the computation of the credit. Write the amount of the credit on the dotted line and identify it as the ESOP credit. Attach Form 8007 to your return.

Line 10. Foreign corporations.—A foreign corporation carrying on an insurance business within the U.S. is taxable the same as a domestic insurance company on its income effectively connected with the conduct of a trade or business within the U.S. See sections 842 and 897. Income from sources outside the U.S. from U.S. business is treated as effectively connected with the conduct of a trade or business within the U.S. For a definition of effectively connected income, see sections 864(c) and 897.

Any other U.S. source income received by a foreign corporation not effectively connected with the conduct of a business within the U.S. is taxed at 30% (or lower treaty rate). See section 881. If you have this income, attach a schedule showing the kind and amount of income, tax rate (30% or lower treaty rate), and amount of tax.

When the surplus a foreign life insurance company holds in the U.S. is less than a specified minimum, section 819 requires an adjustment. When this minimum surplus adjustment applies, the tax imposed by section 881 is reduced under section 819 (a)(3). Attach a statement showing how you figured the reduction of section 881 tax. Enter the net tax imposed by section 881 on line 10, page 1.

Line 11. Increase in tax from refiguring an earlier year investment credit.—If you dispose of property, or it ceases to qualify, before the end of the useful life you use to figure the regular or energy investment credit, you must refigure the credit. If the credit you took including carrybacks and carryovers is more than the refigured credit, you must increase the tax by the excess in the year you disposed of the property. Use Form 4255, Recapture of Investment Credit, to figure the tax increase.

You cannot subtract the tax increase from refiguring an earlier year investment credit from the current year's investment credit.

Line 12. Minimum tax.—Attach Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries, if tax preference items are more than \$10,000 even if there is no minimum tax. OR if any minimum tax is deferred from an earlier tax year to this year. If you are a member of a controlled group, you must attach Form 4626 if your share of tax preference items is more than your share of the \$10,000 exclusion.

Some tax preference items are: accelerated depreciation on real prop-

erty (including the ACRS deduction on 15-year real property); amortization of certified pollution control facilities, on-the-job training facilities and child care facilities; reserve for losses on bad debts of financial institutions; depletion; and capital gains.

Line 14(b). Estimated tax.—You must make estimated tax payments if you are a corporation and can expect your estimated tax (income tax less credits) to be \$40 or more.

You may use Form 1120-W as a worksheet to figure estimated tax.

Line 14(c). Refund of Estimated Tax.—You may file Form 4466 for a quick refund if an overpayment of estimated tax is (1) at least 10% of expected income tax liability AND (2) at least \$500. You must apply within 2½ months after the tax year ends and before you file Form 1120L.

Line 14(j). Other payments.—Overpaid crude oil windfall profit tax.—Enter on line 14(i) the overpayment from Form 6249, Computation of Overpaid Windfall Profit Tax. See the instructions for that form for more information.

Credit for withholding on interest and dividends.—A fiscal year corporation can take a credit for the tax withheld by a payer under section 3451 from interest, dividend, or patronage dividend income paid or credited after June 30, 1983. Include the amount of the credit in the total for line 14(i). In the margin, next to the entry on line 14(i), write the amount of the credit and identify it as "section 31(b) credit".

Line 15. Tax due.—You must pay the tax due in full or in two installments: 50% by the 15th day of the 3d month after the tax year ends and 50% by the 15th day of the 6th month after the tax year ends.

Special election.—Taxes owed by a reinsurer that result from the repeal of section 820, may at the election of the reinsurer be paid in three equal annual installments. See section 256(e) of TEFRA.

The tax eligible for the election is that part of any tax imposed under chapter 1 of the Code (reduced by the credits allowable under subpart A of part IV of chapter 1) on a reinsurer for the 1982 tax year which is from the excess (if any) of:

1. Any decrease in the reserves because of section 256(b) of TEFRA, over
2. The termination amount.

The three installment dates for payment of the tax are March 15 of 1983,

1984, and 1985. However, the first installment may be made in two payments. The reinsurer may elect to pay one-half of the installment due March 15, 1983, on March 15, 1983, and the other half on June 15, 1983. Also, no interest will be charged on the deferred payments.

To make the election attach a schedule showing the total tax, the credits used to reduce it, the part of the remainder that is not subject to the election, the part that is subject to the election. In addition, the schedule should contain the name, address and taxpayer identification number of the reinsurer, and state that the election is being made under section 256(e) of TEFRA. If the first payment will be made in two installments, indicate that an election is also being made under section 256(e)(2)(B) of TEFRA. If you are a calendar year taxpayer, you must file your return, or Form 7004, with the statement attached, by March 15, 1983, to make the election.

Then on page 1, line 15, TAX DUE, enter the total amount that is due based on your election. In the margin, next to the entry on line 15, write in "special election, schedule attached".

Note: If you file Form 7004, figure your tentative tax using only the tax that is not attributable to income from the repeal of section 820. However, your payments of tax by March 15, 1983, must include not only 50% of your regular tax, but also the amount of the tax due to the repeal of section 820.

Depository tax payment.—Deposit corporation income tax payments and estimated tax payments with a pre-inscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualifying as a depository for Federal taxes or the Federal Reserve Bank or Branch (FRB) servicing the area where the corporation is located. Records of deposits will be sent to the Internal Revenue Service for crediting to the corporation's account. See the instructions on the back of Form 503 for additional information and exceptions.

Preinscribed FTD Forms 503 will be mailed to corporations regularly, based on the tax year of the corporation. If you need deposit forms you may request them from the Internal Revenue Service Center where you file your returns. The request must include the corporation's name, employer identification number, address, and the tax year for which the deposits are made.

Form 1120M

U.S. Mutual Insurance Company Income Tax Return

OMB No. 1545-0566

1982

Name, Employer identification number, Data incorporated, Number and street, City or town, State, and ZIP code

Part I—Taxable Income and Tax Computation

Table with 22 rows for taxable income and tax computation, including lines for investment income, deductions, credits, and tax due.

Signature area for officer and preparer, including fields for signature, date, title, and social security number.

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 1120M (1982)

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Part II—Taxable Investment Income or (Loss)—Section 822

Table for Part II showing interest received, amortization of premium, balance, gross investment income, and deductions.

Schedule A—Invested Assets Book Values

Table for Schedule A showing invested assets book values at beginning and end of tax year.

Schedule B—Dividends (See Instructions)

Table for Schedule B showing dividends and deductions with specific percentage calculations.

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Part III—Statutory Underwriting Income or (Loss)—Section 823

| | | | |
|--|---|----------------|--|
| Gross Income | 1 Investment income—Section 832(b)(2): (a) Interest | | |
| | (b) Dividends (from Schedule B, line 6) | | |
| | (c) Rents | | |
| | 2 Premiums earned—Section 832(b)(4) | | |
| | 3 (a) Net gain from sale or other disposition of capital assets—Section 832(b)(1)(B) (attach Schedule D (Form 1120)) | | |
| | (b) Ordinary gain from attached Form 4797 (include all sections 1245, 1250, etc. gains) | | |
| 4 Other income—Section 832(b)(1)(C) (attach schedule) | | | |
| 5 Decrease in subscriber accounts—Section 823(b)(2)(B) | | | |
| 6 Gross income (add lines 1 through 5) | | | |
| Deductions | 7 Salaries and wages—Section 832(c)(1) | | |
| | 8 Rents—Section 832(c)(1) | | |
| | 9 Interest—Section 832(c)(2) | | |
| | 10 Taxes—Section 832(c)(3) | | |
| | 11 Losses incurred on insurance contracts—Section 832(c)(4) | | |
| | 12 Other capital losses—from Schedule C, line 12, col. g) | | |
| | 13 Worthless agency balances and bills receivable—Section 832(c)(6) | | |
| | 14 Interest excluded under section 103—Section 832(c)(7) | | |
| | 15 Depreciation—Section 832(c)(8) (attach Form 4562) | | |
| | 16 Depletion—Section 832(c)(8) | | |
| | 17 Contributions—Section 832(c)(9) (not over 10% of line 24—see instructions) | | |
| | 18 Dividends paid or declared to policyholders—Section 832(c)(11) | | |
| | 19 Increase in subscriber accounts—Section 823(b)(2)(A) | | |
| | 20 Pension, profit-sharing, etc. plans—Section 832(c)(10) (see instructions) | | |
| | 21 Employee benefit programs—Section 832(c)(10) (see instructions) | | |
| | 22 Other deductions—Section 832(c)(10) (attach schedule) | | |
| | 23 Total deductions (add lines 7 through 22) | | |
| | 24 Subtract line 23 from line 6 | | |
| | 25 Dividends-received deduction—Section 832(c)(12) (Schedule B, line 12—see Schedule B instructions for limitation) | | |
| | 26 Total deductions (add lines 23 and 25) | | |
| | 27 Subtract line 26 from line 6 | | |
| | 28 Taxable investment income or (loss) (from Part II, line 23) | | |
| | 29 Subtract line 28 from line 27 (if a loss, skip line 30 and enter the loss on line 31) | | |
| | 30 (a) Limitation | \$1,100,000.00 | |
| | (b) Amount from Part II, line 7 | | |
| | (c) Premiums (see instructions) | | |
| | (d) Total (add lines 30(b) and (c)). If \$500,000 or less, skip line 30(e) and enter \$6,000 (but not more than line 29) on line 30(f) | | |
| | (e) Subtract line 30(d) from line 30(a). If less than zero, enter zero on line 30(f) | | |
| | (f) 1% of line 30(e) (multiply line 30(e) by .01). Do not enter more than line 29 | | |
| 31 Underwriting gain or (loss)—subtract line 30(f) from line 29 | | | |
| Protection Against Loss Deduction | 32 1% of line 11 (multiply line 11 by .01) | | |
| | 33 25% of underwriting gain on line 31 (multiply gain on line 31 by .25). If line 31 is zero or a loss, skip lines 34(a)–(e) and enter a zero on line 34(f) | | |
| | 34 Concentrated risks: (a) Premiums earned (line 2, above) | | |
| | (b) Amount of line 34(a) attributable to insuring against losses arising, either in any one State or within 200 miles of any fixed point selected by the taxpayer, from windstorm, hail, flood, earthquakes, or similar hazards | | |
| | (c) Divide line (b) by line (a) | % | |
| | (d) Limitation | 40% | |
| (e) Premium percentage that exceeds 40% (subtract (d) from (c)) | % | | |
| (f) Multiply line 31 (if a gain) by line 34(e) | | | |
| 35 Protection against loss deduction (add lines 32, 33, and 34(f)). Enter here and in Schedule E, line 2 | | | |
| 36 Statutory underwriting income or (loss) (combine lines 35 and 31). Enter here and in Part I, line 2 | | | |

Section C Other Capital Losses (See Instructions) (Capital assets sold or exchanged to meet abnormal insurance losses and to pay dividends and similar distributions to policyholders)

| | |
|--|--|
| 1 Dividends and similar distributions paid to policyholders | |
| 2 Losses paid | |
| 3 Expenses paid | |
| 4 Total (add lines 1, 2, and 3) | |
| 5 Interest received (Part II, line 1(d), col. 3, adjusted to cash method if on accrual method) | |
| 6 Dividends received (Schedule B, line 6, adjusted to cash method if on accrual method) | |
| 7 Lines 3 through 6 of Part II (adjusted to cash method if on accrual method) | |
| 8 Net premiums received (adjusted to cash method if on accrual method) | |
| 9 Total (add lines 5 through 8) | |
| 10 Limitation on gross receipts from sales of capital assets (subtract line 9 from line 4, but not less than zero) | |

| a. Description of capital asset | b. Date acquired | c. Gross sales price | d. Cost or other basis | e. Expense of sale | f. Depreciation allowed (or allowable) | g. Loss (col. d plus col. e less the sum of cols. c and f) |
|---|------------------|----------------------|------------------------|--------------------|--|--|
| 11 | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 12 Totals—column c must not be more than line 10. (Enter column g in Part II, line 16, and Part III, line 12) | | | | | | |

Schedule E Protection Against Loss Account

| | |
|---|--|
| 1 Balance at beginning of year | |
| 2 Addition (from Part III, line 35) | |
| 3 Total (add lines 1 and 2) | |
| 4 Subtractions (attach computation of any that apply): | |
| (a) Section 824(d)(1)(A) | |
| (b) Section 824(d)(1)(B) | |
| (c) Section 824(d)(1)(C) | |
| (d) Section 824(d)(1)(D) | |
| (e) Section 824(d)(1)(E) | |
| (f) Total (add lines (a) through (e)). Enter here and on page 1, line 3 | |
| 5 Balance at end of year (subtract line 4(f) from line 3) | |

Schedule F Compensation of Officers (See Instructions for information to be attached)

Schedule G Additional Information Required

| | Yes | No | | Yes | No |
|--|-----|----|---|-----|----|
| C Did you at the end of this tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation (for rules of attribution, see section 267(c))? | | | (c) Employees attending conventions or meetings outside the North American area? (See section 274(h).) | | |
| If Yes, attach a schedule showing: (1) name, address, and identifying number; and (2) percentage owned. | | | (d) Employees' families at conventions or meetings? If Yes, were any of those conventions or meetings outside the North American area? (See section 274(h).) | | |
| D Were you a U.S. shareholder of any controlled foreign corporation (see sections 951 and 957)? (If Yes, attach Form 5471.) | | | (e) Employee or family vacations not reported on Form W-2? | | |
| E Did you claim a deduction for expenses connected with: | | | F At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see instructions, page 8)? | | |
| (a) Entertainment facility (boat, resort, ranch, etc.)? | | | G Were you the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not you have any beneficial interest in it? If Yes, you may be required to file Forms 3520, 3520A, or 926 | | |
| (b) Living accommodations (except employees on business)? | | | H During the tax year did you maintain any part of your tax accounting records on a computerized system? | | |

1982 Department of the Treasury Internal Revenue Service Instructions for Form 1120M U.S. Mutual Insurance Company Income Tax Return

(References are to the Internal Revenue Code.)

Highlights

Please note these important changes that have been made due to various tax laws. Changes A through C are based on the Economic Recovery Tax Act of 1981. Changes D through G are based on the Tax Equity and Fiscal Responsibility Act of 1982.

A. Reduction in corporate tax rates.—For tax years beginning after December 31, 1981, the tax rates are reduced for the two lowest taxable income brackets. For the taxable income bracket of \$25,000 or less, the tax rate decreases for 1982, from 17% to 16%, and for 1983 from 16% to 15%. For the taxable income bracket over \$25,000 but not over \$50,000, the tax rate decreases for 1982, from 20% to 19%, and for 1983 from 19% to 18%. These tax rate changes also affect the caps on taxes of small mutuals under sections 821(a)(2) and 821(c)(1)(B).

B. Depreciation changes.—For tax years beginning after December 31, 1981, you may elect to expense part of the cost (up to \$5,000) of certain depreciable property bought during the year. See Form 4562, Depreciation and Amortization, for more information.

C. Charitable contributions.—Effective for tax years beginning after 1981, a corporation's maximum charitable contribution deduction will increase from 5% to 10% of its taxable income. See section 170(b)(2).

D. Reduction in tax preference items.—Fiscal year corporations (other than subchapter S corporations) may be required to reduce the following tax preference items by 15%: section 1250 capital gain, amortizable basis of pollution control facilities, intangible drilling costs, and mineral exploration and development costs. For more information and effective dates, see section 291.

E. Basis adjustment for investment tax credits.—A taxpayer may be required to reduce the basis of property placed in service after December 31, 1982, by 50% of the regular, energy, or certified historic structure investment tax credit taken for the property. See the instructions for Form 3468, Computation of Investment Credit.

F. Withholding on interest and dividends.—Effective July 1, 1983, payers (including corporations) of interest, div-

idends, or patronage dividends to certain recipients generally are required to withhold a tax of 10% on the amount paid. See the 1983 Instructions for Form 1096.

As recipients, however, most corporations are exempt from withholding on their income from these sources. Some withholding may have occurred if, for example, the corporation was a member of a partnership. If there is withholding on interest, dividend, or patronage dividend income after June 30, 1983, the recipient should include the withheld amount as a credit in the total for line 19(g). In the margin next to the entry on line 19(g), write the amount of the credit and identify it as "section 31 (b) credit."

G. Accelerated tax payments.—For tax years beginning after December 31, 1982, the amount of estimated tax payments required by a corporation is increased from 80% to 90%. See sections 6655(b)(1) and (d)(3).

For tax years beginning after December 31, 1982, a corporation must pay the amount of unpaid taxes on line 20 within 2½ months after the end of the tax year. The election to pay in two equal installments will no longer be available.

Voluntary Contributions to Reduce the Public Debt

Quite often inquiries are received about how voluntary contributions to reduce the public debt may be made. A corporation may contribute by enclosing a separate check, payable to "Bureau of the Public Debt," with the tax return. These amounts are tax-deductible, subject to the rules and limitations for charitable contributions. Please keep the contribution to reduce the public debt separate from any amount payable with the tax return. Tax remittances should be made payable to "Internal Revenue Service."

General Instructions

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and so that we can figure and collect the right amount of tax. You are required to give us this information.

Purpose.—This form is used to report

the income and expenses of a mutual insurance company and to figure any tax that may be due.

Who must file Form 1120M.—Every domestic mutual insurance company (other than a life insurance company subject to a tax under section 802 and other than a fire, flood, or marine insurance company subject to tax under section 831) and every foreign corporation carrying on an insurance business within the U.S. (if its U.S. business would qualify as a mutual insurance company subject to tax under section 821) uses Form 1120M to report income and deductions.

Exceptions.—For a mutual insurance company that is:

- Exempt under section 501(c)(15), file Form 990, Return of Organization Exempt from Income Tax.

- Subject to tax under section 821, and disposes of its insurance business and reserves or otherwise ceases to be taxed under section 821, but continues its corporate existence while winding up and liquidating its affairs, file Form 1120, U.S. Corporation Income Tax Return.

When to file.—In general, a corporation must file Form 1120M by the 15th day of the 3d month after the end of the tax year. A new corporation filing a short period return must generally file by the 15th day of the 3d month after the short period ends. A corporation that has dissolved must generally file by the 15th day of the 3d month after the date it dissolved.

Extension.—File Form 7004, Application for Automatic Extension of Time to File Corporation Income Tax Return, to request a 3-month extension of time to file Form 1120M.

File Form 7005, Application for Additional Extension of Time to File Corporation Income Tax Return, to request more time if you need it after you have gotten an automatic 3-month extension by filing Form 7004.

Where to file.

If the corporation's principal business, office, or agency is located in

| If the corporation's principal business, office, or agency is located in | Use the following Internal Revenue Service Center address |
|---|---|
| New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester | Holtsville, NY 00501 |
| New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont | Andover, MA 05501 |
| Alabama, Florida, Georgia, Mississippi, South Carolina | Atlanta, GA 31101 |
| Michigan, Ohio | Cincinnati, OH 45999 |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas | Austin, TX 73301 |
| Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | Ogden, UT 84201 |
| Illinois, Iowa, Missouri, Wisconsin | Kansas City, MO 64999 |
| California, Hawaii | Fresno, CA 93888 |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia | Memphis, TN 37501 |
| Delaware, District of Columbia, Maryland, Pennsylvania, foreign countries and U.S. possessions | Philadelphia, PA 19255 |

The separate income tax returns of a group of corporations may be filed with the service center for the principal office of the managing corporation that keeps all the books and records.

Penalties.—Avoid penalties and interest by correctly filing and paying the tax when due.

1. A corporation that does not file its tax return by the due date including any extensions of time for filing may be subject to a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed. The penalty is charged under section 6651(a)(1) on the net amount due. The minimum penalty for failure to file a tax return within 60 days of the due date for filing (including extensions) is the lesser of the underpayment of tax or \$100.

Note: Since regulations section 1.6012-2(c) requires that the NAIC annual statement be filed as part of the return, a penalty may be charged under section 6551(a)(1) for not including the NAIC annual statement when filing the return.

2. A corporation that does not pay the tax when due may be subject to a penalty of ½% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. The penalty is charged under section 6651(a)(2) on the net amount due.

These penalties will not be charged if the corporation can show that not filing or not paying was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charge imposed on unpaid tax at a rate determined under section 6621.

3. A corporation that does not pay the proper estimated tax when due may be subject to an underpayment penalty for the period of underpayment, under section 6655 at a rate determined under section 6621.

If estimated tax was underpaid, attach Form 2220, Underpayment of Estimated Tax by Corporations, to show how you figured the penalty or which exception you believe you meet.

Accounting methods.—You must figure taxable income by the method of accounting regularly used in keeping the corporation's books and records. The method adopted must clearly reflect taxable income. (See section 446.)

Unless the law specifically permits, you cannot change the method of accounting used to report income in earlier years (for income as a whole or for any material item) unless you first get consent on Form 3115, Application for Change in Accounting Method.

Rounding off to whole-dollar amounts.—You may show money items as whole-dollar amounts. To do so, drop

Page 2

on the return and accompanying schedules any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

Attachments.—If you need more space on forms or schedules, attach separate sheets and use the same arrangement as on the printed forms. Show the totals on the printed forms. Be sure to put the taxpayer's name and employer identification number on these separate sheets.

Signatures.—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return he or she is required to file on behalf of a corporation.

Paid preparer's information.—If your corporate officer filled in Form 1120M, the Paid Preparer's Use Only area should remain blank. If someone prepares Form 1120M and does not charge the corporation, that person should not fill in this area. Certain others who prepare Form 1120M should not fill in this area. For example, a regular, full-time employee of the corporation, such as a clerk or secretary, does not have to fill in the Paid Preparer's Use Only area.

Generally, anyone who is paid to prepare Form 1120M must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The person required to sign the return as preparer MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature (signature stamps or labels are not acceptable);
- Give a copy of Form 1120M to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should know their responsibilities. Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns, lists some of the preparer's other responsibilities and penalties for which they may be liable. The publication also contains the regulations that govern their work.

Other forms needed.—In addition to Form 1120M, you may need to file one or more of the following information forms. Other forms you may need are listed in the instructions.

1. **Forms W-2 and W-3.**—Wage and Tax Statement; and Transmittal of Income and Tax Statement.

2. **Form W-2P.**—Statement for Re-

ipients of Periodic Annuities, Pensions, Retired Pay, or IRA Payments.

3. **Forms 1087-DIV, INT, MED, MISC, and OID.**—Nominees' information returns for reporting dividends, interest, medical and health care payments, miscellaneous income, and original issue discount that were received on behalf of another person.

4. **Form 1096.**—Annual Summary and Transmittal of U.S. Information Returns.

5. **Form 5452.**—Corporate Report of Nontaxable Dividends.

6. **Forms 966 and 1099L.**—Information returns for dissolution or liquidation and distributions in liquidation.

7. **Forms 1099-BCD, DIV, INT, MED, MISC, NEC, OID, PATR and R.**—Information returns for reporting bearer certificates of deposit, dividends, interest income, medical and health care payments, miscellaneous income payments, non-employee compensation, original issue discount, patronage dividends, and total distributions from profit-sharing and individual retirement arrangements.

8. **Form 5713.**—International Boycott Report. Persons who participate in or cooperate with an international boycott may have to complete Schedule A or B and Schedule C of Form 5713 to figure loss of the following items: foreign tax credit, deferral of earnings of controlled foreign corporations, and DISC benefits.

Note: Mutual insurance companies should include the NAIC annual statement with their income tax returns. Those that do not may be subject to a penalty. See Penalties above.

Consolidated returns.—If an affiliated group of corporations includes one or more domestic insurance companies taxed under section 802 or 821, the common parent may elect to treat those companies as includable corporations. The insurance companies must have been members of the group for the 5 tax years immediately preceding the tax year for which the election is made. See section 1504(c)(2).

The parent corporation of an affiliated group of corporations must attach Form 851, Affiliations Schedule, to the consolidated return. For the first year a consolidated return is filed, each subsidiary must attach Form 1122, Authorization and Consent of Subsidiary Corporation to be Included in a Consolidated Income Tax Return.

File supporting statements for each corporation included in the consolidated return. Use columns to show the following, both before and after adjustments:

- Items of gross income and deductions.
- A computation of taxable income.

- Balance sheets as of the beginning and end of the tax year.
 - A reconciliation of retained earnings.
 - A reconciliation of income per books with income per return.
- Attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

Specific Instructions

Name, address, and employer identification number.—Enter the employer identification number (EIN) of the corporation.

Corporations that do not have an EIN should apply for one on Form SS-4, Application for Employer Identification Number, available from most IRS or Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120M is sent. Write "applied for" in the space provided for the EIN if it is not received by the time Form 1120M is filed.

Period covered.—This return is for tax years beginning in 1982. If the return is for a fiscal year, fill in the dates it began and ended at the top of page 1, Form 1120M. If the corporation ceased to exist in 1982, write "FINAL RETURN" at the top of the form.

Part I—Taxable Income and Tax Computation

Mutual Insurance Company Taxable Income (Lines 1-6)

Line 5

Unused loss deduction.—The deduction is the total of the unused loss carryovers and carrybacks to the tax year.

Unused loss.—Unused loss for any tax year is the amount by which—

- (1) The sum of the statutory underwriting loss and the investment loss is more than
- (2) The sum of—

- (a) The taxable investment income,
- (b) The statutory underwriting income, and

(c) The amount section 824(d) requires to be subtracted from the protection against loss account.

You may carry back the unused loss for a loss year beginning after 1975 to each of the 3 tax years before the loss year, and carry it over to each of the 15 years after the loss year; or you may irrevocably elect only to carry the unused loss over to each of the 15 years after the loss year. After you apply the loss to the first year, the part of the loss you may carry to each of the remaining tax years

is the amount by which the loss is more than the sum of the offsets (as defined in section 825(f)) for each of the earlier tax years to which you may carry the loss.

Limitations.—You may not carry an unused loss—

(1) To or from any tax year for which the insurance company is not subject to the tax under section 821(a), or

(2) To any tax year if, between the loss year and that tax year, there is an intervening tax year for which the insurance company was not subject to the tax under section 821(a).

See section 844 for special carryover loss rules for an insurance company that has changed its form of organization or kind of insurance business.

Tax Computation (Lines 7-20)

Fiscal year corporations.—If you are filing this return for a 1982-83 fiscal year, see section 21, section 11(b), section 821(a)(2) and section 821(c)(1)(B) as amended by the Economic Recovery Tax Act of 1981, for how to figure your tax.

Line 7(a). Taxable income bracket amount.—Generally, corporations are entitled to one \$25,000 amount in each taxable income bracket. However, members of a controlled group (as defined in section 1563) must share the \$25,000 in each taxable income bracket.

Unless you elect an unequal apportionment plan, you as members of a controlled group will divide each taxable income bracket amount equally. But you may elect to divide the amounts in any way you choose.

If you adopt or amend an apportionment plan, each of you as a member of the controlled group must attach to your tax return a copy of your consent to the plan. The consent should show the amount of each taxable income bracket for that member, and other data. See section 1561 for the time and manner of making the election.

As a member of a controlled group you should enter your share of the taxable income bracket on lines 7(a)(i), (ii), (iii), and (iv) and figure your tax using the schedule below, instead of the instructions for line 7(b).

Note: If the alternative tax on capital gains applies: (1) On line 1 below, enter amount from line 14, Schedule D (Form 1120); (2) complete lines 2 through 15 below on line 15, Schedule D (Form 1120) and complete the balance of Schedule D (Form 1120). Enter the alternative tax on line 12, Part I, Form 1120M, (and check the box on that line).

| | |
|--|--|
| 1. Enter taxable income (line 8, page 1) | |
| 2. Enter the smaller of line 1 or your share of the first \$25,000 taxable income bracket | |
| 3. Subtract line 2 from line 1 | |
| 4. Enter the smaller of line 3 or your share of the second \$25,000 taxable income bracket | |
| 5. Subtract line 4 from line 3 | |
| 6. Enter the smaller of line 5 or your share of the third \$25,000 taxable income bracket | |
| 7. Subtract line 6 from line 5 | |
| 8. Enter the smaller of line 7 or your share of the fourth \$25,000 taxable income bracket | |
| 9. Subtract line 8 from line 7 | |
| 10. 16% of line 2 | |
| 11. 19% of line 4 | |
| 12. 30% of line 6 | |
| 13. 40% of line 8 | |
| 14. 46% of line 9 | |
| 15. Add lines 10 through 14. Enter here and on line 7(b), page 1 | |

Line 7(b)

If you are not a member of a controlled group, figure your income tax as follows: If the amount on line 6 is:

| Over— | But not over— | Enter on line 7(b) | % of the amount over— |
|----------|---------------|--------------------|-----------------------|
| \$25,000 | \$25,000 | \$4,000+ | 16% |
| 50,000 | 50,000 | \$4,000+ | 19% |
| 50,000 | 75,000 | \$6,750+ | 30% |
| 75,000 | 100,000 | 16,250+ | 40% |
| 100,000 | | 26,250+ | 46% |

Line 8

Special Computation.—Section 821(a)(2) limits the income tax of a mutual insurance company whose taxable income is less than \$12,000. If line 6 is less than \$12,000, subtract \$6,000 from line 6 and multiply the result by 32%.

Line 9

Amount a reciprocal must include.—If you are a reciprocal underwriter and want to elect to be subject to the limitation in section 826(b), see section 826(a) and the related regulations for the required statement.

If the mutual insurance company taxable income is \$100,000 or more before including the section 826(a) amount, make no entry. If the taxable income is less than \$100,000 before including the section 826(a) amount, you must figure the tax on the section 826(a) amount at the highest rate of tax specified in section 11(b) (46%).

For example, a mutual insurance company's taxable income is \$110,000, \$40,000 of which is the section 826(a) amount. Of the \$40,000, \$5,000 was taxed at 30% (the third taxable income bracket), \$25,000 was taxed at 40% (the fourth taxable income bracket), and \$10,000 was taxed at 46%.

You must multiply each amount by the appropriate percentage so that the section 826(a) amount is taxed at the high-

est rate specified in section 11(b). Therefore, multiply the \$5,000 by 16% (46% minus 30%) and multiply the \$25,000 by 6% (46% minus 40%). Do not adjust the \$10,000 since it was already taxed at 46%.

If you made an election under section 826(a) and there is an amount to be taxed at the highest rate specified in section 11(b), please attach a statement showing how you figured the tax. Enter the total on line 9.

Line 11

Alternative tax for certain small companies.—Section 821(c) provides an alternative tax for mutual insurance companies whose gross amount reported on Part II, line 7, plus premiums, is over \$150,000 but not over \$500,000. See the instructions for Part III, line 30, for a definition of premiums.

Section 821(c)(1)(B) limits the income tax of these companies if taxable investment income (line 1) is less than \$6,000. If line 1 is less than \$6,000, subtract \$3,000 from line 1 and multiply the result by 32%. Enter the limitation on line 4 of the alternative tax schedule on page 4 of these instructions.

Any company subject to tax under section 821(c) may elect to be subject to the tax under section 821(a). See section 821(d) and the related regulations for how to elect to include statutory underwriting income or loss.

A company cannot use this alternative tax if it has a balance in its protection against loss account when the tax year begins or if it has an election in effect under section 821(d) to be taxed under section 821(a).

Figure the alternative tax using the following schedule:

| | |
|---|--------------|
| 1(a) Amount from Part II, line 7 | |
| (b) Premiums | |
| (c) Total (add (a) and (b)). If \$250,000 or more, enter \$250,000 | |
| (d) Subtract limitation | \$150,000.00 |
| (e) Balance (Do not enter less than zero) | |
| 2 Divide line 1(e) by \$100,000 | |
| 3 Tax—see instructions for line 7 to figure tax using amount in Part I, line 6 | |
| 4 Enter the limitation if the section 821(c)(1)(B) special computation applies. Otherwise enter the amount from line 3, above | |
| 5 Multiply the smaller of line 3 or line 4 by line 2. Enter here and on Part I, line 11 | |

Line 12

Income tax.—Enter the smallest of line 10, line 11 if it applies, or the alternative tax from Schedule D (Form 1120) figured on the amount on line 6. Check the box on line 12 if the alternative tax from Schedule D (Form 1120) applies.

Line 13(a)

Foreign tax credit.—See Form 1118, Computation of Foreign Tax Credit—Corporations, for rules on this credit.

Line 13(b)

Investment credit.—If your corporation invested in certain types of trade or business property, or qualified energy property, you may be able to take the investment credit or the energy investment credit. See Form 3468, Computation of Investment Credit, to figure the credit for investment in certain types of property. Also see Publication 572, Investment Credit.

Line 13(c)

Jobs credit.—Employers may elect to take a jobs credit for hiring members of certain targeted groups. See Form 5884, Jobs Credit (and WIN Credit Carryover), for definitions, special rules, and limitations. Also see Publication 906, Jobs and Research Credits.

Do not deduct the part of the wages or salaries paid or incurred that is equal to the jobs credit on Form 5884. See the instructions for Form 5884 for more information.

Attach a schedule to Form 1120M to show how and where you reduced the salary and wage deduction(s). Show the otherwise allowable deduction(s) before the reduction, and the net amount actually deducted. Identify the line number, schedule, and page number of Form 1120M on which you made a reduction. If the salary and wage reduction is less than the credit on Form 5884, explain the difference.

Any WIN credit carryover should be claimed with the jobs credit. See the instructions for Form 5884 for more information.

Line 13(d)

Possessions corporation tax credit.—See Form 5712, Election to be Treated as a Possessions Corporation Under Section 936, for rules on how to claim this credit. Figure the credit on Form 5735, Computation of Possessions Corporation Tax Credit Under Section 936, and include the credit in line 13(d). Write the amount of the credit on the dotted line next to the entry on line 13(d), and identify it as a section 936 credit. Attach Forms 5712 and 5735 to your return.

Credit for alcohol used as a fuel or production of nonconventional source fuels.—If the corporation can claim either of these credits, include it in line

13(d). In the margin next to the entry write the name and the amount of the credit. See the instructions for Form 6478, Credit for Alcohol Used as Fuel, and sections 44D, 44E, and 86.

Credit for increasing research activities.—If you engage in qualified research activities, you may be able to claim a credit for certain expenses incurred after June 30, 1981, and before January 1, 1986. See Form 6765, Credit for Increasing Research Activities, for more information. Write the amount of the credit on the dotted line next to the entry on line 13(d) and identify it as a section 44F credit. Attach Form 6765 to your return.

Line 15

Foreign corporations.—A foreign corporation carrying on an insurance business in the U.S. is taxable the same as a domestic insurance company on its income effectively connected with the conduct of a business in the U.S. See section 842.

Any other U.S. source income received by a foreign corporation not effectively connected with the conduct of a business in the U.S. is taxed at 30% (or lower treaty rate). See section 881. If you have this income, attach a schedule showing the kind and amount of income, tax rate (30% or lower treaty rate), and amount of tax. Enter the section 881 tax on line 15.

Line 16

Increase in tax from refiguring an earlier year investment credit.—If property is disposed of or ceases to qualify before the end of the life-years category used in figuring the regular or energy investment credit, the credit must be refigured, using as the useful life the period the property was actually held. If the credit taken, including carrybacks and carryovers, exceeds the refigured credit, the tax in the year of disposition must be increased by the excess. Form 4255, Recapture of Investment Credit, may be used to figure the increase in tax.

The increase in tax may not be offset against the current year's investment credit.

Line 17

Minimum tax on tax preference items.—Attach Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries, if items of tax preference exceed \$10,000 even if there is no minimum tax, OR if you have any minimum tax liability deferred from an earlier tax year to this year. Members of a controlled group must attach Form 4626 if their total items of tax preference exceed their share of the \$10,000 exclusion.

Some tax preference items are: accelerated depreciation on real property (including the ACRS deduction on 15-year real property); amortization of cer-

tified pollution control facilities, on-the-job training facilities and child care facilities; reserve for losses on bad debts of financial institutions; depletion; and capital gains.

Line 19(b)

Estimated tax.—A corporation must make estimated tax payments if it can expect its estimated tax (income tax less credits) to be \$40 or more.

Form 1120-W may be used as a worksheet to figure estimated tax.

Line 19(c)

Refund of estimated tax.—If there was an overpayment of estimated tax, you may file Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. The overpayment must be at least 10% of your expected income tax liability AND at least \$500. This application must be made within 2½ months after the end of the tax year and before Form 1120M is filed.

Line 19(f)

Credit by reciprocal for tax paid by attorney-in-fact.—See section 826(e) and the related regulations.

Line 19(g)

Other refundable credits and payments.—You may claim credit for Federal excise tax on gasoline for farm use; business nonhighway uses; intercity, local, and school bus uses; and commercial fishing vessel uses. Attach Form 4136, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil, to Form 1120M if you claim this credit.

Include on line 19(g) any of the tax on line 15 that was withheld at the U.S. source and attach a schedule of how the amount was arrived at.

If the company overpaid the Crude Oil Windfall Profit Tax, include on line 19(g) the overpayment from Form 6249, Computation of Overpaid Windfall Profit Tax. Also, attach Form 6249 to Form 1120M if you claim this credit. See the instructions for Form 6249 for more information.

Include on line 19(g) any credit from a regulated investment company. Attach Form 2439, Notice to Shareholders of Undistributed Long-Term Capital Gain, to Form 1120M if you claim this credit.

Also, a fiscal year corporation, can take a credit for the tax withheld by a payor under section 3451 from interest, dividend, or patronage dividend income paid or credited after June 30, 1983. Include the credit in the total for line 19(g). In the margin next to the entry on line 19(g), write the amount of the credit and identify it as "section 31(b) credit".

Line 20

Tax due.—The balance of tax due must be paid in full when the return is filed or in two installments, 50% by the 15th day of the 3d month after the end of the tax year and 50% by the 15th day of the 6th month after the end of the tax year.

Deposit corporation income tax payments and estimated tax payments with a preinscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depository for Federal taxes or the Federal Reserve Bank or Branch (FRB) servicing the geographic area where the corporation is located. Records of deposits will be sent to the Internal Revenue Service for crediting to the corporation's account. See the instruction on the back of Form 503 for additional information and exceptions.

Preinscribed FTD Forms 503 will be mailed to corporations on a regular basis depending on the tax year of the corporation. Corporations needing deposit forms may apply for them to the Internal Revenue Service Center where they will file their returns. The application should include the corporation's name, employer identification number, address, and the tax year for which the deposits will be made.

Note: If you overstate your deposits, you may be subject to a penalty. See section 6656(b).

Part II

Taxable Investment Income or (Loss) Income (Lines 1-9)

Line 1

Interest.—Enter interest received or accrued from all sources during the tax year. Decrease the gross interest reported by the amortization of premiums for the tax year on bonds, notes, debentures, or other evidences of indebtedness. Determine the amortization by the method regularly used, if reasonable, or under the regulations. Attach a statement showing the method and computation.

Line 3

Gross rents.—Enter gross rents for property. Deduct expenses such as repairs, interest, taxes, and depreciation on the proper lines for deductions in Part II.

Line 4

Gross royalties.—Enter gross royalties. If you take a deduction for depletion, report it in Part II, line 13.

Line 5

Gross income from business other than insurance business.—Enter the gross income from any business (other than an insurance business) carried on

by the mutual insurance company, or by a partnership of which the mutual insurance company is a member. Include section 1245, section 1250, and other gains from Form 4797, Supplemental Schedule of Gains and Losses, on investment assets only.

Line 6

Leases, etc.—Enter gross income from entering into (or changing or ending) any lease, mortgage, or other instrument or agreement from which the mutual insurance company earns interest, dividends, rents, or royalties.

Line 8

Net gain from sale or exchange of capital assets.—Report sales or exchanges of capital assets on Schedule D (Form 1120) but see Schedule C (Form 1120M). You must report every sale or exchange of a capital asset in detail, even if there is no gain or loss.

For companies taxable under section 821, losses from sales or exchanges of capital assets are allowed up to the gains from sales or exchanges. This does not include losses from capital assets sold or exchanged to get funds to meet abnormal insurance losses and to pay dividends and similar distributions to policyholders.

The net capital loss for these companies is the amount by which losses for the year from sales or exchanges of capital assets are more than the gains from these sales or exchanges plus the smaller of (1) taxable investment income (figured without gains or losses from sales or exchanges of capital assets) or (2) losses from capital assets sold or exchanged to get funds to meet abnormal insurance losses and pay dividends and similar distributions to policyholders.

You may carry a net capital loss back 3 years and forward 5 years as a short-term capital loss. Section 1212(a)(1) limits the capital loss carryback.

For more information on gains and losses from sale or exchange of property, see the instructions for Schedule D (Form 1120).

Deductions (Lines 10-22)

Items not deductible.—Generally, you cannot deduct expenses that relate to tax-exempt income. An exception is tax-exempt interest income. Items related to wholly exempt income must be allocated to this income, and items related to any class of taxable income must be allocated to taxable income. If an item relates to both taxable and exempt income, you must allocate a reasonable part of the item to each.

Attach a statement showing the kind and amount of expense items allocated to each class of exempt income. Show the amount allocated by apportionment separately.

Limitation on deductions relating to real estate owned and occupied.—The deductions on lines 10, 11, and 12 for real estate the company owns and occupies are limited to an amount that bears the same ratio to the total deductions (figured without section 822(d)(1)) as the rental value of the space not so occupied bears to the rental value of the entire property. Attach a schedule showing this computation.

Line 10

Taxes.—Enter taxes paid or accrued only on real estate the company owns as provided in section 164.

Line 11

Real estate expenses.—Enter all ordinary and necessary building expenses, such as fire insurance, heat, light, and labor. Also enter the cost of incidental repairs that neither materially add to the property's value nor appreciably prolong its life but keep it in an ordinary efficient operating condition. Do not include any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or any amount spent on foreclosed property before the property is held for rent.

Line 12

Depreciation.—You can deduct only the depreciation on the property to the extent it is used for producing the income specified in section 822(b). Besides depreciation, include in line 12 part of the cost (up to \$5,000) you elect to expense of certain recovery property placed in service during tax year 1982. See the instructions for Form 4562, Depreciation and Amortization.

Line 13

Depletion.—See sections 613 and 613A for percentage depletion rates for natural deposits.

Attach Form T (Timber), Forest Industries Schedules, if a deduction is claimed for depletion of timber.

Line 14

Trade or business deductions.—Enter total deductions for any business income included in the mutual insurance company's gross investment income under section 822(b)(2). (Do not include deductions for any insurance business.) Do not include losses from sales or exchanges of capital assets, or property used in the business, or from the compulsory or involuntary conversion of property used in the trade or business.

Line 15

Interest paid or accrued.—Enter interest paid or accrued during the tax year, except on indebtedness incurred or continued to purchase or carry obligations on which the interest income is wholly tax-exempt.

See section 267 for the limitation on deductions for unpaid expenses and in-

terest in transactions between related taxpayers.

Generally, for positions acquired after June 23, 1981, the interest and carrying charges on straddles must be capitalized. See section 263(g).

Line 16

Other capital losses.—See instructions for Schedule C on page 8.

Line 18

Interest wholly exempt from tax.—Enter the interest income that is wholly tax-exempt under section 103.

Line 19

Investment expenses.—Enter expenses that are properly chargeable as investment expenses. If you allocate general expenses to investment expenses, the total deduction cannot be more than Schedule A, line 18. Attach a schedule showing the kind and amount of the items and group the minor items into one amount. See the regulations under section 822(c)(2).

Line 22

Dividends received deduction.—See instructions for Schedule B on page 7.

The 85% limitation on the dividends received deduction does not apply for any year in which there is a loss from taxable investment income.

Part III

Statutory Underwriting Income or (Loss) Income (Lines 1-6)

Line 1

Investment income.—Add the interest, dividends, and rents due and accrued at the end of the current tax year to the interest, dividends, and rents received during the tax year. Deduct all interest, dividends, and rents due and accrued at the end of the preceding tax year.

Line 2

Premiums earned.—Deduct return premiums and premiums paid for reinsurance from the gross premiums written on insurance contracts during the year. To this result add unearned premiums on outstanding business at the end of the preceding tax year and deduct unearned premiums on outstanding business at the end of this tax year.

Line 3(a)

See instructions for Part II, line 8.

Line 3(b)

Ordinary gain.—For reporting sales or exchanges of property (other than capital assets) including involuntary conversions, and all section 1245 and section 1250, etc. gains, see Form 4797.

Line 5

Decrease in subscriber accounts.—Enter the decrease for the tax year in

savings credited to subscriber accounts of an interinsurer or reciprocal underwriter. See the instructions for Part III, line 19, for savings credited to subscriber accounts.

Deductions (Lines 7-30)

Line 8

Rents.—Enter rent paid or accrued for business property in which the company has no equity.

Line 9

See instructions for Part II, line 15.

Line 10

Taxes.—Enter taxes paid or accrued during the tax year. Do not include Federal income tax; foreign or U.S. possession income taxes if you are claiming a foreign tax credit; or taxes not imposed upon the corporation.

See section 164(d) for how to divide real estate taxes between seller and buyer.

Line 11

Losses incurred on insurance contracts.—To losses paid during the tax year, add salvage and reinsurance recoverable outstanding when the preceding tax year ended. From these losses, deduct salvage and reinsurance recoverable outstanding at the end of this tax year. Add to this result all unpaid losses outstanding at the end of this tax year and deduct unpaid losses outstanding when the preceding tax year ended.

Line 12

Other capital losses.—See instructions for Schedule C on page 8.

Line 13

Worthless agency balances and bills receivable.—Enter agency balances and bills receivable that became worthless during the tax year.

Line 14

See instructions for Part II, line 18.

Line 15

Depreciation.—See instructions for Part II, line 12.

Line 16

Depletion.—See instructions for Part II, line 13.

Line 17

Contributions.—Enter contributions or gifts paid within the tax year to or for the use of charitable and government organizations described in section 170(c) and any unused contributions carried over from earlier years.

Corporations on the accrual basis may elect to deduct contributions paid by the 15th day of the 3d month after the tax year ends if the board of directors authorizes the contributions during the tax year.

You must attach to the return a declaration, signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the tax year. Also attach a copy of the resolution.

You cannot deduct more than 10% of Part III, line 24, figured without any deduction for contributions.

You cannot deduct charitable contributions over the 10% limitation for the tax year but you can carry the excess over to the next 5 tax years.

Attach a schedule showing the name of each organization and the amount for a contribution of property other than money. Describe the kind of property contributed and the method used in determining its fair market value. If you include a contribution carryover, show the amount and how it was determined.

If you made a qualified conservation contribution under section 170(h), include the fair market value of the underlying property before and after the donation. Describe the conservation purpose furthered by your donation and type of legal interest contributed.

For a charitable contribution of property, you must reduce the contribution by the sum of:

- (1) The ordinary income, short-term capital gain and
- (2) For certain contributions, 60.87% of the long-term capital gain

that would have resulted if the property were sold at its fair market value. The reduction for 60.87% of the long-term capital gain applies to (a) contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and (b) contributions of any property to or for the use of certain private foundations. (See section 170(e) and regulations section 1.170A-4.)

For special rules for contributions of inventory and other ordinary income property to certain organizations, and contributions of scientific property used for research, see section 170(e).

For a charitable contribution deduction for property sold to a charitable organization, the adjusted basis for determining gain from the sale is an amount that is in the same ratio to the adjusted basis as the amount realized is to the fair market value of the property.

Line 19

Increase in subscriber accounts.—A mutual insurance company that is an insurer or reciprocal underwriter may deduct the increase in savings credited to subscriber accounts for the tax year.

Savings credited to subscriber accounts means the surplus credited to the individual accounts of subscribers by March 15, 1983. This is true only if

the company would be required to pay this amount promptly to a subscriber if the subscriber ended the contract when the company's tax year ends. The company must notify the subscriber as required by regulations section 1.823-6(c)(2)(v). The subscriber must treat any savings credited to the subscriber's account as a dividend paid or declared.

Line 20

Pension, profit-sharing, etc. plans.—If you are an employer who maintains a pension, profit-sharing, or other funded deferred compensation plan whether or not it is qualified under the Internal Revenue Code and whether or not you claim a deduction for the current tax year, generally you are required to file one of the forms described below. The Employee Retirement Income Security Act of 1974 provides penalties for not filing these forms on time.

Form 5500.—Annual Return/Report of Employee Benefit Plan.—For each plan with 100 or more participants.

Form 5500-C.—Return/Report of Employee Benefit Plan, or Form 5500-R, Registration Statement of Employee Benefit Plan.—Complete the applicable form for each plan with fewer than 100 participants.

You are required to file only one return for a plan of a controlled group of corporations or a multiemployer collectively bargained plan. Individual participating or contributing employers do not have to file separately.

Line 21

Employee benefit programs.—Enter your contributions to employee benefit programs (such as insurance and health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 20. Also include contributions to a qualified group legal services plan. Section 120 provides certain rules for an employer that will permit employees (including spouses and dependents) to exclude from their income employer contributions to a qualified group legal services plan.

Line 25

Dividends-received deduction.—See instructions for Schedule B.

The 85% limitation on the dividends-received deduction does not apply to any year in which there is a loss from statutory underwriting income.

Line 30

Special Deductions.—If Part II, line 7, (other than capital gains) and premiums (as defined below) is less than \$1,100,000, you may take an additional deduction for determining statutory underwriting income or loss under section 823(a) for the tax year.

Premiums means the total premiums and other consideration provided in the

insurance contract without deduction for commissions, return premiums, reinsurance, dividends to policyholders, dividends left on deposit with the company, discounts on premiums paid in advance, interest applied to reduce premiums (whether or not it must be credited to reduce premiums under the terms of the contracts) or any similar item.

The term includes advance premiums, premiums deferred and uncollected, premiums due and unpaid, deposits, fees, assessments, and consideration for assuming liabilities under contracts not issued by the taxpayer (such as a payment or transfer of property in an assumption reinsurance transaction). It does not include amounts received from other insurance companies for losses paid under reinsurance contracts. See regulations section 1.821-4(a)(1)(ii).

Protection Against Loss Deduction (Lines 32-35)

Under section 824 you can deduct 1% of the losses incurred plus 25% of the underwriting gain for the tax year. If the concentrated windstorm premium percentage for the tax year is more than 40%, you can also deduct an amount obtained by multiplying the percentage that is more than 40% times the underwriting gain for the year.

See also the instructions for Schedule E, on page 8.

SCHEDULE B

Dividends

Dividend Income (Lines 1-6)

Line 1

Certain domestic corporations.—Enter dividends received from domestic corporations subject to income tax that qualify for the 85% deduction under section 243(a)(1).

So-called dividends or earnings from mutual savings banks, money market certificates, etc., are really interest and should not be treated as dividends.

See section 854 for the amount of dividends received from a regulated investment company that qualify for the 85% deduction.

Line 2

Certain public utility corporations.—Enter dividends received by the mutual insurance company on the preferred stock of a public utility. This applies only if the public utility is subject to income tax and the dividends qualify for the section 247 deduction (by the public utility) for dividends paid.

Line 3

Certain foreign corporations.—Enter dividends received by the mutual insurance company from foreign corporations

that qualify for the 85% deduction in section 245(a).

Enter dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction in section 245(b).

In general, this deduction applies to dividends paid out of the earnings and profits of a foreign corporation for a tax year during which all its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends and all its gross income from all sources is effectively connected with the conduct of a U.S. business.

Attach a schedule showing how the amount on line 3 was computed.

Line 4

Certain affiliated groups.—Enter only those dividends that are subject to section 243(b).

Line 5

Other corporations.—Attach a schedule showing separately:

(1) Foreign dividends not reportable on line 3. Do not include distributions of amounts constructively taxed in the current year or in earlier years under subpart F.

(2) Income constructively received from controlled foreign corporations under subpart F. (This amount should equal the total reported in Schedule J of Form(s) 5471.)

(3) Gross-up of dividends for taxes considered paid under sections 902 and 960.

(4) Dividends (other than capital gain dividends) received from regulated investment companies that do not qualify for the 85% deduction.

(5) Dividends from tax-exempt organizations.

(6) Dividends (other than capital gain and exempt-interest dividends) received from a real estate investment trust that, for the tax year of the trust in which the dividends are paid, qualifies under sections 856 through 860.

(7) Dividends not eligible for a dividends-received deduction because of the holding period of the stock or an obligation to make corresponding payments on similar stock.

(8) Any other taxable dividend income not properly reported above.

Dividends-received Deduction (Lines 7-12)

Line 9

Dividends received from certain foreign corporations.—Enter 85% of dividends received from certain foreign corporations described in section 245(a).

Enter 100% of the company's share of dividends received from wholly-owned foreign subsidiaries that are eligible for the 100% deduction in section 245(b). If both types of dividends are included

Page 8

in the line 9 amount, attach a schedule showing how the amount was figured.

See section 245 for qualifications and limitations on these deductions.

Line 10

Total.—This total is subject to the 85% limitation under section 246(b) as follows:

• **Part II.**—The line 10 total cannot be more than 85% of (Part II, line 21, less Schedule B, line 11).

• **Part III.**—The line 10 total cannot be more than 85% of (Part III, line 24, less Schedule B, line 11).

Line 11

Dividends received from certain members of affiliated groups.—Members of affiliated groups may elect under section 243(b) to deduct 100% of the qualifying dividends received from other members of the same group. Qualifying corporations that elect to take the 100% deduction are limited to one \$25,000 amount in each taxable income bracket. That amount must be apportioned among the members of the controlled group. See section 243(b) for qualifications and restrictions on this deduction.

SCHEDULE C

Other Capital Losses

Capital assets are considered sold or exchanged to provide funds to meet abnormal insurance losses and to pay dividends and make similar distributions to policyholders to the extent that the gross receipts from their sale or exchange are not more than the amount by which the sum of dividends and similar distributions paid to policyholders, losses paid, and expenses paid for the tax year is more than the total of line 9, Schedule C.

Total gross receipts from sales of capital assets (line 12, column c) must not be more than line 10. If necessary you may report part of the gross receipts from a particular sale of a capital asset in this schedule and the rest on Schedule D (Form 1120). Otherwise, do not show on Schedule D (Form 1120) sales reported in this schedule.

Enter total other capital losses (line 12, column g) on Part II, line 16, and Part III, line 12.

SCHEDULE E

Protection Against Loss Account

Section 824(b) requires each insurance company subject to tax under section 821(a) to establish and maintain a protection against loss account.

You must add the protection against loss deduction from Part III, line 35, to this account.

See section 824(d) for subtractions from this account. You must include

these subtractions in the mutual insurance company taxable income. Attach a separate schedule showing the computation of any subtraction.

SCHEDULE F

Compensation of Officers

Attach a schedule using the following columns: 1. Name of officer. 2. Social security number. 3. Time devoted to business. 4. Amount of compensation. 5. Expense account allowance.

Complete columns 1 through 4 for all officers. Complete column 5 for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means amounts, other than compensation, received as advances or reimbursements, and amounts paid by or for the corporation, for expenses incurred by or on behalf of an officer. Column 5 does not have to be completed for any officer for whom the combined amount is less than \$50,000.

This information must be submitted by each member of an affiliated group included in a consolidated return.

SCHEDULE G

Additional Information Required

Question F.—Foreign financial accounts and foreign trusts.—Check the Yes box if either (1) or (2) below applies to you. Otherwise, check the No box.

(1) At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country AND

- The combined value of the accounts was more than \$1,000 at any time during the year; AND
- The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

(2) You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1, Report of Foreign Bank and Financial Accounts, to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question F, file Form 90-22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS. You can get Form 90-22.1 from many IRS offices.

Question G.—Foreign Trusts.—Check the Yes box if you were ever a grantor of, or a transferor to, a foreign trust that existed during this tax year.

U.S. Small Business Corporation Income Tax Return

OMB No. 1545-0130

Department of the Treasury Internal Revenue Service

other tax year beginning 1982, ending 1982 For Paperwork Reduction Act Notice, see page 1 of the instructions.

1982

Schedule A Cost of Goods Sold (See instructions for Schedule A)

Header information including Name, Address, Employer Identification No., Date Incorporated, and total assets.

Table for Schedule A with rows for Inventory at beginning of year, Merchandise bought for manufacture or sale, Salaries and wages, Other costs, Total, and Inventory at end of year.

IMPORTANT—All applicable lines and schedules must be filled in. If section 465 (deductions limited to amount at risk) applies, see instruction for line 28.

Questions B through E regarding inventory valuation methods, LIFO, and manufacturing methods.

Gross Income section with lines 1 through 11, including Gross receipts, Cost of goods sold, Gross profit, Dividends, Interest, Gross rents, Royalties, and Gains and losses.

Additional Information Required

Deductions section with lines 12 through 28, including Compensation of officers, Salaries and wages, Repairs, Bad debts, Rents, Taxes, Interest, Contributions, Depreciation, and Other deductions.

Question F: Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation?

Tax section with lines 29 through 32, including Excess net passive income tax, Tax from Schedule D, Payments, and TAX DUE/OVERPAYMENT.

Questions G through P regarding expenses, controlled groups, investment credit property, deductions, interest, foreign trusts, computerized systems, shareholders, and business duration.

Signature and Preparer's Use Only section with fields for Signature of officer, Preparer's signature, Firm's name, and ZIP code.

Schedule E Compensation of Officers (Complete Schedule E only if your total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120S) are \$150,000 or more.) (See instructions for line 12 of page 1)

Table with 6 columns: 1. Name of officer, 2. Social security number, 3. Time devoted to business, 4. Percentage of corporation stock owned, 5. Amount of compensation, 6. Expense account allowances.

Schedule F Bad Debts—Reserve Method (See instructions for line 15 of page 1)

Table with 7 columns: 1. Year, 2. Trade notes and accounts receivable outstanding at end of year, 3. Sales on account, 4. Current year's provision, 5. Recoveries, 6. Amount charged against reserve, 7. Reserve for bad debts at end of year.

Schedule K Computation of Undistributed Taxable Income and Summary of Distributions and Other Items

Table for Schedule K with 13 main sections (1-13) detailing taxable income, less: money distributed as dividends, corporation's undistributed taxable income, actual dividend distributions, nondividend distributions, investment credit property, interest on investment indebtedness, items of tax preference, and jobs credit.

Schedule L Balance Sheets

Table for Schedule L Balance Sheets with columns for Beginning of tax year (A, B) and End of tax year (C, D). Rows include Assets (Cash, Trade notes, Inventories, etc.) and Liabilities and Shareholders' Equity (Accounts payable, Retained earnings, etc.).

Schedule M-1 Reconciliation of Income on Books With Income on Return (line 28, page 1). Do not complete this schedule if your total assets (line 14, column D, above) are less than \$25,000.

Table for Schedule M-1 with 10 rows detailing reconciliation of income on books with income on return, including net income on books, federal income tax, and deductions.

Schedule M-2 Analysis of Unappropriated Retained Earnings on Books (line 24 above). Do not complete this schedule if your total assets (line 14, column D, above) are less than \$25,000.

Table for Schedule M-2 with 9 rows detailing analysis of unappropriated retained earnings, including balance at beginning of year, net income on books, and distributions.

1982

Department of the Treasury
Internal Revenue ServiceInstructions for Form 1120S
U.S. Small Business
Corporation Income Tax Return

(References are to the Internal Revenue Code. Sections identified as "new" were added by the Subchapter S Revision Act of 1982 (Public Law 97-354).)

Tax Highlights

Withholding on Interest
and Dividends

Effective July 1, 1983, a subchapter S corporation that is a payer of interest dividends (and section 1375(f) distributions), or patronage dividends to certain recipients is required to withhold a tax of 10% on the amount paid. See the 1983 Instructions for Form 1096, and the Instructions for line 7 of Schedule K of Form 1120S.

As recipients, however, most corporations are exempt from withholding on their income. Regardless, some withholding may occur. For example, if the corporation was a member of a partnership that had amounts withheld on interest or dividends paid to the partnership, the partnership would report the amount withheld to the corporation at its year end. In these cases, the credit for such withholding is passed to shareholders of the corporation. See the Instructions for line 13c of Schedule K of Form 1120S.

Change in Passive Income
Limit and Tax on Excess
Net Passive Income

Effective for tax years beginning in 1982, Public Law 97-354 made the following changes:

- repealed the old 20% limitation (section 1372(e)(5)) on passive income for subchapter S corporations that do not have subchapter C earnings and profits;
- increased the limit on passive income to 25% of subchapter S corporations that have earnings and profits from prior subchapter C status; and
- provided for a 46% tax on excess net passive income.

The General Instruction for "End of Election" explains the new 25% limit as well as other tax law changes that take effect for tax years beginning after 1982. Details about figuring the new tax on excess net passive income are given in the specific instruction for line 29a.

Basis Adjustment for
Investment Tax Credits

A taxpayer may be required to reduce the basis of property placed in service after December 31, 1982, by 50% of the credit taken for the property. See Instruction for line 10 of Schedule K of Form 1120S. 363-141-1

Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Purpose

Form 1120S is used instead of Form 1120 if a corporation elected to be taxed as an electing small business corporation (subchapter S corporation) and its election is in effect.

If you need more information, you may want to get Publication 589, Tax Information on Subchapter S Corporations. It is available from many Internal Revenue Service offices.

Filing Form 1120S
Who Must File

You must file Form 1120S if you elected, by filing Form 2553, Election by a Small Business Corporation, to be taxed as a subchapter S corporation and IRS accepted your election; and if the election remains in effect. A corporation that files Form 1120S is generally exempt from income tax, which its shareholders pay instead.

End of Election

The election to be taxed as a small business corporation can end automatically or it can be revoked. During the 5 years after an election has ended automatically or been revoked, the corporation can make another election on Form 2553 only if the Commissioner consents. (See regulations section 1.1372-5.)

The election ends automatically in any of the following cases:

- A new shareholder affirmatively refuses to consent to the election by the 60th day after the day the shareholder acquired the stock. (Effective for tax years beginning after 1982, this provision is repealed.) A new shareholder is a person who was not a shareholder on the first day of the first tax year for which the election is effective or on the day the election is made, whichever is later.

The new shareholder's affirmative refusal must be filed with the Internal Revenue Service Center that has jurisdiction for the area where the principal business, office, or agency of the corporation is located.

- The corporation is no longer a small business corporation as defined in section 1371(a). (Effective for tax years beginning after 1982, a subchapter S corporation may have up to 35 shareholders.)
- More than 80% of the corporation's gross receipts come from sources outside the United States. (Effective for tax years beginning after 1982, this provision is repealed.)

- If the corporation has subchapter C earnings and profits and more than 25% of the corporation's gross receipts are passive investment income as defined in new section 1362(d)(3)(D) for 3 consecutive tax years, the election shall terminate on the first day of the first tax year beginning after the third consecutive tax year. The corporation must pay a tax for each year it has excess net passive

income. See specific instructions for line 29a for details on how to figure the tax.

The ending of an election for any of these reasons is effective for the tax year of the corporation in which any of the cases above occurs and for all the corporation's later tax years. (See sections 1372(e) and (f).)

The election may be revoked for any tax year after the first tax year for which it is effective. All shareholders on the day the revocation is made must agree to it in order for it to take effect.

A revocation is effective either for the tax year in which it is made (if made within the first month of the tax year) or for the following year (if made after the first month of the tax year). It must be made according to regulations section 1.1372-4. See new section 1362(d)(1) for revocation of an election for tax years beginning after 1982.

When to File

In general, file Form 1120S by the 15th day of the 3rd month after the end of the tax year.

Extensions.—Use Form 7004, Application for Automatic Extension of Time to File Corporation Income Tax Return, to request an automatic 3-month extension to file Form 1120S.

Use Form 7005, Application for Additional Extension of Time to File Corporation Income Tax Return, to request an additional extension after getting an automatic 3-month extension with Form 7004.

Period to be Covered by
1982 Return

File the 1982 return for calendar year 1982 and fiscal years beginning in 1982 and ending in 1983. If the return is for a fiscal year, fill in the tax year spaces on the form. Final Returns. If the corporation ceases to exist, write "FINAL RETURN" at the top of the form.

Amended Return

To correct an error in a Form 1120S already filed, file an amended Form 1120S and write "AMENDED" across the top. If the amended return results in a change to taxable income, or a change in the distribution of any property or other information provided to shareholders, an amended Schedule K-1 (Form 1120S), Shareholder's Share of Undistributed Taxable Income, etc., must also be filed with the amended Form 1120S and given to each shareholder. Write "AMENDED" across the top of the corrected Schedule K-1.

Where To File

If the corporation's principal business, office, or agency is located in

New Jersey, New York City and counties of Nassau, Rockland, Suffolk, and Westchester

Holtzville, NY 00501

New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Andover, MA 05501

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| | |
|---|------------------------|
| Alabama, Florida, Georgia, Mississippi, South Carolina | Atlanta, GA 31101 |
| Michigan, Ohio | Cincinnati, OH 45299 |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas | Austin, TX 73201 |
| Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Utah, Wyoming | Ogden, UT 84201 |
| Illinois, Iowa, Missouri, Wisconsin | Kansas City, MO 64599 |
| California, Hawaii | Fresno, CA 93888 |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia | Memphis, TN 37501 |
| Delaware, District of Columbia, Maryland, Pennsylvania | Philadelphia, PA 19255 |

Accounting Methods

Figure taxable income using the method of accounting regularly used in keeping the corporation's books and records. In all cases, the method adopted must clearly reflect taxable income. (See section 445.)

Unless the law specifically states otherwise, a corporation may change the method of accounting used to report income in earlier years (for income as a whole or for any material item) only by first getting consent on Form 3115, Application for Change in Accounting Method. Also see Publication 538, Accounting Periods and Methods.

Rounding Off to Whole-dollar Amounts.—You may show the money items on the return and accompanying schedules as whole-dollar amounts. To do so, drop any amount less than 50 cents, and increase any amount from 50 cents through 99 cents to the next higher dollar.

Change in Accounting
Period

To change an accounting period, see regulations section 1.442-1 and Form 1128, Application for Change in Accounting Period. Also see Publication 538.

Paying the Tax

You must pay the balance of tax due either (1) in full when you file the return or (2) in two equal installments. The first installment is due by the 15th day of the 3rd month after the end of the tax year. The second installment is due by the 15th day of the 6th month after the end of the tax year.

Deposit corporation income tax payments with a preinscribed Federal Tax Deposit (FTD) Form 503. Make these tax deposits with either a financial institution qualified as a depository for Federal taxes or the Federal Reserve Bank or Branch (FRB) serving the geographic area where the taxpayer is located. Records of deposits will be sent to the Internal Revenue Service for crediting to the corporation's account. See the instructions on the back of Form 503 for more information and exceptions.

You can get Form 503 from the IRS service center where you file your return. The application should include the corporation's name, identification number (EIN), address, and the tax year to which the deposits relate. For more information

concerning deposits and obtaining an EIN, see Publication 583, Information for Business Taxpayers.

Penalty for Overstated Tax Deposits.—If you overstate your deposits, you may be subject to a penalty. See section 6656(b).

Penalties

a. A corporation that does not file its tax return by the due date, including any extensions, may have to pay a penalty of 5% a month, up to a maximum of 25%, for each month the return is not filed. (The penalty is imposed on the net amount due—section 6651(a)(1).) The minimum penalty for not filing a tax return within 60 days of the due date for filing (including extensions) is the lesser of the underpayment of tax or \$100.

b. A corporation that does not pay the tax when due may have to pay a penalty of 1/2% a month or fraction of a month, up to a maximum of 25%, for each month the tax is not paid. (The penalty is imposed on the net amount due—section 6651(b)(2).)

These penalties will not be imposed if the corporation can show that not filing or not paying was due to reasonable cause and not to willful neglect.

These penalties are in addition to the interest charges imposed on unpaid tax at a rate under section 6621.

Stock Ownership in Foreign
Corporations

If the corporation owned at least 5% in value of the outstanding stock of a foreign personal holding company, attach the statement required by section 551(c).

A taxpayer who controls a foreign corporation, or who is a 10% or more shareholder of a controlled foreign corporation, may have to file Form 5471, Information Return with Respect to a Foreign Corporation.

Balance Sheets

You may use either Schedule L or copies of other balance sheets required by Federal, State, or other authorities. Balance sheets filed under this procedure must contain sufficient information to enable IRS to reconstruct a balance sheet similar to that contained on Form 1120S, without contacting the taxpayer during processing. Include certificates of deposit as cash on line 1 of the balance sheet.

The balance sheets must agree with your books and records. Use Schedule M-1 to reconcile taxable income with the net profit shown on your books. (A corporation is not required to complete Schedules M-1 or M-2 if its total assets (line 14, column D, of Schedule L, of Form 1120S) are less than \$25,000.)

Net Operating Loss and
Other Deductions

A subchapter S corporation may not take the deduction for net operating losses provided by section 172 and the special deductions in Part VIII (except section 248) of subchapter B. (See section 1373(d).)

The corporation's net operating loss is allowed as a deduction from the shareholders' gross income. (Section 1374.)

Attachments

If you need more space on forms or schedules, attach separate sheets. Attach schedules in alphabetical order and forms in numerical order to the back of Form 1120S. Be sure to put the corporation's name and employer identification number on these separate sheets.

Signature

The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign.

A receiver, trustee, or assignee must sign and date any return he or she is required to file on behalf of a corporation.

If your corporate officer fills in Form 1120S, the Paid Preparer's space under "signature of officer" should remain blank. If someone prepares Form 1120S and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120S should not sign. For example, a regular, full-time employee of the corporation such as a clerk or secretary does not have to sign. (This list is not all-inclusive.)

In general, anyone paid to prepare Form 1120S must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The preparer required to sign the return MUST:

- Complete the required preparer information.
- Sign, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give a copy of Form 1120S to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. See Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

Transfers to Corporation Controlled by Transferor

If a person acquires stock or securities of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach the information required by regulations section 1.351-3.

Information on Returns That May Be Required

Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Forms 1099-DIV, INT, MED, MISC, OID, PATR and R. You may have to file these information returns to report certain dividends, interest payments, medical and health care payments, miscellaneous income, original issue discount, patronage dividends, and total distributions from profit-sharing plans, retirement plans, and individual retirement arrangements.

Use Form 1099-DIV to report actual dividend distributions taxable as ordinary income, actual dividend distributions taxable as long-term capital gains (after tax), nondividend distributions, and dividends qualifying for the dividend exclusion.

Use Schedule K-1 (Form 1120S), Shareholder's Share of Undistributed Taxable Income, etc., to report constructive dividends (undistributed taxable income). Do not report them on Form 1099-DIV.

Use Form 966, Corporate Dissolution or Liquidation, and Form 1099L, U.S. Information Return for Distributions in Liquidation During Calendar Year, to report dissolution or liquidation and distributions in liquidation.

Specific Instructions

Employer Identification Number. If the employer identification number (EIN) on the label is wrong or if you did not receive a label, write the correct number at the top of the return.

A corporation that does not have an EIN should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form at most IRS or Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which you send Form 1120S. If you have not received the EIN by the time for filing Form 1120S, write "Applied for" in the EIN space. See Publication 583 for additional information.

Total Assets. Enter the total assets of the corporation. If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Gross Income

Line 1

Gross receipts

Enter gross receipts or sales from all business operations except those you must report on lines 4 through 10.

For reporting advance payments and long-term contracts, see regulations sections 1.451-3 and 1.451-5.

If you use the installment method, enter on line 1c the gross profit on collections from installment sales and carry the same amount to line 3. Attach a schedule showing for the current year and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on amount collected.

Line 2

Cost of goods sold

See the instructions for Schedule A.

Line 5

Interest

Enter interest on loans, notes, mortgages, bonds, bank deposits, corporate bonds, etc.

Do not offset interest income against interest expense.

Line 6

Gross rents

Enter the gross amount you received for renting property. Enter expenses attributable to rental income on the proper expense deduction lines (12-26).

The corporation may be limited in the amount of expense deductions for

renting a vacation home if a shareholder uses the property for personal purposes. (See section 280A.)

Line 8

Capital gains and losses

See separate Schedule D (Form 1120S), and Form 4797, Supplemental Schedule of Gains and Losses.

If line 8b is more than \$25,000, see instructions for Part IV, Tax Computation, of Schedule D (Form 1120S).

Report every sale or exchange of a capital asset in detail on Schedule D (Form 1120S) even though there is no gain or loss.

Line 10

Other income

Enter any other taxable income not listed above and explain its nature on an attached schedule. Examples of other income are recoveries of bad debts deducted in earlier years under the specific charge-off method, the amount of credit (determined without regard to the limitation based on tax) for alcohol used as a fuel that was figured on Form 6478, Credit for Alcohol Used as Fuel, and refunds of taxes deducted in earlier years. Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, identify it by showing the account caption in parentheses on line 10. A separate schedule need not be attached to the return in this case.

Deductions

Line 12

Compensation of officers

Enter on line 12 the total compensation of all officers.

Complete Schedule E only if your total receipts (line 1a plus lines 4 through 10 of page 1 of Form 1120S) are \$150,000 or more.

Complete columns 1 through 5, Schedule E, for all officers. Complete column 6, Schedule E, for your six highest paid officers. To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means (1) amounts, except compensation, received as advances or reimbursements and (2) amounts paid by or for the corporation for expenses incurred by or for an officer. You do not have to complete column 6 for any officer whose combined amount is less than \$50,000.

Line 13

Salaries and wages

Enter on line 13a the amount of total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year.

Enter on line 13b the applicable jobs credit from Form 5884. See Instructions for Form 5884, Jobs Credit (and WINC Expense Deduction Carryover), for more information.

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Dividends that shareholders of a subchapter S corporation arrange to receive instead of reasonable compensation in the same amounts for service they performed may constitute "wages". The corporation incurs a liability for taxes imposed by the Federal Insurance Contributions Act, the Federal Unemployment Tax Act, and the Collection of Income Tax at Source of Wages for such wages. (See Revenue Ruling 77-44, 1974-1 C.B. 287.)

Line 14

Repairs

Enter the cost of incidental repairs, such as labor and supplies, that do not add to the value of the property or increase the life of the property. However, see the instructions for line 20.

You may choose to deduct as a current expense certain expenses for the removal of architectural and transportation barriers to the handicapped and elderly. See section 190 and related regulations.

Line 15

Bad debts

You may treat bad debts in either of two ways: (a) as a deduction for debts that become worthless in whole or in part, or (b) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

Apply on Form 3115 if you want to change the method of figuring bad debts.

Line 17

Taxes

Enter taxes paid or accrued during the tax year.

Do not include Federal income tax or taxes not imposed on the corporation. See section 164(d) for dividing taxes on real property between seller and buyer.

Do not deduct amounts paid or accrued during the year for real property construction period taxes (other than for low-income housing). Form 4562, Depreciation and Amortization, provides for the amortization of these amounts. See section 189 and Part II of Form 4562 for details.

Line 18

Interest

Enter interest expense, including investment interest expense. Do not include interest on indebtedness that is incurred or continued to purchase or carry obligations on which the interest is wholly exempt from income tax. For exceptions, see item (2) of section 265.

See section 267 for limits on deductions for unpaid expenses and interest on transactions between related taxpayers.

Do not deduct amounts paid or accrued during the year for real property construction period interest (other than low-income housing). Form 4562 provides for the amortization of these amounts. See section 189 and Part II of Form 4562 for details.

In general, a cash basis taxpayer cannot deduct prepaid interest that is

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allocable to years after the current tax year. A cash basis taxpayer, who in 1982 prepaid interest allocable to any period after 1982, can deduct only the amount allocable to 1982. Please see Publication 545, Interest Expense.

Generally, for positions established after June 23, 1981, the interest and carrying charges on straddles can no longer be deducted but must be capitalized. See section 263(g).

Line 19

Contributions

Enter contributions or gifts actually paid within the tax year to or for the use of charitable and governmental organizations described in section 170(c). Also enter any unused contributions carried over from earlier years.

The total amount claimed may not be more than 10% of taxable income (line 28, page 1) figured without regard to this deduction.

You may not deduct for the tax year charitable contributions larger than the 10% limit, but you may carry the excess over to the next 5 tax years.

Corporations on the accrual basis may choose to deduct contributions paid by the 15th day of the 3rd month after the end of the tax year if the board of directors authorized the contributions during the tax year. Attach to the return a declaration signed by an officer, stating that the resolution authorizing the contributions was adopted by the board of directors during the tax year. Also attach a copy of the resolution to the return.

For a contribution in property other than money, attach a schedule describing the kind of property contributed and the method used in determining its fair market value. If you made a "qualified conservation contribution" as defined in section 170(h), show the fair market value of the underlying property before and after the contribution and the type of legal interest contributed, and describe the conservation purpose furthered by the contribution.

If a contribution carryover is included, show the amount and how it was determined.

Special rule for contributions of certain property

If you make a charitable contribution of property, the contribution must be reduced by the sum of the following:

1. the ordinary income, short-term capital gain, and
2. for certain contributions, 60.87% of the long-term capital gain that would have resulted if the property were sold at its fair market value. The reduction for 60.87% of the long-term capital gain applies to (a) contributions of tangible personal property to an exempt organization to use for a purpose or function unrelated to the basis for its exemption, and (b) contributions of any property to or for the use of certain private foundations. (Section 170(e).)

Line 20

Depreciation

Enter depreciation expense from Form 4562, Depreciation and Amortization. Enter amortization expense from Form 4562 on line 25.

For tax years beginning in 1982 and 1983, you may elect under code section 179 to expense or deduct up to \$5,000 of certain recovery property. Form 4562 provides for this deduction. See instructions for Form 4562 for details.

Line 22

Depletion

See sections 613 and 613A for rates applicable to natural deposits.

Attach Form T (Timber), Forest Industries Schedules, if you claim a deduction for depletion of timber.

Line 24

Pension, profit-sharing, etc., plans

Employers who maintain a pension, profit-sharing, or other funded deferred compensation plan whether or not qualified under the Internal Revenue Code and whether or not a deduction is claimed for the current tax year, generally are required to file one of the forms listed below.

Employers who maintain a section 401 (i) type plan in which employees or shareholder-employees are participants may not maintain a simplified employee pension plan (section 408(k)).

The Employee Retirement Income Security Act of 1974 imposes penalties for failure to file these forms on time.

Form 5500, Annual Return/Report of Employee Benefit Plan (With 100 or more participants).

Form 5500-C, Return/Report of Employee Benefit Plan (With fewer than 100 participants).

Form 5500-R, Registration Statement of Employee Benefit Plan. Filed on a rotating basis with Form 5500-C.

Only one return is required to be filed for a multiemployer-collectively-bargained plan. Contributing employers are not required to file separately.

See section 1379(b) for inclusion of excess contributions in gross income of the shareholder-employee beneficiary.

Line 25

Employee benefit programs

Enter the amount of contributions to employee benefit programs (such as insurance and health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included in line 24.

Also include the corporation's contributions to a qualified group legal services plan established for the exclusive benefit of employees (including shareholders) or their spouses or dependents. Section 120 permits employees (including their spouses and dependents) to exclude from income employer contributions to a qualified group legal services plan.

Line 26**Other deductions**

Include in line 26 the deduction taken for amortization. See Form 4562 for figuring amortization.

In most cases, you may not take a deduction for any part of any item allocated to a class of exempt income. The exception is certain parts of interest included by face-amortized certificate companies registered under the Investment Company Act of 1940. (See section 265(2) for exceptions.) Items directly attributable to wholly exempt income must be allocated to that income. Items directly attributable to any class of taxable income must be allocated to that taxable income.

If an item is indirectly attributable both to taxable income and to exempt income, allocate a reasonable proportion of the item to each, based on all the facts in each case.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each such class. Show the amount allocated by apportionment separately.

In the case of a farming syndicate, a deduction for amounts paid for feed, seed, fertilizer, or other similar farm supplies is allowed only in the tax year in which these items are actually used or consumed. For definitions, exceptions to the general rule, and special rules for orchard and vineyard expenses, see section 278.

For special treatment of certain expenses incurred in the production of films, books, records, or similar property, see section 280.

If any part of a loss from section 465 activities was not distributed to shareholders for the corporation's 1981 tax year because of section 465 limits, that part of the loss is treated as a deduction allocated to the activity in 1982. (See section 465 and the instructions for line 28 for details.)

Note: Travel and entertainment.—Generally, the corporation can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in trade or business. However, it cannot deduct an expense paid or incurred for a facility (such as a yacht or hunting lodge) that is used in an activity that is usually considered entertainment, amusement, or recreation. The corporation may be able to deduct the expenses if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099-NEC for an independent contractor. See Publication 463, Travel, Entertainment, and Gift Expenses, for more details.

Line 28**Taxable income**

Special "at risk" rules apply to a subchapter S corporation engaged in any activity (except the holding of real property other than mineral property) as a trade or business or for the production of income. If applicable, these rules limit the corporate loss or losses to be entered on line 28. See section 465(a).

A corporation's section 465(d) loss from each activity for the tax year is limited to the amount for which the corporation is "at risk" for the activity at the end of the tax year. The corporation is considered "at risk" for an activity for amounts described in section 465(b)(1) and (2). The amounts borrowed are not considered to be "at risk" if they are excluded or excepted under section 465(b)(3) and (4).

If any activities of the corporation incur a loss for the year, figure each activity loss separately. Attach a schedule showing the amount at risk and gross income and deductions for each section 465 activity with a loss.

If the corporation sells or otherwise disposes of any part of an asset or interest in an activity to which the "at risk" rules apply, combine the gain or loss on the sale or disposition with the profit or loss from the activity to determine the net profit or loss from the activity.

If a loss from an activity is more than the amount for which the corporation is at risk, modify the amount that would otherwise be entered on line 28 for the excess. Pass through to the shareholders only the allowable loss (described above) for the tax year. Treat any loss from an activity not allowed under this section for the tax year as a deduction allocable to the activity in the following tax year.

Line 29a

If the corporation has always been a subchapter S corporation, the line 29a tax does not apply to the corporation. However, if the corporation has subchapter C earnings and profits at the close of its tax year, has passive investment income that is in excess of 25% of gross receipts, and has taxable income at year end, the corporation must pay a tax on the excess net passive income. Complete lines 1 through 3 below to determine if the corporation owes the tax. If line 2 is greater than line 3 and the corporation has taxable income, it must pay the tax. Complete a separate schedule using the format of lines 1 through 10 to figure the tax. Enter the tax on line 29a, page 1, Form 1120S, and attach the computation schedule on Form 1120S.

1. Enter gross receipts for the tax year (see new section 1362(d)(3)(C)) for receipts from the sale of capital assets
2. Enter passive investment income as defined in new section 1362(d)(3)(D)
3. Enter 25% of line 1 (If line 2 is greater than line 3 continue computation.)
4. Excess passive investment income—Subtract line 3 from line 2
5. Enter expenses directly connected with the production of income on line 2 (see new section 1375(b)(2))
6. Net passive income—Subtract line 5 from line 2
7. Divide amount on line 4 by amount on line 2 %
8. Excess net passive income—Multiply line 6 by line 7
9. Enter taxable income (line 28, page 1, Form 1120S)

10. Tax on excess net passive income—Enter 46% of the smaller of line 8 or 9

In addition to entering the tax on line 29a, the following special rules must be taken into account:

- (1) If the corporation is subject to the capital gains tax under old section 1378, and capital gain income is taken into account in figuring the passive income, an adjustment, as explained in new section 1375(c)(2), must be made.
- (2) (a) Prorate the new section 1375 tax for each item of passive income as explained in new section 1366(f)(3).
(b) Decrease the income reported on line 8 of Schedule K, page 3, Form 1120S, for the total new section 1375 tax attributable to all passive income items that are ordinary income in character.
(c) Decrease the income reported on line 9 of Schedule K, page 3, Form 1120S, for the total new section 1375 tax attributable to all passive income items that are capital gain income in character.

Line 29b

If net capital gain, line 8b, page 1, is \$25,000 or less, the corporation is not liable for income tax or minimum tax. If net capital gain is more than \$25,000, see Instructions for Part IV, Tax Computation of Schedule D (Form 1120S) to determine if the corporation is liable for income tax or minimum tax.

Line 30c

Overpaid windfall profit tax.—A corporation that has overpaid its windfall profit tax may claim credit for the overpayment on its income tax return. Use Form 6249, Computation of Overpaid Windfall Profit Tax, to figure the overpayment and attach the form to Form 1120S. Include the amount of overpayment in the total for line 30c, and identify it as overpaid windfall profit tax.

Schedule A**Cost of Goods Sold****Valuation methods**

Your inventories can be valued at: (a) cost, (b) cost or market value (whichever is lower), or (c) any other method approved by the Commissioner of Internal Revenue, if that method conforms to the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods must change to a method permitted for Federal income tax purposes. To make this change file Form 3115. For more information about the change, see regulations section 1.446-1(o)(3) and Rev. Proc. 80-51, 1980-2 C.B. 818.

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In line 8a, check the method(s) used for valuing inventories. Under "lower of cost or market," market generally applies to normal market conditions when there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For additional requirements, see regulations section 1.471-4.

Inventory may be valued below cost when the merchandise is unsalable at normal prices or unusable in the normal way because the goods are "subnormal" (that is because of damage, imperfections, shop wear, etc.) within the meaning of regulations section 1.471-2(c). Such goods may be valued at a current bona fide selling price less direct cost of disposition (but not less than scrap value) when the taxpayer can establish such a price. See regulations section 1.471-2(c) for additional requirements.

If this is the first year the "Last-in-First-out" (LIFO) inventory method was either adopted or extended to inventory goods not previously valued under the LIFO method, as provided in section 472, attach Form 970, Application to Use LIFO Inventory Method, or a statement with Form 1120S and check the LIFO box in line 8b. In line 8c, enter the amount or percent (estimates may be used) of total closing inventories covered under section 472.

Full absorption method of inventory costing

If you are engaged in manufacturing or production, you must use the full absorption method of inventory costing. If you are not using it, you must change to this method. Under it, both direct and certain indirect production costs are included for inventory valuation purposes.

You must use Form 3115 to change to full absorption. For details, see Rev. Proc. 75-40, 1975-2 C.B. 571, and regulations section 1.471-11.

Cost of operations (when inventories are not an income-determining factor)

If the amount entered on line 2 of page 1, Form 1120S, includes an amount for the cost of operations, attach a schedule showing (1) salaries and wages and (2) other costs in detail.

Additional Information

Be sure to answer the questions and provide other information in items F through Q. The instructions that follow are keyed to these items.

Question L**Foreign financial accounts**

Check the Yes box if either 1. or 2. below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities

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account, or other financial account in a foreign country. Exception. Check No if either of the following apply to you:

- The combined value of the accounts was \$1,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1, Report of Foreign Bank and Financial Account, to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question L, file Form 90-22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS. But be sure to file your Form 1120S with the IRS.

You can get Form 90-22.1 from many IRS offices.

Question M**Foreign trusts**

Check the Yes box if you were ever a grantor of, or a transferor to, a foreign trust that existed during the tax year.

Schedule K**Computation of Undistributed Taxable Income and Summary of Distributions and Other Items****Lines 1, 2, and 3**

Undistributed taxable income is taxable income minus the sum of:

1. The amount of money distributed as dividends out of earnings and profits of the tax year, and
2. The taxes imposed by section 58(d)(2) and 1378(a).

The following distributions are not used in figuring the amount on line 3:

1. Money distributions made within 2 months and 15 days after the close of the corporation's tax year (section 1375(f) distributions) that are distributions of that earlier year's undistributed taxable income to the extent of the shareholders' apportioned shares, and
2. Dividend distributions of property other than money.

Summary of Distributions and Other Items

On Form 1099-DIV, report—

- a. Actual dividend distributions entered on lines 4, 5, and 6 of Schedule K.
- b. Nondividend distributions shown on line 7 of Schedule K.

If an earlier actual distribution reported to shareholders as ordinary income on Form 1099-DIV is determined to be capital gain at the close of the corporation's tax year, the corporation must issue corrected Forms 1099-DIV to the shareholders.

The constructive dividends entered on lines 8 and 9 of Schedule K must be reported on Schedule K-1 (Form 1120S).

Line 4

Enter the actual dividend distributions of money or property that are out of current earnings and profits and that are taxable as ordinary income.

Dividends are any distributions of property (including cash) made by a corporation to shareholders out of earnings and profits. Generally, earnings and profits are not the same as taxable income. See section 312 for adjustments that must be used to figure earnings and profits.

Line 5

Enter actual dividend distributions that the shareholders are to treat as a long-term capital gain after tax. (See section 1375 and regulations section 1.1375-1.)

Line 6

Only dividends that are not considered to be out of the earnings and profits of the tax year qualify for the dividend exclusion. For purposes of this rule, the earnings and profits of the tax year are considered not to be more than taxable income for the year. The dividends entitled to the exclusion include, for example, dividends paid out of accumulated earnings and profits.

Line 7

Enter the total amount of distributions of money and property not out of earnings and profits.

For tax years after the first tax year to which the Subchapter S election applies, include any distribution of undistributed taxable income previously taxed to shareholders as allowed by section 1375(d). See section 1377 to find out whether a distribution is out of the corporation's undistributed taxable income previously taxed to shareholders.

Section 1375(f) states that money distributions made within 2 months and 15 days after the close of the tax year are treated as non-dividend distributions of that year's undistributed taxable income to the extent they are not more than the shareholders' shares of undistributed taxable income for that year. Calendar year 1982 corporations report these distributions in the year they are made. For example, if a 1982 calendar year corporation makes a section 1375(f) distribution on February 1, 1983, this distribution is reported as a non-dividend distribution on Schedule K of the 1983 Form 1120S, and as a nontaxable distribution on the 1983 Form 1099-DIV.

Effective for section 1375(f) distributions made after June 30, 1983, a corporation is required to withhold 10% of the amount of the distribution. Corporate shareholders are allowed a credit for the amount withheld for their tax years beginning in the calendar year in which the preceding year of the corporation ends. Accordingly, fiscal year 1982-1983 corporations must report section 1375(f) distributions (and amount withheld) for the calendar year in which the preceding tax year of the corporation ends. For example, if the corporation's year ends October 31, 1983, and a section 1375(f)

distribution was made on January 14, 1984, the distribution must be reported as a nondividend distribution on Schedule K of the 1982 Form 1120S, and as a non-taxable distribution on the 1983 Form 1099-Div. See sections 1375(f), 3454(b) and 31(d)(2) for details.

Line 8

Enter the part of undistributed taxable income that the shareholders are to treat as ordinary income. The undistributed taxable income is the amount that the shareholders would have received as a dividend if the income had been distributed to them on the last day of the corporation's tax year. See instructions for line 29a of page 1, Form 1120S.

A dividend distribution of property other than money may cause the corporation's undistributed taxable income (line 3) to be more than the total of lines 8 and 9. (See regulations section 1.1373-1(e).)

If there is a net operating loss for the tax year, enter it here.

Line 9

Enter on line 9 the part of undistributed taxable income that is long-term capital gain after tax. See instructions for line 29a of page 1, Form 1120S. (See section 1375 and regulations section 1.1375-1.)

Line 10

If the corporation acquired or constructed regular or energy investment credit property during the tax year, the corporation must complete certain parts of Form 3468, Computation of Investment Credit, and attach it to Form 1120S. See instructions for Form 3468 for details.

Effective for investment credit property (or energy credit property) placed in service after February 18, 1981, a subchapter S corporation's basis and cost of investment credit property is limited to the amount the corporation is at risk for the property at year end. See instructions for Form 3468 for details.

Generally, for property placed in service after December 31, 1982, the corporation must reduce the basis of regular and energy investment credit property by half of investment credit allowable for the property. The basis reduction is not required for certain investment credit property if the corporation elects to take a reduced credit. If the election is made, each shareholder must be notified. See section 48(q) and instructions for Form 3468.

Line 11

List the amounts of interest on investment debt, and the applicable items below that were included in figuring the taxable income (or loss) for the corporation: (1) net investment income or (loss), (2) excess expenses over rental income from net lease property; and (3) net capital gain (excess net long-term capital gain over net short-term capital loss) from investment property.

Allocate the interest on investment debt to the period in which the debt was incurred. The periods are: (1) before December 17, 1969; (2) between December 17, 1969, and September 10, 1975; and (3) after September 10, 1975.

Shareholders must be notified of their share of the above information to figure their limit on interest on investment debt at the shareholder level. (See Form 4952, Investment Interest Expense Deduction, and section 163(d).)

Line 12

List the amount of each tax preference item that is included in figuring the taxable income of the corporation.

Line 12c.—For amortization of certain rehabilitation expenditures for certified historic structures, certain pollution control facilities, on-the-job training facilities, and child care facilities; enter the amount by which the amortization the corporation took for 1982 is more than the depreciation deduction otherwise allowable. (For certified historic structures, this can only be straight-line method.)

Amortization of on-the-job training facilities and child care facilities are no longer tax preference items for tax years beginning in 1983. Accordingly, if your corporate tax year ends after December 31, 1982, and amounts attributable to these items are included in line 12c, attach a schedule to Form 1120S to show these amounts separately. Also attach a statement to Schedule K-1 (Form 1120S) to show each shareholder's share of line 12c amortization for on-the-job training facilities and child care facilities.

Line 12g.—Line 12g applies only to fiscal year corporations with tax years ending after December 31, 1982. These filers are to complete and attach a schedule to Form 1120S, and to Schedule K-1 (Form 1120S), showing the amount spent for the following items: (1) excess mining exploration and development costs, (2) excess circulation and research and experimental expenditures, and (3) incentive stock options. (See section 57(a)(5) and (6) for details.)

Although these amounts are used in figuring the taxable income of the corporation, they are subject (with certain reductions) to a minimum tax (alternative minimum tax in the case of the net capital gain tax preference item) at the shareholder level. The shareholder must take these amounts into account along with similar items of tax preference from all other sources in preparing Form 4625, Computation of Minimum Tax—Individuals (Form 4626 for a shareholder who is an estate or trust) and Form 6251, Alternative Minimum Tax Computation.

Line 13

Line 13a.—Enter the jobs credit figured by the corporation on Form 5884. The credit is figured at the corporate level and then apportioned to persons who are shareholders of the corporation on the last day of the corporation's tax year. Attach Form 5884 to Form 1120S.

See Form 5884 for information about the jobs credit.

Line 13b.—Enter the credit for alcohol used as fuel figured by the corporation on Form 6478, Credit for Alcohol Used as Fuel. The credit is figured at the corporate level and then apportioned to persons

who are shareholders of the corporation on the last day of the corporation's tax year. Attach Form 6478 to Form 1120S.

See Form 6478 for information about the credit for alcohol used as fuel.

Line 13c.—The following credits are also figured at the corporate level and then apportioned to persons who are shareholders of the corporation on the last day of the corporation's tax year:

1. Credit for increasing research activities
2. Nonconventional source fuel credit
3. Unused regular investment credit
4. Unused energy investment credit
5. Credit for withholding on interest and dividends or patronage dividends paid to the corporation.

The credit for increasing research activities is figured by the corporation on Form 6765, Credit for Increasing Research Activities. Attach Form 6765 to Form 1120S. See Form 6765 for details about the research credit.

The nonconventional source fuel credit is figured by the corporation on a separate schedule prepared by the corporation. This computation schedule must also be attached to Form 1120S. See section 44D for computation provisions and other special rules for figuring this credit.

If the corporation is a member of a cooperative that passes an unused regular investment credit or unused energy investment credit through to its members, these credits are in turn passed through to its shareholders.

If tax withholdings were made on dividends, interest, or patronage dividends paid to the corporation during the tax year, the total amount withheld is passed to shareholders at year end.

If the corporation has only one of the above 5 credits, enter the amount of the credit in the amount column of line 13c and identify the type of credit in the space to the left of the amount. If the corporation has more than one credit, enter and identify one credit on line 13c and identify and list the amount(s) of the other credit(s) below line 13c. Also enter each shareholder's apportioned share of these credits at the bottom of Part V of Schedule K-1 (Form 1120S).

Schedule K-1

Shareholder's Share of Undistributed Taxable Income, etc.

Complete a separate Schedule K-1 (Form 1120S) for each shareholder, and file Copy A with Form 1120S.

Under section 6676, there is a \$50 penalty for not giving the identifying number of each shareholder.

Schedule K-1 (Form 1120S) must show complete information for everyone who was a shareholder of the corporation during any part of the tax year.

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Other Shareholder Information

Column A

If the number of shares that a shareholder owns changed during the year, attach a statement showing the number of shares held for each period.

Column B

Enter the compensation paid to each shareholder. Include any excess contributions to a pension, profit sharing, etc., plan made on behalf of a shareholder-employee. Excess contributions are those deductible by the corporation under section 404(a)(1), (2), or (3) which are more than the smaller of:

1. 15% of the compensation the shareholder-employee received or accrued from the corporation during its tax year, or
2. \$15,000.

A shareholder-employee of the corporation is an employee or officer who owns (or, under section 318(a)(1), is considered to own) more than 5% of the corporation's outstanding stock on any day of its tax year. The excess contribution rule does not apply to contributions to a trust described in section 401(i). (See section 1379(b).)

PART I

Income

Line 1

Enter each shareholder's share of undistributed taxable income (or loss) reported on line 8 of Schedule K, page 3, Form 1120S.

Any section 465 activity losses included on line 28 of Form 1120S must be included on line 1, Part I, and also entered on line 3, Part I. The entry on line 3 is only for information purposes to help the shareholder determine how much section 465 activity loss the shareholder may deduct on his or her tax return.

Line 2

Enter on line 2 each shareholder's share of undistributed taxable income reported on line 9 of Schedule K, page 3, Form 1120S.

See section 1375 and regulations section 1.1375-1 concerning special rules applicable to distributions of subchapter S corporations.

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Line 3

If a section 465 activity incurs an operating loss for the year, enter each shareholder's prorated share of the loss on line 3. If there is more than one activity loss to enter on line 3, attach a schedule listing each loss separately.

For more information concerning section 465 activity loss limits, see instructions for line 28 of Form 1120S.

Line 4

Enter the amount of loan repayments for loans the corporation borrowed from the shareholder (line 18 of Schedule L of Form 1120S—Loans from shareholders).

PART II

Interest on Investment Indebtedness

Each shareholder must be notified of his or her share of interest on investment debt and the applicable items below that were included in figuring the taxable income (or loss) for the corporation: (1) net investment income or (loss), (2) excess expenses over rental income from net lease property, and (3) net capital gain from investment property.

On line 1, allocate the interest on investment debt to the period in which the debt was incurred. For more information, see Form 4952.

PART III

Items of Tax Preference

Enter the shareholder's share of tax preference items listed in Part III. The items of tax preference, except capital gains, are apportioned to each shareholder on a daily basis and not as of the end of the year. This manner is consistent with the way net operating losses are apportioned under section 1374. See the instructions for line 12 of Schedule K of Form 1120S for details.

PART IV

Property Eligible for Investment Credit

Enter the shareholder's share of the corporation's investment in certain depreciable property.

In addition to the regular investment credit property reported in Part IV of

Schedule K-1, attach a separate schedule showing the shareholder's share of the corporation's investment in:

- Qualified nonrecovery and energy property, and
- If qualified rehabilitation expenditures are made for improvements on more than one qualified building so as to qualify for different credit rates (10%, 15%, 20%, or 25%), list the expenditures on a separate statement. List the amounts and identify to the left of the amount column the line number of Form 3468 on which the expenditure should be entered.

PART V

Credits

Enter on line 1 the shareholder's share of the jobs credit the corporation figured on Form 5884. Enter on line 2 the shareholder's share of the credit for alcohol used as a fuel that the corporation figured on Form 6478.

Enter and identify other credits on or below line 3 as explained in the instruction for line 13 of Schedule K of Form 1120S.

Investment Credit Property Used in Figuring Recapture Tax

If the corporation disposed of (or if property otherwise ceases to be qualified property) investment credit property (or energy property) before the "recovery period" or "life years" assigned to the property for investment credit purposes, the shareholders of the corporation may have to recapture or pay back the investment credit taken in prior years.

The corporation must attach a separate statement to Schedule K-1 to notify each shareholder of the premature disposal of investment credit property. The statement must contain the following information:

1. A brief description of the property (indicate if qualified progress expenditure property).
2. Type (recovery or nonrecovery property).
3. Shareholder's share of basis or cost of property at time property was placed in service.
4. Date placed in service.
5. Date property was disposed of.
6. Estimated life years or recovery period when placed in service.

Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Standard Industrial Classification System authorized by the Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises by type of activity in which they are engaged. The system follows closely the Standard

Industrial Classification used to classify establishments.

Using the list below, enter on page 1, under B, the code number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means gross receipts (line 1a, page 1) plus

all other income (lines 4 through 10, page 1). On page 2, under C, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Grain mill products," the principal product or service may be "Cereal preparations."

Agriculture, Forestry, and Fishing

Code
0600 Agricultural production.
0601 Agricultural services (except veterinarians), forestry, fishing, hunting, and trapping.

Mining

Metal mining:
1010 Iron ores.
1070 Copper, lead and zinc, gold and silver ores.
1098 Other metal mining.
1150 Coal mining.
Oil and gas extraction:
1330 Crude petroleum, natural gas, and natural gas liquids.
1380 Oil and gas field services.
Nonmetallic minerals (except fuels) mining:
1430 Dimension, crushed and broken stones, sand and gravel.
1498 Other nonmetallic minerals, except fuels.

Construction

General building contractors and operative builders:
1510 General building contractors.
1531 Operative builders.
1600 Heavy construction contractors.
Special trade contractors:
1711 Plumbing, heating, and air conditioning.
1731 Electrical work.
1798 Other special trade contractors.

Manufacturing

Food and kindred products:
2010 Meat products.
2020 Dairy products.
2030 Preserved fruits and vegetables.
2040 Grain mill products.
2050 Bakery products.
2060 Sugar and confectionery products.
2081 Malt liquors and malt.
2088 Alcoholic beverages, except malt liquors and malt.
2089 Bottled soft drinks, and flavorings.
2096 Other food and kindred products.
2100 Tobacco manufacturers.
Textile mill products:
2228 Weaving mills and textile finishing.
2250 Knitting mills.
2298 Other textile mill products.
Apparel and other textile products:
2315 Men's and boys' clothing.
2345 Women's and children's clothing.
2388 Hats, caps, millinery, fur goods, and other apparel and accessories.
2390 Misc. fabricated textile products.
Lumber and wood products, except furniture:
2415 Logging camps and logging contractors, sawmills and planing mills.
2430 Millwork, plywood, and related products.
2498 Other wood products, including wood buildings and mobile homes.
2500 Furniture and fixtures.
Paper and allied products:
2625 Pulp, paper, and board mills.
2699 Other paper products.
Printing, publishing, and allied industries:
2710 Newspapers.
2720 Periodicals.
2735 Books, greeting cards, and misc. publishing.
2799 Commercial and other printing, and printing trade services.

Code
Chemicals and allied products:
2815 Industrial chemicals, plastics materials and synthetics.
2820 Drugs.
2840 Soap, cleaners, and toilet goods.
2850 Paints and allied products.
2898 Agricultural and other chemical products.
Petroleum refining and related industries (including those integrated with extraction):
2910 Petroleum refining (including those integrated with extraction).
2998 Other petroleum and coal products.
Rubber and misc. plastics products:
3050 Rubber products; plastics footwear, hose and belting.
3070 Misc. plastics products.
Leather and leather products:
3140 Footwear, except rubber.
3198 Other leather and leather products.

Stone, clay, glass, and concrete products:
3225 Glass products.
3240 Cement, hydraulic.
3270 Concrete, gypsum, and plaster products.
3298 Other nonmetallic mineral products.
Primary metal industries:
3370 Ferrous metal industries; misc. primary metal products.
3380 Nonferrous metal industries.

Fabricated metal products, except machinery, and transportation equipment:
3410 Metal cans and shipping containers.
3428 Cutlery, hand tools, and hardware; screw machine products; bolts, and similar products.
3430 Plumbing and heating, except electric and warm air.

3440 Fabricated structural metal products.
3460 Metal forgings and stampings.
3470 Casting, engraving, and allied services.
3480 Ordnance and accessories, except vehicles and guided missiles.
3490 Misc. fabricated metal products.

Machinery, except electrical:
3520 Farm machinery.
3530 Construction, mining, and materials handling machinery and equipment.
3540 Metalworking machinery.
3550 Special industry machinery, except metalworking machinery.

3560 General industrial machinery.
3570 Office, computing, and accounting machines.
3598 Engines and turbines; service industry machinery, and other machinery, except electrical.

Electrical and electronic machinery, equipment, and supplies:
3630 Household appliances.
3665 Radio, television, and communication equipment.
3670 Electronic components and accessories.
3698 Other electric equipment.

Transportation equipment:
3710 Motor vehicles and equipment.
3725 Aircraft, guided missiles and parts.
3730 Ship and boat building and repairing.
3798 Other transportation equipment.

Measuring and controlling instruments; photographic and medical goods, watches, and clocks:
3815 Scientific instruments and measuring devices; watches and clocks.

Code
3845 Optical, medical, and ophthalmic goods.
3860 Photographic equipment and supplies.
3998 Other manufacturing products.

Transportation, Communication, Electric, Gas, and Sanitary Services

Transportation:
4000 Railroad transportation.
4100 Local and interurban passenger transit.
4200 Trucking and warehousing.
4400 Water transportation.
4500 Transportation by air.
4600 Pipelines, except natural gas.
4700 Other transportation services.

Communication:
4825 Telephone, telegraph, and other communication services.
4830 Radio and television broadcasting.

Electric, gas, and sanitary services:
4910 Electric services.
4920 Gas production and distribution.
4930 Combination utility services.
4990 Water supply and other sanitary services.

Wholesale Trade

Durable:
5008 Machinery, equipment, and supplies.
5010 Motor vehicles and automotive equipment.
5020 Furniture and home furnishings.
5030 Lumber and construction materials.
5040 Sporting, recreational, photographic, and hobby goods, toys and supplies.
5050 Metals and minerals, except petroleum and scrap.
5060 Electrical goods.
5070 Hardware, plumbing and heating equipment.
5098 Other durable goods.

Nondurable:
5110 Paper and paper products.
5129 Drugs, drug proprietaries, and druggists' sundries.
5130 Apparel, piece goods, and notions.
5140 Groceries and related products.
5150 Farm-product raw materials.
5160 Chemicals and allied products.
5170 Petroleum and petroleum products.
5180 Alcoholic beverages.
5190 Misc. nondurable goods.

Retail Trade

Building materials, hardware, garden supply, and mobile home dealers:
5220 Building materials dealers.
5251 Hardware stores.
5265 Garden supplies and mobile home dealers.
5300 General merchandise stores.
5410 Grocery stores.
5490 Other food stores.
Automotive dealers and service stations:
5710 Motor vehicle dealers.
5241 Gasoline service stations.
5598 Other automotive dealers.
5600 Apparel and accessory stores.
5700 Furniture and home furnishings stores.
5800 Eating and drinking places.
Misc. retail stores:
5912 Drug stores and proprietary stores.
5921 Liquor stores.
5995 Other misc. retail stores.

Finance, Insurance, and Real Estate

Code
Banking:
6030 Mutual savings banks.
6060 Bank holding companies.
6090 Banks, except mutual savings banks and bank holding companies.

Credit agencies other than banks:
6120 Savings and loan associations.
6140 Personal credit institutions.
6150 Business credit institutions.
6199 Other credit agencies.
Security, commodity brokers, dealers, exchanges, and services:
6210 Security brokers, dealers, and flotation companies.
6299 Commodity contracts brokers and dealers; security and commodity exchanges, and allied services.

Insurance:
6355 Life insurance.
6356 Mutual insurance, except life or marine and certain fire or flood insurance companies.
6359 Other insurance companies.
6411 Reinsurance agents, brokers, and services.

Real Estate:
6511 Real estate operators (except developers) and lessors of buildings.
6516 Lessors of mining, oil, and similar property.
6518 Lessors of railroad property and other real property.
6530 Condominium management and cooperative housing associations.
6550 Subdividers and developers.
6599 Other real estate.

Holding and other investment companies:
6742 Regulated investment companies.
6743 Real estate investment trusts.
6744 Small business investment companies.
6749 Holding and other investment companies, except bank holding companies.

Services

7000 Hotels and other lodging places.
7200 Personal services.
Business services:
7310 Advertising.
7389 Business services, except advertising.
Auto repair and services; misc. repair services:
7500 Auto repair and services.
7600 Misc. repair services.
Amusement and recreational services:
7812 Motion picture production, distribution, and services.
7830 Motion picture theaters.
7900 Amusement and recreation services, except motion pictures.

Other services:
8015 Offices of physicians, including osteopathic physicians.
8021 Offices of dentists.
8040 Offices of other health practitioners.
8050 Nursing and personal care facilities.
8060 Hospitals.
8090 Medical laboratories.
8099 Other medical services.
81 Legal services.
8200 Educational services.
8300 Social services.
8400 Membership organizations.
8911 Architectural and engineering services.
8930 Accounting, auditing, and bookkeeping.
8980 Miscellaneous services (including veterinarians).

**SCHEDULE D
(Form 1120S)**

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

Attach to your tax return.

For Paperwork Reduction Act Notice, see page 1 of instructions for Form 1120S.

OMB No. 1545-0130

1982

Name _____ Employer identification number _____

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

| a. Kind of property and description (Example, 100 shares of "Z" Co.) | b. Date acquired (mo., day, yr.) | c. Date sold (mo., day, yr.) | d. Gross sales price less expense of sale | e. Cost or other basis | f. Gain or (loss) (d less e) |
|--|-------------------------------------|---------------------------------|--|---------------------------|---------------------------------|
| 1 | | | | | |
| 2 Short-term capital gain from installment sales from Form 6252, line 21 or 29 | | | | | 2 |
| 3 Unused capital loss carryover (attach computation) | | | | | 3 |
| 4 Net short-term capital gain or (loss) (combine lines 1, 2, and 3) | | | | | 4 |

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

| | | | | | |
|---|--|--|--|--|---|
| 5 Enter section 1231 gain from line 5(a)(1), Form 4797 | | | | | 5 |
| 6 | | | | | |
| 7 Long-term capital gain from installment sales from Form 6252, line 21 or 29 | | | | | 7 |
| 8 Net long-term capital gain or (loss) (combine lines 5, 6, and 7) | | | | | 8 |

Part III Summary of Schedule D Gains and Losses

| | | | | | |
|--|--|--|--|--|----|
| 9 Excess of net short-term capital gain (line 4) over net long-term capital loss (line 8). Enter here and on Form 1120S, page 1, line 8a | | | | | 9 |
| 10 Net capital gain—Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4). Enter here and on Form 1120S, page 1, line 8b | | | | | 10 |

Part IV Tax Computation (See Instructions)

| | | |
|--|----------|----|
| 11 Taxable income (Form 1120S, page 1, line 28) | | 11 |
| 12 Enter tax on line 11 amount as computed in the instructions for line 12 | | 12 |
| 13 Net capital gain from line 10 above | | 13 |
| 14 \$25,000 (statutory minimum) | \$25,000 | 14 |
| 15 Subtract line 14 from line 13 | | 15 |
| 16 Enter 28% of line 15 | | 16 |
| 17 Income tax on capital gains—Enter the smaller of line 12 or line 16 | | 17 |
| 18 Minimum tax (see instructions—attach Form 4626) | | 18 |
| 19 Total tax—Add lines 17 and 18. Enter here and on Form 1120S, page 1, line 29b | | 19 |

Instructions
(References are to the Internal Revenue Code.)

Purpose
Schedule D should be used by corporations to report sales or exchanges of property other than capital assets, including property used in a trade or business, involuntary conversions (other than casualties or thefts), and gain from the disposition of interest in oil, gas, or geothermal property, should be reported on Form 4797, Supplemental Schedule of Gains and Losses. See the instructions for Form 4797 for more information.

If property is involuntarily converted because of a casualty or theft, use Form 4684, Casualties and Thefts.

Parts I and II
Generally, you should report sales and exchanges, including like-kind exchanges, even though there is no gain or loss. In Part I report the sale or exchange of capital assets held one year or less. In Part II report the sale or exchange of capital assets held more than one year.

What are Capital Assets.—Each item of property held by a corporation (whether or not connected with its trade or business) is a capital asset except:

- Assets that can be inventoried or property held mainly for sale to customers.
- Depreciable or real property used in the trade or business.
- Certain copyrights, literary, musical, or artistic compositions, letters or memorandums, or similar property.
- Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in 1, above.
- Certain short-term Federal, State, and municipal obligations acquired before June 24, 1981. (See section 1232(a)(4) for treatment after June 23, 1981.)
- A U.S. Government publication (including the Congressional Record), received from the Government or any

of its agencies other than by purchase at the public sale price, held by a taxpayer who received the publication, or by a second taxpayer in whose hands the basis of the publication is determined, for purposes of determining gain from a sale or exchange, by referring to its basis in the hands of the first taxpayer.

Exchange of like-kind property.—Report the exchange of "like-kind" property on Schedule D or on Form 4797, whichever applies. You must report it even though no gain or loss is recognized when you exchange business or investment property for property of "like kind." (This does not include stock in trade or other property held primarily for sale. It also does not include stocks, bonds, notes, choses in action, certificates of trust or beneficial interest, or other securities or evidences of indebtedness or interest.)

If you use Schedule D, identify the property you disposed of in column a. Enter the date you acquired it in column b, and the date you exchanged it in column c. Write "like-kind exchange" in column d.

Enter the cost or other basis in column e. Enter zero in column f.

Special Rules for the Treatment of Certain Gains and Losses

Gain from installment sales.—Except as explained below, if you sold property at a gain this year and will receive any payment in a later tax year, you must use the installment method to report your gain. You must file Form 6252, Computation of Installment Sale Income, to report the sale and gain as payments are received.

Electing out.—You may elect out of the installment method by doing the following on a timely filed return (including extensions):

(1) Enter in the margin of Schedule D, next to the sale, "I elect out of the installment method."

(2) If you received a note or other obligation and are reporting it at less than face value, state that fact in the margin and give the percentage of valuation.

Also use Form 6252 if you received a payment in 1982 from a sale made in an earlier year on the installment basis. For additional information, get Publication 537, Installment Sales.

Gains and losses on regulated futures and straddle positions.—Generally, regulated futures contracts open at the end of the year, or terminated during the year, are treated as 60% long-term and 40% short-term regardless of how long the contracts were held. In addition, losses from straddle positions are not allowed if the wash sale rules apply or if the losses are deferred to the extent of any unrealized gains on open offsetting positions. Use Form 6781, Gains and Losses From Commodity Futures Contracts and Straddle Positions, to report gains and losses from regulated futures contracts and straddles.

Gain or loss on an option to buy or sell property.—See section 1234 for the rules that apply to a purchaser or grantor of an option.

Gain or loss from a short sale of property.—Report the gain or loss to the extent that the property used to close the short sale is considered a capital asset in the hands of the taxpayer. A loss from a wash sale of stock or securities or from certain transactions between related persons is not deductible (Sections 1091 and 263).

Loss from securities that are capital assets that become worthless during the year.—Except for securities held by a bank, treat the loss as a capital loss as of the last day of the tax year. (See section 1682 for the rule on the treatment of securities held by a bank.)

How to Determine the Cost or Other Basis of the Property

In determining gain or loss, the basis of property will generally be its cost (section 1012). The exceptions to the general rule are provided in sections contained in subchapters C, K, O, and P of the Code. For example, if the corporation acquired the property by dividend, liquidation of another corporation, transfer from a shareholder, reorganization, contribution or gift, bequest, bankruptcy, tax-free exchange, involuntary conversion, or wash sale of stock, see sections 301, 334, 362 (or 358), 1015, 1014, 372 (or 374), 1031, 1033, and 1091, respectively. Attach an explanation if you use a basis other than actual cash cost of the property.

If you are allowed a charitable contribution deduction because you sold property to a charitable organization, figure the adjusted basis for determining gain from the sale by dividing the amount realized by the fair market value and multiplying that result by the adjusted basis.

Capital Losses.—Capital losses are allowed only to the extent of capital gains. However, you may carry a net capital loss forward as a short-term capital loss for 5 years (10 years to the extent the loss is from a foreign expropriation loss) or until exhausted, whichever comes first.

At risk limitations (section 465).—If the corporation sold or exchanged an asset used in an activity to which the at risk rules apply, combine the gain or loss on the sale or exchange with the profit or loss from the activity. If the corporation has a net loss from the activity, it may be subject to the at risk rules.

Members of a Controlled Group.—If the corporation is a component member of a controlled group of corporations, see section 1561 and related regulations for rules on how to allocate the amounts on lines (b), (d), (f), and (h) in the instruction for line 12 below.

Line 12.—If the tax computation is applicable, figure the regular corporate income tax below and enter this amount on line 12 of Schedule D.

Part III—Summary of Schedule D Gains and Losses

If the net long-term capital gain is more than the net short-term capital loss, there is a net capital gain. If this gain exceeds \$25,000, the corporation may be liable for an income tax on the gain. Answer the questions in the instructions for Part IV below to determine if the corporation is liable for income tax on the gain. If the corporation is liable for income tax, it may also be liable for the minimum tax. See Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries.

Part IV—Tax Computation

Section 1378 imposes a tax on certain capital gains of an electing small business corporation.

By answering the following questions, you can determine if you are liable for the tax. If your net capital gain is more than \$25,000, and you are not liable for the tax, you must answer questions A through D below as your explanation of why you are not liable for the tax.

If answers to questions A, B, and C or questions A, B, and D are "Yes," the tax applies and you must complete Part IV of Schedule D (Form 1120S). Otherwise, you are not liable for the tax.

A. Is taxable income (Form 1120S, page 1, line 28) more than \$25,000?

B. Is net capital gain (line 10, Part III, Schedule D (Form 1120S)) more than \$25,000, and more than 50% of taxable income (Form 1120S, page 1, line 28)?

C. Have you been other than an 1120S corporation at any time during the 3 tax years just before this year or since existence, if less than 4 years?

D. If answer to question C is "No," does any long-term capital gain (line 8, Schedule D (Form 1120S)) represent gain from property described in each of items 1, 2, and 3 below?

1. Property was acquired during the tax year or within 36 months before the tax year.

2. Property was acquired, directly or indirectly, from a corporation that was not in existence as an 1120S corporation during the tax year or within 36 months before the tax year up to the time of the acquisition; and

3. Property has a substituted basis to you. (A substituted basis is one determined by reference to its basis in the hands of the transferor corporation.)

If the answer to question D is "Yes," and the tax is applicable, multiply by 28% the net capital gain from property described in question D. If this amount is less than the tax figured on line 12, Part IV, enter this amount on line 17, Part IV, and write to the right of the amount, "Substituted basis." Attach the computation of the substituted basis amount to Schedule D (Form 1120S). (See section 1378(c)(3).)

For purposes of questions C and D above, a corporation is not considered to be in existence for any tax year before the first tax year in which the corporation has shareholders, acquires assets, or begins business, whichever occurs first.

Members of a Controlled Group.—If the corporation is a component member of a controlled group of corporations, see section 1561 and related regulations for rules on how to allocate the amounts on lines (b), (d), (f), and (h) in the instruction for line 12 below.

Line 12.—If the tax computation is applicable, figure the regular corporate income tax below and enter this amount on line 12 of Schedule D.

Part III—Summary of Schedule D Gains and Losses

If the net long-term capital gain is more than the net short-term capital loss, there is a net capital gain. If this gain exceeds \$25,000, the corporation may be liable for an income tax on the gain. Answer the questions in the instructions for Part IV below to determine if the corporation is liable for income tax on the gain. If the corporation is liable for income tax, it may also be liable for the minimum tax. See Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries.

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By answering the following questions, you can determine if you are liable for the tax. If your net capital gain is more than \$25,000, and you are not liable for the tax, you must answer questions A through D below as your explanation of why you are not liable for the tax.

If answers to questions A, B, and C or questions A, B, and D are "Yes," the tax applies and you must complete Part IV of Schedule D (Form 1120S). Otherwise, you are not liable for the tax.

A. Is taxable income (Form 1120S, page 1, line 28) more than \$25,000?

B. Is net capital gain (line 10, Part III, Schedule D (Form 1120S)) more than \$25,000, and more than 50% of taxable income (Form 1120S, page 1, line 28)?

C. Have you been other than an 1120S corporation at any time during the 3 tax years just before this year or since existence, if less than 4 years?

D. If answer to question C is "No," does any long-term capital gain (line 8, Schedule D (Form 1120S)) represent gain from property described in each of items 1, 2, and 3 below?

1. Property was acquired during the tax year or within 36 months before the tax year.

2. Property was acquired, directly or indirectly, from a corporation that was not in existence as an 1120S corporation during the tax year or within 36 months before the tax year up to the time of the acquisition; and

3. Property has a substituted basis to you. (A substituted basis is one determined by reference to its basis in the hands of the transferor corporation.)

If the answer to question D is "Yes," and the tax is applicable, multiply by 28% the net capital gain from property described in question D. If this amount is less than the tax figured on line 12, Part IV, enter this amount on line 17, Part IV, and write to the right of the amount, "Substituted basis." Attach the computation of the substituted basis amount to Schedule D (Form 1120S). (See section 1378(c)(3).)

For purposes of questions C and D above, a corporation is not considered to be in existence for any tax year before the first tax year in which the corporation has shareholders, acquires assets, or begins business, whichever occurs first.

Members of a Controlled Group.—If the corporation is a component member of a controlled group of corporations, see section 1561 and related regulations for rules on how to allocate the amounts on lines (b), (d), (f), and (h) in the instruction for line 12 below.

Line 12.—If the tax computation is applicable, figure the regular corporate income tax below and enter this amount on line 12 of Schedule D.

Part III—Summary of Schedule D Gains and Losses

If the net long-term capital gain is more than the net short-term capital loss, there is a net capital gain. If this gain exceeds \$25,000, the corporation may be liable for an income tax on the gain. Answer the questions in the instructions for Part IV below to determine if the corporation is liable for income tax on the gain. If the corporation is liable for income tax, it may also be liable for the minimum tax. See Form 4626, Computation of Minimum Tax—Corporations and Fiduciaries.

Part IV—Tax Computation

Section 1378 imposes a tax on certain capital gains of an electing small business corporation.

Domestic International Sales Corporation Return

1982

(PLEASE TYPE OR PRINT)

For calendar year 1982 or other tax year beginning 1982 ending 19

A Date of DISC election Name C Employer identification number B Business code number City or town, State, and ZIP code E Enter total assets from line 3, column (B), Schedule L (see specific instructions)

F (1) Did any corporation, individual, partnership, trust or estate at the end of your tax year own, directly or indirectly, 50% or more of your voting stock? If "Yes," enter below the owner's name, identifying number, address, percentage of voting stock owned and, if a corporation, total assets. (See specific instructions)

Table with columns: Name, Identifying number, Address, Percentage of voting stock owned, Total assets (Corporations only), Foreign owner (Yes/No)

(2) Enter the following for any corporation listed in F(1) that will report the DISC's income Tax year of first corporation IRS Service Center where filed Tax year of second corporation IRS Service Center where filed

G Check the appropriate box to indicate any inter-company pricing rules that were applied to 25% or more of total receipts (line 1 below): 50-50 combined taxable income method 4% gross receipts method Section 482 method ("arm's length pricing")

All Computations Must Reflect Inter-Company Pricing Rules If Used (Section 994) (See Separate Schedule P (Form 1120-DISC))

Taxable Income

1 Enter amount from Schedule B, line 4, column E 2 Cost of goods sold from Schedule A, line 7 and/or operations (attach schedule) 3 Total income (subtract line 2 from line 1) 4 Enter amount from Schedule E, line 3 5 Taxable income before net operating loss deduction and dividends received deduction (subtract line 4 from line 3) 6 (a) Net operating loss deduction (see instructions—attach schedule) (b) Dividends received from line 5, Schedule C 7 Taxable income (subtract line 6 from line 5) 8 Refund of U.S. tax on special fuels and oils (attach Form 4136) (see instructions)

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Date Title Preparer's signature Date Check if self-employed Preparer's social security no. Firm's name (or yours, if self-employed) and address E.I. No. ZIP code

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Schedule A Cost of Goods Sold (See Instructions, page 4) Reflect ACTUAL purchases from a related supplier at the transfer price determined under the inter-company pricing rules of section 994, if used. See separate Schedule P (Form 1120-DISC).

1 Inventory at the beginning of the year 2 Purchases 3 Salaries and wages 4 Other costs (attach schedule) 5 Total (add lines 1 through 4) 6 Inventory at the end of the year 7 Cost of goods sold (subtract line 6 from line 5)—Enter here and on line 2, page 1 8 (a) Check all methods used for valuing closing inventory: (i) Cost (ii) Lower of cost or market as described in regulations section 1.471-4 (see instructions) (iii) Writedown of "subnormal" goods as described in regulations section 1.471-2(c) (see instructions) (iv) Other (Specify method used and attach explanation) (b) Check if the LIFO inventory method was used this tax year for any goods. If checked, attach Form 970. (c) If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO (d) Was there any substantial change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation.

Schedule B Gross Income (See Instructions, page 4)

Table with columns: A. Type of receipt, B. Gross receipts, C. Commission, D. Other receipts, E. Total (add columns C and D). Rows include: 1 Qualified export receipts from the sale of export property: (a) To unrelated purchasers: (i) Direct foreign sales (ii) Foreign sales through a related foreign entity (iii) To persons in the U.S. (other than an unrelated DISC) (iv) To an unrelated DISC (b) To related purchasers: (i) Direct foreign sales (ii) To persons in the U.S. (c) Total 2 Other qualified export receipts: (a) Leasing or renting of export property (b) Services related and subsidiary to a qualified export sale or lease (c) Engineering and architectural services (d) Export management services (e) Qualified dividends (line 11, Schedule C) (f) Interest on producer's loans (g) Other interest (attach schedule) (h) Capital gain net income (Attach Schedule D (Form 1120)) (i) Net gain or (loss) from Part II, Form 4797 (attach Form 4797; see instructions) (j) Total 3 Nonqualified gross receipts: (a) Ultimate use in U.S. (b) Exports subsidized by the U.S. Government (see instructions) (c) Certain direct or indirect sales or leases for use by the U.S. Government (d) Sales to other DISCs in the same controlled group (e) Nonqualified dividends (line 12, Schedule C) (f) Other (see instructions—attach schedule) (g) Total 4 Total—Enter amount in column E on line 1, page 1.

Schedule C Dividends and Special Deductions (See Instructions, page 5)

Table with 3 columns: (A) Dividends received, (B) %, (C) Special deductions: multiply (A) x (B). Rows include Domestic corporations subject to 85% deduction, Certain preferred stock of public utilities, Foreign corporations subject to 85% deduction, Wholly-owned foreign subsidiaries subject to 100% deduction, Total—Add lines 1 through 4, Other dividends from foreign corporations not included in lines 3 and 4, Income from controlled foreign corporations under subpart F, DISC or former DISC dividends not included in line 1, Other dividends, Total dividends, Qualified dividends, Nonqualified dividends.

Schedule E Deductions (See Instructions, page 5)

Table with 2 columns: Description, Amount. Rows include Export promotion expenses (Market studies, Advertising, Depreciation, Salaries and wages, Rents, Sales commissions, Warehousing, Freight, Compensation of officers, Repairs, Pension, Employee benefit programs, Other), Other expenses not deducted above (Bad debts, Taxes, Interest, Contributions, Freight, Freight insurance, Other), Total deductions.

Schedule F Bad Debts—Reserve Method

Table with 7 columns: 1. Year, 2. Trade notes and accounts receivable outstanding at the end of the year, 3. Sales on account, 4. Current year's provision, 5. Recoveries, 6. Amount charged against the reserve, 7. Reserve for bad debts at the end of the year. Rows for years 1977, 1978, 1979, 1980, 1981, 1982.

Schedule J Deemed and Actual Distributions to Shareholders for the Tax Year (See Instructions, page 6)

Table with 2 columns: Description, Amount. Rows include Gross interest derived during the year from producer's loans, Gain recognized on the sale or exchange of property, Gain recognized on the sale or exchange of military property, 50% of taxable income attributable to military property, Total (add lines 1 through 4), Taxable income (line 7, page 1), Adjusted taxable income (subtract line 5 from line 6), Taxable income attributable to base period export gross receipts, Subtract line 8 from line 7, 50% of line 9, International boycott income, Illegal bribes and other payments, Total of lines 5, 8, 10, 11, and 12, Earnings and profits for year, Enter the smaller of line 13 or line 14, Foreign investment attributable to producer's loans, Total deemed distributions under section 995(b)(1).

PART II.—Taxable Income Attributable to Base Period Export Gross Receipts

Table with 2 columns: Description, Amount. Rows include Adjusted taxable income (from line 7, Part I), Larger of (a) 365 divided by the number of days in your tax year or (b) 1 (one), Annualized adjusted taxable income (line 1 times line 2), Annualized adjusted taxable income of all other DISCs in your controlled group, Line 3 plus line 4, Tax years beginning in 1975, 1976, 1977, and 1978, Qualified export receipts as described in Sections 993(a)(1)(A), (B), (C), (G), and (H), 50 percent of qualified export receipts in column C attributable to military property, Base period export gross receipts, Enter the smaller of (a) 1,461 divided by the number of days in your base period or (b) 1 (one), Line 6(g) times line 7, Adjustment factor, Adjusted base period export gross receipts, Additions to adjusted base period export gross receipts, Adjusted base period export gross receipts of all other DISCs in your controlled group, Other additions (attach schedule—see instructions), Total additions, Line 10 plus line 11(c), Qualified export receipts as described in sections 993(a)(1)(A), (B), (C), (G), and (H), 50% of qualified export receipts on line 13(a) attributable to military property, Export gross receipts (subtract line 13(b) from line 13(a)), Annualized export gross receipts, Annualized export gross receipts of all other DISCs in your controlled group, Line 14 plus line 15, Enter the smaller of (a) line 12 divided by line 16 or (b) 1 (one), Line 5 times line 17, Small DISC phaseout, Enter the greater of (a) \$150,000 less line 5 (but not more than \$50,000) or (b) zero, Line 19(a) times 2 (two), Subtract line 19(b) from line 18, Line 1 divided by line 5, Taxable income attributable to base period export gross receipts.

PART III.—Deemed Distributions Under Section 995(b)(2)

- 1 Annual installment of distribution attributable to revocation of election in an earlier year.
2 Annual installment of distribution attributable to not qualifying as a DISC in an earlier year.
3 Total deemed distributions under section 995(b)(2) (add line 1 and line 2).

PART IV.—Actual Distributions

- 1 Distributions to meet qualification requirements under section 992(c) (attach computation).
2 Other actual distributions.
3 Total (add line 1 and line 2).
4 Amount on line 3 treated as distributed from:
(a) Previously taxed income.
(b) Accumulated DISC income (including DISC income of the current year).
(c) Other earnings and profits.
(d) Other.

Schedule K Shareholder's Statement of DISC Distribution (Attach a separate Copy A, Schedule K (Form 1120-DISC) for each shareholder receiving a deemed or actual distribution. Give Copy B to the shareholder. See instructions on the back of Copy C.)

Additional Information

- H Did you claim a deduction for expenses connected with:
(1) Entertainment facility (boat, resort, ranch, etc.)?
(2) Living accommodations (except employees on business)?
(3) Employees attending conventions or meetings outside the North American area?
(4) Employees' families at conventions or meetings?
I Refer to page 7 of the instructions and state the main:
Business activity
Product or service
J Were you a U.S. shareholder of any controlled foreign corporation?
K (1) Did 95% or more of your gross receipts for the tax year consist of qualified export receipts?
L Did you have more than one class of stock at any time during the tax year?
M Was the par or stated value of your stock at least \$2,500 on each day of the tax year?
N Are you a member of a controlled group that includes other DISCs?
O Did you have your own bank account?
P Did you keep separate books and records?
Q At any time during the tax year, did you have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country?
R Were you the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not you have any beneficial interest in it?
S During the tax year were any part of your tax accounting records kept on a computerized system?
T (1) Do you or any member of your controlled group (as defined in section 993(a)(3)) have operations in or related to any country (or with the government, a company, or a national of that country) associated in carrying out the boycott of Israel that is on the list kept by the Secretary of the Treasury under section 999(a)(3)?
(2) Did you or any member of the controlled group of which you are a member have operations in any nonlisted country, that you know or have reason to know requires participation in or cooperation with an international boycott against Israel?
(3) Did you or any member of the controlled group of which you are a member have operations in any country, that you know or have reason to know requires participation in or cooperation with an international boycott other than the boycott of Israel?
If you answered "Yes" to any of the questions in T, see instructions and Form 5713, International Boycott Report.

Table with 2 columns: Yes, No. Shaded cells indicate 'Yes' answers for various items.

Table with 3 columns: Assets, Liabilities and Stockholders Equity, (A) Beginning of the tax year, (B) End of the tax year. Rows include Qualified assets, Accounts payable, etc.

Schedule M-1 Reconciliation of Income per Books With Income per Return

Table with 2 columns: 1-5, 6-9. Rows include Net income on books, Excess of capital losses over capital gains, etc.

Schedule M-2 Analysis of Other Earnings and Profits (Line 10 above)

Table with 2 columns: 1-4, 5-8. Rows include Balance at the beginning of the year, Increases (itemize), etc.

Schedule M-3 Analysis of Previously Taxed Income (Line 11 above)

Table with 2 columns: 1-4, 5-8. Rows include Balance at the beginning of the year, Deemed distributions under section 995(b), etc.

Schedule M-4 Analysis of Accumulated DISC Income (Line 12 above)

Table with 2 columns: 1-5, 6-10. Rows include Balance at the beginning of the year, Increases (itemize), etc.

Schedule N Export Gross Receipts of the DISC and Related U.S. Persons (Attach separate Schedule N (Form 1120-DISC))

Schedule P Computation of Inter-company Transfer Price or Commission (Attach separate Schedule P (Form 1120-DISC))

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1982 Department of the Treasury Internal Revenue Service Instructions for Form 1120-DISC Domestic International Sales Corporation Return

(References are to the Internal Revenue Code)

Paperwork Reduction Act Notice

The Paperwork Reduction Act of 1980 says we must tell you why we are collecting this information, how we will use it, and whether you have to give it to us. We ask for the information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are required to give us this information.

Voluntary Contributions to Reduce the Public Debt

Quite often inquiries are received about how voluntary contributions to reduce the public debt may be made. A domestic international sales corporation may contribute by enclosing a separate check payable to "Bureau of the Public Debt," with Form 1120-DISC. These amounts are tax-deductible, subject to the rules and limitations for charitable contributions.

Withholding on Dividends and Interest

Generally, a DISC is required to withhold a tax of 10% of dividend distributions and interest payments made after June 30, 1983. See the Instructions for DISC or Former DISC for line 2, Part III, of Schedule K (Form 1120-DISC) for withholding requirements for dividend distributions and the 1983 Instructions for Form 1096 for requirements regarding interest payments.

General Instructions

A. Purpose of Form 1120-DISC

Form 1120-DISC is an information return filed by domestic international sales corporations—DISCs—and former DISCs.

B. What is a DISC

A DISC is a domestic corporation that has elected to be treated as a DISC and meets certain conditions regarding its income and assets. Generally, a DISC is not taxed on its income. Shareholders of a DISC are taxed on part of its income, unless the income is actually distributed. To be a DISC, a corporation must be organized under the laws of a State or the District of Columbia and meet the following tests:

- Its election to be treated as a DISC is in effect for the tax year.
- At least 95% of its gross receipts during the tax year are qualified export receipts.
- At the end of the tax year, the adjusted basis of its qualified export assets is at least 95% of the sum of the adjusted basis of all its assets.
- It has one class of stock, and its outstanding stock has a par value of at

least \$2,500 on each day of the tax year (or, for a new corporation, on the last day to elect DISC treatment for the year and on each later day).

- On each day of the tax year it has its own bank account and keeps separate books and records.

See section 992 and the related regulations for details and Instruction D for definitions.

1. **Electing DISC treatment.**—An existing corporation that wants to be treated as a DISC must file Form 4876. Election to be treated as a DISC, within 90 days before the start of the tax year for which the election is to take effect. A new corporation must file during the first 90 days of its existence.

For the election to be valid, all the corporation's shareholders on the first day of the tax year the election is to take effect must consent to it.

2. **End of election.**—The election to be treated as a DISC can end automatically, or it can be revoked.

The election ends automatically if, any time after it is made, the corporation has 5 consecutive tax years in which it does not meet the terms listed above for being a DISC.

The election can be revoked for any tax year after the first year it is in effect. A revocation is effective either for the tax year in which it is made (if made during the first 90 days of the tax year) or for the next year (if made after the first 90 days of the tax year).

3. **Distribution to meet qualification requirements.**—A DISC that does not meet the gross receipts or qualified export asset tests during the tax year will still be considered to have met them if, after the year ends, the DISC makes a prorated property distribution to its shareholders and specifies at the time that this is a distribution to meet the qualification requirements.

If the DISC did not meet the gross receipts test, the distribution equals the part of its taxable income attributable to gross receipts that are not qualified export gross receipts. If it did not meet the qualified export asset test, the distribution equals the fair market value of the assets that are not qualified export assets on the last day of the tax year. If the DISC did not meet either test, the distribution equals the sum of both amounts. Regulations section 1.992-3 explains how to figure the distribution.

"Interest" on late distribution.—If the DISC makes this distribution after the date Form 1120-DISC is due, an interest charge must be paid to the IRS service center where you filed the form. The charge is 4½% of the distribution times the number of tax years that begin after the tax year to which the distribution relates until the date the DISC paid the distribution.

If you must pay this interest charge, send the payment to the service center

within 30 days of making the distribution. On the payment write the DISC's name, address, and employer identification number; the tax year involved; and a statement that the payment represents the interest charge under regulations section 1.992-3 (c)(4).

4. **Ineligible organizations.**—The following organizations are not eligible for DISC treatment. File the return indicated instead of Form 1120-DISC.

- Tax-exempt organizations (section 501): File the appropriate return in the Form 990 series.
- Personal holding companies (section 542): File Form 1120 with Schedule PH (Form 1120).
- Financial institution affected by section 581 or 593: File Form 1120.
- Life, mutual, or other insurance companies (subchapter L): File Form 1120L, 1120M, or 1120.
- Regulated investment company (section 851(a)): File Form 1120.
- An electing small business corporation (section 1371(b)): File Form 1120S.

C. Filing Form 1120-DISC

1. **Who Files Form 1120-DISC.**—You must file Form 1120-DISC if your corporation elected, by filing Form 4876, to be treated as a DISC.

If the corporation is a former DISC, you must file Form 1120-DISC for it, in addition to any other return required. A former DISC is a corporation that was a DISC in an earlier year but did not meet the terms of being a DISC during its 1982 tax year; and at the beginning of the year, it had undistributed income that was previously taxed or accumulated DISC income. (See section 992 and the related regulations.)

In regard to a former DISC, you need not complete the items for figuring taxable income, but you must complete Schedules J, K, L, and M of Form 1120-DISC. Write "Former DISC" across the top of the return.

2. **When to File.**—File Form 1120-DISC by the 15th day of the 9th month after the tax year ends. No extensions are granted.

Period covered.—File the 1982 return for calendar year 1982 and fiscal years that began in 1982 and end in 1983. If the return is for a fiscal year, fill in the tax year space at the top of the form.

If the DISC's tax year began in 1981, use the 1981 Form 1120-DISC.

Amended return.—To correct any error in a Form 1120-DISC already filed, file an amended Form 1120-DISC and write "Amended" across the top.

Change in tax year.—To change your tax year, file Form 1128, Application for Change in Accounting Period.

Final return.—If the corporation ceased to exist, write "Final return" across the top of the form.

3. Where to File.

| If the main business office, or agency is located in | Use the following Internal Revenue Service Center address |
|--|---|
| New Jersey, New York City and counties of Nassau, Rockland, Sullivan, and Westchester | Holtsville, NY 00501 |
| New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont | Andover, MA 05051 |
| Alabama, Florida, Georgia, Mississippi, South Carolina | Atlanta, GA 31101 |

| | |
|---|------------------------|
| Michigan, Ohio | Cincinnati, OH 45399 |
| Arkansas, Kansas, Louisiana, New Mexico, Oklahoma, Texas | Austin, TX 73301 |
| Alaska, Arizona, Colorado, Idaho, Minnesota, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming | Ogden, UT 84201 |
| Illinois, Iowa, Missouri, Wisconsin | Kansas City, MO 64999 |
| California, Hawaii | Fresno, CA 93888 |
| Indiana, Kentucky, North Carolina, Tennessee, Virginia, West Virginia | Memphis, TN 37501 |
| District of Columbia, Delaware, Maryland, Pennsylvania | Philadelphia, PA 19255 |

If the DISC is one of a group of DISCs controlled by a common parent, file with the service center where the common parent files.

A group of corporations in several service center regions may file their separate returns with the service center for the main office of the managing corporation that keeps all the books and records.

4. **Signature.**—The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other corporate officer (such as tax officer) authorized to sign. A receiver, trustee, or assignee must sign and date any return required to be filed on behalf of a corporation.

If your corporate officer filled in Form 1120-DISC, the Paid Preparer's space under Signature of Officer should remain blank. If someone prepares Form 1120-DISC and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120-DISC should not sign. For example, a regular, full-time employee of the corporation such as a clerk or secretary does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare Form 1120-DISC must sign the return and fill in the other blanks in the Paid Preparer's Use Only area of the return.

The preparer required to sign the return MUST:

- Complete the required preparer information.
- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give a copy of Form 1120-DISC to the taxpayer in addition to the copy filed with IRS.

Tax return preparers should be familiar with their responsibilities. See Publication 1045, Information and Order Blanks for Preparers of Federal Income Tax Returns, for more details.

5. Other Returns and Statements That May Be Required.

a. **Financial statements.**
The balance sheets must agree with your books and records. Reconcile any differences.

b. **Stock in foreign corporation.**
If, on the last day of your tax year, you owned at least 5% in value of a foreign personal holding company's outstanding stock, attach a statement showing the foreign company's gross income, deductions, credits, taxable income, and undistributed foreign personal holding company income.

If you controlled a foreign corporation or owned at least 10% of the shares in a

controlled foreign corporation, you may have to file Form 5471, Information Return With Respect to a Foreign Corporation, as well.

c. Forms 1042 and 1042-S.

File Form 1042, U.S. Annual Return of Income Tax to be Paid at Source (Under Chapter 3, IRC), and Form 1042-S, Income Subject to Withholding Under Chapter 3, Internal Revenue Code, to report tax withheld from amounts paid to nonresident aliens and foreign corporations (sections 1441 through 1461). In addition, please inform your shareholders who are nonresident alien individuals or foreign corporations, trusts, or estates that if they have gains from disposing of stock in the DISC or former DISC, or distributions from accumulated DISC income, including deemed distributions, they should treat these amounts as effectively connected with the conduct of a trade or business through a permanent establishment in the U.S.

D. Definitions

1. The following definitions are based on section 993.

a. **Qualified export receipts, in general, are any of the following:**

- (1) Gross receipts from selling, exchanging, or otherwise disposing of export property.
- (2) Gross receipts from renting export property that the lessee uses outside the U.S.
- (3) Gross receipts from supporting services related to any qualified sale, exchange, rental, or other disposition of export property by the corporation.
- (4) Gross receipts, if there is a gain, from selling, exchanging, or otherwise disposing of qualified export assets that are not export property.
- (5) Dividends or amounts includable in gross income under section 911 regarding stock of a related foreign export corporation.

(6) Interest on any obligation that is a qualified export asset.

(7) Gross receipts for engineering or architectural services on construction projects outside the U.S.

(8) Gross receipts for managerial services performed for an unrelated DISC.

For more information, see regulations section 1.993-1.

b. **Qualified export assets are any of the following:**

- (1) Export property.
- (2) Assets used mainly in performing the engineering or architectural services listed under qualified export receipts, item 7, or managerial services that further the production of qualified export receipts, items 1(1), (2), (3) and (7) above; or assets used mainly in assembling, servicing, handling, selling, leasing, packaging, transporting, or storing of export property.
- (3) Accounts receivable produced by transactions listed under qualified export receipts, items 1(1)-(4), (7), or (8).
- (4) Temporary investments, such as money and bank deposits, in an amount reasonable to meet the corporation's needs for working capital.

(5) Obligations related to a producer's loan.

(6) A related foreign export corporation's stock or securities that the DISC holds.

(7) Certain obligations that are issued or insured by the U.S. Export-Import Bank or the Foreign Credit Insurance Association and that the DISC acquires from the Bank,

the Association, or the person who sold or bought the goods from which the obligations arose.

(8) Certain obligations, held by the DISC, that were issued by a domestic corporation organized to finance export property sales under an agreement with the Export-Import Bank, by which the corporation makes export loans that the Bank guarantees.

(9) Other deposits in the U.S. used to acquire qualified export assets within the time provided by regulations section 1.993-2(j).

Regulations section 1.993-2 gives more information.

c. **Export property must meet all the following terms. It is:**

(1) Made, grown, or extracted in the U.S. by someone other than a DISC.

(2) Neither excluded under section 993(c)(2) nor declared in short supply under section 993(c)(3).

(3) Held mainly for sale or rent in the ordinary course of trade or business, by or to a DISC for direct use, consumption, or disposition outside the U.S.

(4) Not more than 50% of its fair market value is attributable to articles imported into the U.S.

(5) Neither sold nor leased by or to another DISC that, immediately before or after the transaction, either belongs to the same controlled group (defined in section 993(a)(3)) as your DISC or is related to your DISC in a way that would result in losses being denied under section 267.

See regulations section 1.993-3 for details.

d. **A producer's loan must meet all the following terms:**

(1) Satisfy sections 993(d)(2) and (3) limiting loans the DISC makes to any one borrower.

(2) Not raise the unpaid balance due the DISC on all its producer's loans above the level of accumulated income it had at the start of the month in which it made the loan.

(3) Be indicated by written evidence of debt, such as a note, that has a stated maturity date no more than 5 years after the date of the loan.

(4) Be made to a person in the U.S. in the trade or business of making, growing, or extracting export property.

(5) Be designated as a producer's loan when made.

For more information, see regulations section 1.993-4.

e. **A related foreign export corporation of any of the following kinds can pay dividends and interest to the DISC without loss of DISC status. The DISC's investment must be related to exports from the U.S.**

(1) A foreign international sales corporation (FISC) is a related foreign export corporation if:

(i) The DISC directly owns more than 50% of the total voting power of the foreign corporation's stock.

(ii) For the tax year that ends with your DISC's tax year or ends within it, at least 95% of the foreign corporation's gross receipts consists of the qualified export receipts described in items 1(1)-(4) of definition b above, and

(iii) The adjusted basis of the qualified export assets that are listed in items 1(1)-(4) of definition b above and that the foreign corporation held at the end of the tax year is at least 95% of the adjusted basis of all assets it held then.

(2) A real property holding company is a related foreign export corporation if:

- The DISC directly owns more than 50% of the total voting power of the foreign corporation's stock, and

- Applicable foreign law forbids the DISC to hold title to real property; the foreign corporation's sole function is to hold the title; and only the DISC uses the property, under lease or otherwise.

(3) An associated foreign corporation is a related foreign export corporation if:

- The DISC or a controlled group of corporations to which the DISC belongs owns less than 10% of the total voting power of the foreign corporation's stock (Section 1563 defines a controlled group in this sense, and sections 1563(d) and (e) define ownership) and

- The DISC's ownership of the foreign corporation's stock or securities reasonably furthers transactions that lead to qualified export receipts for the DISC.

See regulations section 1.993-5 for more information about related foreign export corporations.

f. Gross receipts are the DISC's total receipts from (1) selling or renting property that the corporation holds for sale or rental in the course of its trade or business and (2) all other sources. For commissions on selling or renting property, include gross receipts from selling or renting the property on which the commissions arose. Regulations section 1.993-6 gives more information.

g. United States, as used in these instructions, includes Puerto Rico and U.S. possessions, as well as the 50 States and the District of Columbia.

2. Inter-company pricing rules (section 994).—If a related person described in section 482 sells export property to the DISC, use inter-company pricing rules to figure taxable income for the DISC and the seller. These rules generally do not permit the related person to price at a loss. There must be a written agreement for the inter-company pricing rules to apply. Under inter-company pricing, the DISC's taxable income from the sale (regardless of the price actually charged) is the greatest of:

- 4% of qualified export receipts on the DISC's sale of the property; plus 10% of the DISC's export promotion expenses attributable to the receipts.
- 50% of the DISC's and the seller's combined taxable income from qualified export receipts on the property, derived from the DISC's selling it; plus 10% of the DISC's export promotion expenses attributable to the receipts.
- Taxable income based on the sale price actually charged, as long as it accurately reflects taxable income without evading taxes.

Schedule P (Form 1120-DISC), Computation of Inter-company Transfer Price or Commission, explains inter-company pricing in more detail.

3. Export promotion expenses (section 994(c)).—These expenses are incurred to help distribute or sell export property for use or distribution outside the U.S. These expenses do not include income tax, but do include 50% of the cost of shipping the property on U.S.-owned and operated aircraft or ships if the law and regulations do not require that it be shipped on them.

E. Penalties

Avoid penalties by filing accurate returns on time with complete information. The DISC may have to pay the following penalties unless it can show that it had

reasonable cause for not giving information or not filing a return:

- \$100 for each instance of not giving information, up to \$25,000 during the calendar year;
- \$1,000 for not filing a return.

SPECIFIC INSTRUCTIONS

Accounting methods.—Compute taxable income by the accounting method regularly used to keep the DISC's books and records. The method used must clearly reflect taxable income. (See section 446.)

A member of a controlled group must avoid using an accounting method that would distort any group member's income, including its own. For example, a DISC acts as a commission agent for property sales by a related corporation that uses the accrual method and pays the DISC its commission more than 2 months after the sale. The DISC, then, should not use the accrual method of accounting, because it inherently distorts the income of the DISC.

Unless the law specifically permits otherwise, the DISC may change from the accounting method it used to report taxable income in earlier years (for income as a whole or for any material item) only by first getting consent on Form 3115, Application for Change in Accounting Method.

Rounding Off.—You may show the money items on the return and accompanying schedules as whole-dollar amounts, so do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

Attachments.—If you need more space, attach separate sheets to the back of Form 1120-DISC. Attach schedules in alphabetical order and forms in numerical order. Be sure to put the DISC's name and an employer identification number (EIN) on each sheet.

Page 1

Employer Identification Number.—Enter the DISC's employer identification number (EIN). If the DISC does not have an EIN, it should apply for one on Form SS-4, Application for Employer Identification Number. You can get this form at most IRS or Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which you send Form 1120-DISC. If you have not received the EIN by the time for filing Form 1120-DISC, write "Applied for" in the space for the EIN.

Question E.—Total assets.—Enter the total assets of the DISC. If there are no assets at the end of the tax year, enter the assets as of the beginning of the tax year.

Question F.—For rules of stock attribution, see section 267(c). If the owner of the voting stock of the DISC was an alien individual or a foreign corporation, partnership, trust, or estate, check the "Yes" box in the "Foreign Owner" column and enter the name of the owner's country, in parentheses, in the address column. "Owner's country" for individuals is their country of residence; for other foreign entities, it is the country in which organized or otherwise created, or in which administered.

Lines 1 through 8

A DISC must figure its taxable income although it does not pay most taxes. Of

the taxes imposed by sections 1 through 1564, a DISC is subject only to the tax imposed by sections 1491 through 1494 on certain transfers to avoid tax. A DISC is exempt from corporate income tax, minimum tax on tax preference items, and accumulated earnings tax.

A DISC and its shareholders are not entitled to the possessions corporation tax credit (Section 936). Also, a DISC cannot claim the investment tax credit, the jobs credit, employee stock ownership credit, research credit, alcohol fuel credit, and credit for fuel produced from a nonconventional source; and these credits do not pass through to shareholders of a DISC.

2. Cost of goods sold.—Enter the amount from line 7, Schedule A.

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

6(a). Net operating loss deduction.—The "net operating loss deduction" is the sum of the net operating loss carryovers and carrybacks to the tax year. (Section 172(a).)

Your 1982 net operating loss is the excess of allowable deductions over gross income before your net operating loss deduction for other years is subtracted. In addition, you would figure your dividends-received deduction on Schedule C without regard to the 85% limitation in section 246(b). (Regulations section 1.172-2.)

After you apply the net operating loss to the year of the loss, you can carry any remaining loss 3 years back and 15 years forward; or you can elect to carry it forward to the 15 years after the loss. After applying the loss to the first tax year, the part of the loss you may carry to each remaining tax year is any excess of the loss over the sum of the taxable income for the earlier tax years to which you may carry the loss. (See section 172(b).)

To determine how much net operating loss will be available to carry to a later year, figure the net operating loss deduction without regard to the net operating loss for the loss year or any later tax year. In some cases, do not include any net operating loss attributable to a foreign expropriation loss.

A deficit in earnings and profits is chargeable in the following order:

- first, to any other earnings and profits;
- second, to any accumulated DISC income; and
- finally, to previously taxed income. Do not apply any deficit in earnings and profits against accumulated DISC income that, as a result of the corporation's revoking its election to be treated as a DISC (or other disqualification), is deemed distributed to the shareholders. (Section 995(b)(2)(A).)

7. Taxable income.—If you use either the gross receipts method or combined taxable income method to compute the DISC's taxable income attributable to any transactions involving products or product lines, attach Schedule P (Form 1120-DISC). Show in detail the DISC's taxable income attributable to each such transaction or group of transactions.

8.—Enter the credit from Form 4136, Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil. Also, if the DISC is a producer of domestic crude oil and overpaid the windfall profit tax, include the overpayment

(from Form 6249, Computation of Overpaid Windfall Profit Tax) in the total on line 8. Also enter the overpayment separately in the margin beside line 8 and identify it as "Overpaid windfall profit tax." Attach Form 6249 when you file Form 1120-DISC.

Schedule A.—Cost of Goods Sold

If you use inter-company pricing rules, reflect in Schedule A actual purchases from a related supplier. See General Instruction D2 and use the transfer price you compute in Part II of Schedule P (Form 1120-DISC).

If the DISC acts as another person's commission agent on a sale, do not enter any amount in Schedule A for the sale. See Schedule P (Form 1120-DISC).

Valuation Methods. Your inventories can be valued at: 1. cost; 2. cost or market value (whichever is lower); or 3. any other method that is approved by the Commissioner of Internal Revenue and that conforms to the provisions of the applicable regulations cited below.

Taxpayers using erroneous valuation methods must change to a method permitted for Federal income tax purposes. Such changes should be made by filing Form 3115. For more information about the change, see regulations section 1.446-1(e)(3) and Rev. Proc. 80-51, 1980-2 C.B. 818.

In line 8(a), check the method(s) used for valuing inventories. Under "lower of cost or market," market generally applies to normal market conditions when there is a current bid price prevailing at the date the inventory is valued. When no regular open market exists or when quotations are nominal because of inactive market conditions, use fair market prices from the most reliable sales or purchase transactions that occurred near the date the inventory is valued. For more requirements, see regulations section 1.471-4.

Inventory may be valued below cost when the merchandise is 1. unsalable at normal prices or 2. unusable in the normal way because the goods are "subnormal" (that is, because of damage, imperfections, shop wear, etc.) within the meaning of regulations section 1.471-2(c). Such goods may be valued at a current bona fide selling price minus direct cost of disposition (but not less than scrap value) if you can establish such a price. See regulations section 1.471-2(c) for more requirements.

In (iv) of 8(a) indicate whether you use a method of inventory valuation other than those described in 8(a) (i) through (iii). Attach a statement describing the method used.

If this is the first year the "last-in first-out" (LIFO) inventory method was either adopted or extended to inventory goods not previously valued under the LIFO method, provided in section 472, attach Form 970, Application to Use LIFO Inventory Methods, or a statement with the information required by Form 970. Also check the LIFO box in line 8(b). In line 8(c) enter the amount or percent of total closing inventories covered by section 472. Estimates are acceptable.

Schedule B.—Gross Income

(Numbered to correspond to line numbers in Schedule B.)

If an income item falls in two or more categories, report each part on the applicable line. For example, if interest in-

come consists of qualified interest from a foreign international sales corporation and nonqualified interest from a domestic obligator, enter the qualified interest on an attached schedule for line 2(g) and the nonqualified interest on an attached schedule for line 3(f).

For gain from selling qualified export assets, you will need to attach a separate schedule in addition to the forms required for lines 2(h) and (i).

If you use the installment method of reporting, attach a schedule showing for the current and 3 preceding years: (a) gross sales, (b) cost of goods sold, (c) gross profit, (d) percentage of gross profit to gross sales, (e) amount collected, and (f) gross profit on the amount collected.

Commissions: Special Rule.—If the DISC received commissions on selling or renting property or furnishing services, list in column B the gross receipts from the sales, rentals, or services on which the commissions arose, and in column C list the commissions earned. In column D report receipts from non-commission sales or rentals of property or furnishing of services, as well as all other receipts.

For purposes of completing line 1(a) and line 1(b), related purchasers are members of the same controlled group (as defined in section 993(a)(3)) as the DISC. All other purchasers are unrelated.

A qualified export sale or lease must meet a use test and a destination test in order to qualify.

The use requirement applies at the time of sale or lease. If the property is used predominantly outside the U.S., and the sale or lease is not for ultimate use in the U.S., it is a qualified export sale or lease. Otherwise, if a reasonable person would believe that the property will be used in the U.S., the sale or lease is not a qualified export sale or lease.

For example, if property is sold to a foreign wholesaler, and it is known in trade circles that the wholesaler, to a substantial extent, supplies the U.S. retail market, the sale would not be a qualified export sale, and the receipts would not be qualified export receipts.

Destination test.—Regardless of where title or risk of loss shifts from the seller or lessor, the property must be delivered under one of the following conditions:

- Within the U.S. to a carrier or freight forwarder for ultimate delivery outside the U.S. to a buyer or lessee.

- Within the U.S. to a buyer or lessee who, within 1 year of the sale or lease, delivers it outside the U.S. or delivers it to another person for ultimate delivery outside the U.S.

- Outside or outside the U.S. to a DISC that is not a member of the same controlled group (as defined in section 993(a)(3)) as the DISC that is making the sale or lease.

- Outside the U.S. by means of the seller's delivery vehicle (ship, plane, etc.).

- Outside the U.S. to a buyer or lessee at a storage or assembly site if the property was previously shipped from the U.S. by the DISC.

- Outside the U.S. to a purchaser or lessee if the property was previously shipped by the seller or lessor from the U.S. and if the property is located outside the U.S. pursuant to a prior lease

by the seller or lessor, and either (a) the prior lease terminated at the expiration of its term (or by the action of the prior lessee acting alone), (b) the sale occurred or the term of the subsequent lease began after the time at which the term of the prior lease would have expired, or (c) the lessee under the subsequent lease is not a related person (a member of the same controlled group as defined in section 993(a)(3)) or a relationship that would result in a disallowance of losses under section 267 or section 707(b)) immediately before or after the lease with respect to the lessor and the prior lease was terminated by the action of the lessor (acting alone or together with the lessee).

Qualified export receipts to be entered in line 1 are received from the sale of property, such as inventory, that is produced in the U.S. for direct use, consumption, or disposition outside the U.S. These sales are qualified export sales.

- Enter the DISC's qualified export receipts from export property sold to foreign, unrelated buyers for delivery outside the U.S. Do not include amounts entered on line 1(b).

- Enter the DISC's qualified export receipts from export property sold for delivery outside the U.S. to (i) a related foreign entity for resale to a foreign, unrelated buyer or (ii) an unrelated buyer when a related foreign entity acts as commission agent.

- Enter the gross amount received from leasing or subleasing export property to unrelated persons for use outside the U.S.

Receipts from leasing export property may qualify in some years and not in others, depending on where the lessee uses the property. Enter only receipts that qualify during the tax year. (Use Schedule E to deduct expenses such as repairs, interest, taxes, and depreciation.)

- A service connected to a sale or lease is related to it if the service is usually furnished with that type of sale or lease in the trade or business where it took place. A service is subsidiary if it is less important than the sale or lease.

- Include receipts from engineering or architectural services on foreign construction projects abroad or proposed for location abroad. These services include feasibility studies, design and engineering, and general supervision of construction, but do not include services connected with exploring for minerals.

- Include receipts for export management services provided to unrelated DISCs.

- Include interest received on any loan that qualifies as a producer's loan.

- Enter interest on any qualified export asset other than interest on producer's loans.

For example, include interest on accounts receivable from sales in which the DISC acted as a principal or agent and interest on certain obligations issued, guaranteed, or insured by the Export-Import Bank or the Foreign Credit Insurance Association.

- On Schedule D (Form 1120) report in detail every sale or exchange of a capital asset, even if there is no gain or loss.

In addition to Schedule D (Form 1120), attach a separate schedule computed from the sale of qualified export assets.

2(j).—Enter the net gain or loss from line 11, Part II, Form 4797.

In addition to Form 4797, attach a separate schedule computing gain from the sale of qualified export assets.

3(b).—Enter receipts from selling products subsidized under a U.S. program if they have been designated as excluded receipts.

3(c).—Enter receipts from selling or leasing property or services for use by any part of the U.S. Government if law or regulations require U.S. products or services to be used.

3(d).—Enter receipts from a DISC that belongs to the same controlled group (defined in section 993(a)(3)).

3(f).—Include in an attached schedule any nonqualified gross receipts not reported on lines 3(a) through 3(e). Do not offset an income item against a similar expense item.

Schedule C.—Dividends and Special Deductions

(Numbered to correspond to line numbers in Schedule C.)

Column A

1. Enter dividends received from domestic corporations for which you can take the 85% deduction under section 243(a)(1). Include taxable distributions from a DISC or former DISC if they are eligible for this deduction.

For dividends from a regulated investment company, see section 854 for the amount subject to the 85% deduction.

So-called dividends or earnings from mutual savings banks, etc., are really interest. Report them in Schedule B, not in Schedule C.

2. Enter dividends received on the preferred stock of a public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

3. Enter dividends received from foreign corporations for which you can take the 85% deduction in section 245(a).

4. Enter dividends you can deduct that you received from wholly-owned foreign subsidiaries.

6. Enter foreign dividends that are not reportable on lines 3 and 4. Exclude distributions of amounts constructively taxed under subpart F for your 1982 tax year or in earlier years.

7. Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts on line 5, Schedule J of Form 5471, Information Return With Respect to a Foreign Corporation.

8. Enter taxable distributions from a DISC or former DISC that are not eligible for the 85% dividends-received deduction. See sections 246(d), 995(b), and 996(a)(3).

9. Include dividends, except capital gain dividends, from regulated investment companies that are not subject to the 85% deduction; dividends from tax-exempt organizations; dividends, except capital gain dividends, from a real estate investment trust that, for the trust's tax year in which the dividends are paid, qualifies under sections 856 through 860; dividends not eligible for a dividends-received deduction

because of the holding period of the stock or an obligation to make corresponding payments for similar stock; and other taxable dividend income not reported above.

11. Enter qualified dividends from the DISC's investment in a related foreign export corporation (defined in General Instruction D1(e)). Include income constructively received from controlled foreign corporations under subpart F. Generally, the investment will be in stock or securities of the DISC's foreign selling subsidiary that qualifies as a foreign international sales corporation (FISC).

Column C

Multiply the dividends received that are entered in lines 1-4, Column A, by the percentages shown in lines 1-4, Column B. Enter the result in lines 1-4, Column C.

In general, no dividends-received deduction will be allowed on any share of stock disposed of before the corporation has held it 15 days or to the extent the corporation must pay corresponding amounts for substantially identical stock or securities.

No deduction is allowed for dividends received from another DISC or former DISC if the dividend is paid from accumulated DISC income or previously taxed income or if it is a deemed distribution under section 995(b)(1).

5. Line 5 may not exceed 85% of line 5, page 1. For this purpose, figure line 5, page 1, without regard to any capital loss carryover to the tax year under section 1212(a)(1).

In a year when a net operating loss occurs, this 85% limit does not apply even if the dividends-received deduction creates the loss.

Schedule E.—Deductions

(Numbered to correspond to line numbers in Schedule E.)

1.—Enter export promotion expenses on lines 1(a) through 1(m). Export promotion expenses are a DISC's ordinary and necessary expenses paid or incurred to obtain qualified export receipts. Do not include income taxes. Any part of an expense not incurred to obtain qualified export receipts should be entered in lines 2(a) through 2(g).

1(c).—Attach Form 4562, Depreciation and Amortization, if you deduct depreciation. Enter on line 1(c) the depreciation not claimed on Schedule A or elsewhere on the return.

1(h).—Enter half the freight expenses (except insurance) for shipping export property aboard U.S. flag ships and U.S.-owned and operated aircraft, unless the law required you to use U.S. ships or aircraft.

1(i).—Attach a schedule showing the name, social security number, amount of compensation, and expense account allowance for your six highest paid officers.

To determine the highest paid officers, add all allowances, including expense account allowances, to each officer's compensation. Expense account allowance means amounts (1) received as advances or reimbursements (except compensation) or (2) paid by or for the corporation for expenses incurred by or for an officer. Do not show expense account allowances for any officer whose combined compensation and expense account allowance is under \$50,000.

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

1(j).—Enter the cost of incidental repairs, such as labor and supplies, that do not add to the property's value or appreciably prolong its life.

1(k).—If the DISC has any kind of funded deferred compensation plan, such as a pension or profit-sharing plan (except a Simplified Employee Pension), file one of the forms described below. The Employee Retirement Income Security Act of 1974 imposes penalties for not filing these forms on time.

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C or 5500-R.—Complete the applicable form for each plan with fewer than 100 participants.

Only one return is required for a plan of a controlled group of corporations or a multiemployer-collectively bargained plan. Individual participating employers or contributing employers do not need to file separately.

1(l).—Enter your contributions to employee benefit programs, such as insurance or health and welfare programs, that are not an incidental part of a plan included on line 1(k). Also include contributions to a qualified group legal services plan. Section 120 gives certain rules that the DISC must follow for its employees (including spouses and dependents) to be able to exclude from their income the DISC's contributions to the legal services plan.

1(m).—Enter any other deduction not claimed above. Include amortization expense from Form 4562.

2(a).—You may treat bad debts in either of two ways: (i) as a deduction for debts that become partly or wholly worthless, or (ii) as a deduction for a reasonable addition to a reserve for bad debts. (Section 166.)

When applying to change the way you figure bad debts, file Form 3115.

2(b).—Enter taxes paid or accrued during the tax year. See section 164(d) for apportioning real property tax between seller and buyer.

2(c).—Do not include interest on debts incurred or continued to buy or carry obligations on which the interest is wholly exempt from income tax. (Section 265.)

Section 267 limits deductions for unpaid expenses and interest in transactions between related taxpayers. Section 461(g) limits a cash basis taxpayer's deduction for prepaid interest.

2(d).—Enter contributions or gifts paid within the tax year or for the use of charitable and governmental organizations described in section 170(c). Include any unused contributions carried over from earlier years.

The DISC may claim up to 10% of modified adjusted taxable income as contributions. The limit is 10% of the amount on line 7, page 1, before deducting dividends received (line 6(b), page 1), premiums paid on bond repurchases (section 249), or payments made to the National Railroad Passenger Corporation (section 250); and before figuring carrybacks to the 1982 tax year for net operating loss

(section 172) or capital loss (section 1212(a)(1)).

Do not deduct charitable contributions above the 10% limit for the 1982 tax year. You may carry over the excess for the next 5 tax years, as long as it does not increase a net operating loss carryover (section 170(d)(2)(B)).

A corporation on the accrual basis may elect to deduct contributions paid by the 15th day of the 3d month after the tax year ends, if the board of directors authorized the contributions during the tax year. Attach both of the following to the return: a declaration, signed by an officer, stating that the board of directors adopted the resolution authorizing the contributions during the tax year, and a copy of the resolution.

If a contribution is made in property other than money, attach a schedule describing the kind contributed and what method was used to determine the fair market value.

If you include a contribution carryover, show the amount and how you figured it.

Special rules for contributions of certain property.—To report contributed property, reduce its value by the ordinary income that would have resulted if the property were sold at its fair market value. Some contributions must also be reduced by 60.87% of the long-term capital gain that would have resulted from a sale at fair market value. These are contributions of: (1) tangible personal property to an organization for use in a way unrelated to the basis of its exemption, or (2) property to or for use by certain private foundations. (Section 170(e).)

Section 170(e)(3) gives special rules about contributing inventory or other ordinary income property to certain organizations. Also see regulations section 1.170-4A.

2(e).—Enter the freight expense not deducted on line 1(h) as an export promotion expense.

2(g).—Do not deduct any amount allocable to exempt income. Items directly attributable to wholly exempt income must be allocated to that income, and items directly attributable to any class of taxable income must be allocated to that income. If an item is indirectly attributable to both taxable and exempt income, allocate a reasonable proportion to each.

Attach a statement showing (1) the amount of each class of exempt income and (2) the amount of expense items allocated to each class. Show apportioned amounts separately.

Schedule J.—Deemed and Actual Distributions to Shareholders for the Tax Year

(Numbered to correspond to line numbers in Schedule J.)

Part I.—Deemed distributions under section 995(b)(1)

2. Attach a computation showing the gain the DISC recognized during the tax year on selling or exchanging property, including only limited gain on qualified export assets that the DISC acquired by transactions in which gain was not recognized. Report the same amount of the DISC's gain that the transferor did not recognize on the earlier transfer.

3. Attach a computation showing gain (not included on line 2) that the DISC

recognized during the tax year on selling or exchanging property. Include only the amount of the DISC's gain that the transferor did not recognize on the earlier transfer and that would have been treated as ordinary income if the property had been sold or exchanged rather than transferred to the DISC. Do not include gain on sale or exchange of the DISC's stock in trade or other property that either would be included in inventory if on hand at the end of the tax year or is held primarily for sale in the normal course of business.

4. To figure taxable income attributable to military property, use the gross income attributable to military property for the year and the deductions properly allocated to that income. "Military property" is defined in section 38 of the International Security Assistance and Arms Export Control Act of 1976 (22 USC 2778) and related regulations (22 CFR 121.01).

11. A DISC is deemed to distribute any income that resulted from cooperating with an international boycott (section 995(b)(1)(F)(ii)). See Form 5713, International Boycott Report, to compute this deemed distribution and to learn reporting requirements about any DISC with operations related to a boycotting country.

12. A DISC is deemed to distribute the amount of any illegal payments, such as bribes or kickbacks, that it pays, directly or indirectly, to government officials, employees, or agents (section 995(b)(1)(F)(iii)).

14. Attach a computation showing the earnings and profits for the tax year.

Generally, the allowance for depreciation (and any amortization) is the amount that would be allowable if the shareholder had used the straight-line method of depreciation for each tax year beginning after June 30, 1972. See section 312(k)(2) for exceptions.

15. Attach a computation showing: (1) the DISC's foreign investment in producer's loans during the tax year; (2) accumulated earnings and profits (including earnings and profits for the 1982 tax year) less the amount on line 15, Part I; and (3) accumulated DISC income. Enter the least of these amounts (but not less than zero) on line 16.

Foreign investment in producer's loans is the least of:

(1) the net increase in foreign assets by members of the controlled group (defined in section 993(a)(3)) to which the DISC belongs.

(2) the actual foreign investment by the group's domestic members.

(3) the DISC's outstanding producer's loans to members of the controlled group.

"Net increase in foreign assets" and "actual foreign investment" are defined in sections 995(d)(2) and (3).

Part II.—Taxable income attributable to base period export gross receipts

The DISC is deemed to distribute taxable income attributable to base period gross receipts. Complete Part II to arrive at this amount. For the DISC's 1982 tax year, the base period consists of the DISC's tax years that began in 1975, 1976, 1977, and 1978. For the DISC's 1981 tax year, the base period consists of the DISC's tax years 1974 through 1977. If the DISC's latest tax year began in 1981, use the 1981 Form 1120-DISC.

4. If any other DISCs belong to your controlled group, include their total annualized income for the latest tax year ending with or within your 1982 tax year. Do not include taxable losses.

5. If this amount is \$100,000 or less, skip to line 22; enter zero there and on line 8, Part I.

6. Column C.—Generally, if export property does not qualify under section 993(c)(2) as giving rise to export gross receipts in your 1982 year, exclude gross receipts on that property in computing export gross receipts for the base period.

However, if the property qualifies under section 603(b)(2) of the Tax Reduction Act of 1975, you must increase export gross receipts for the base period. To make the increase, see section 1101(g)(5) of the Tax Reform Act of 1976.

For transactions on a commission basis, enter gross receipts, not just commissions.

11b. Add to export gross receipts for the base period if either of the following is true: (1) stock ownership in the DISC is separated, during the base period, from ownership in the underlying trade or business that produced the export gross receipts; or (2) any 5% or more shareholder owned at least 5% of another DISC's stock in a base period year. See sections 995(e)(9) and (10).

15. Include the export gross receipts annualized for all DISCs in your controlled group. Annualize the receipts for the DISC's latest tax year that ended with or within your 1982 year.

Part III.—Deemed distributions under section 995(b)(2)

If the corporation is a former DISC or if it revoked DISC status for 1982, each shareholder is deemed to have received a distribution taxable as a dividend. The deemed distribution equals the shareholder's prorated share of the DISC's income accumulated during the years just before DISC status ended. The shareholder will be deemed to receive the distribution in equal parts on the last day of the corporation's tax year for the shorter of the following periods after DISC status ended:

- 10 tax years.
- twice the number of years the corporation was a DISC.

Schedule K.—Shareholder's Statement of DISC Distribution

Attach a separate Copy A, Schedule K (Form 1120-DISC) to Form 1120-DISC for each shareholder who had an actual or deemed distribution during the DISC's tax year.

Additional Information

Question Q.—Check the Yes box if either (1) or (2) below applies to you. Otherwise check the No box.

(1) At any time during the year you had an interest in, or signature or other authority over a bank account, securities account, or other financial account in a foreign country; AND

• The combined value of the accounts was more than \$1,000 at any time during the year; AND

• The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

(2) You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1, Report of Foreign Bank and Financial Accounts, to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question Q, file Form 90-22.1 by June 30, 1983, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS.

You can get Form 90-22.1 from many IRS offices.

Question R.—Check the Yes box if you were a grantor of or a transferor to a foreign trust that existed during the tax year.

Question T.—File Form 5713, International Boycott Report, if the DISC or any member of its controlled group (defined in section 993(a)) has operations in or related to a boycotting country (or a national, company, or government of a boycotting country). A DISC that cooperates with an international boycott is also deemed to distribute part of its income. See Form 5713 for more information.

Schedule N.—Export Gross Receipts of the DISC and Related U.S. Persons

Complete and attach Schedule N (Form 1120-DISC) to Form 1120-DISC.

Schedule P.—Computation of Inter-Company Transfer Price or Commission

Attach a separate Schedule P (Form 1120-DISC) for each transaction or group of transactions to which you apply the inter-company pricing rules of section 994 (a)(1) and (2). (See General Instruction D2.)

Codes for Principal Business Activity

These industry titles and definitions are based, in general, on the Standard Industrial Classification System authorized by Regulatory and Statistical Analysis Division, Office of Information and Regulatory Affairs, Office of Management and Budget, to classify enterprises by type of activity. The system follows closely the Standard Industrial Classification used to classify establishments. However, certain activities such as manufacturing do not apply to a DISC.

Using the list below, enter on page 1, under B, the code

number for the specific industry group from which the largest percentage of "total receipts" is derived. "Total receipts" means all income (line 1, page 1). On page 5, under question 1, state the principal business activity and principal product or service that account for the largest percentage of total receipts. For example, if the principal business activity is "Wholesale trade: Machinery, equipment, and supplies," the principal product or service may be "Engines and turbines."

TRANSPORTATION, COMMUNICATION, ELECTRIC, GAS, AND SANITARY SERVICES

- Code
Transportation:
4400 Water transportation
4700 Other transportation services
Electric, gas, and sanitary services:
4910 Electric services
4920 Gas production and distribution
4930 Combination utility services

WHOLESALE TRADE

- Durable:
5003 Machinery, equipment, and supplies
5010 Motor vehicles and automotive equipment
5020 Furniture and home furnishings
5030 Lumber and construction materials
5040 Sporting, recreational, photographic, and hobby goods, toys, and supplies
5050 Metals and minerals, except petroleum and scrap
5060 Electrical goods
5070 Hardware, plumbing and heating equipment
5098 Other durable goods

Code

- Nondurable:**
5110 Paper and paper products
5129 Drugs, drug proprietaries, and druggists' sundries
5130 Apparel, piece goods, and notions
5140 Groceries and related products
5150 Farm-product raw materials
5160 Chemicals and allied products
5170 Petroleum and petroleum products
5180 Alcoholic beverages
5190 Miscellaneous nondurable goods

RETAIL TRADE

- Building materials, hardware, garden supply, and mobile home dealers:
5220 Building materials dealers
5251 Hardware stores
5265 Garden supplies and mobile home dealers
5300 General merchandise stores
5410 Grocery stores
5490 Other food stores
Automotive dealers and service stations:
5515 Motor vehicle dealers
5541 Gasoline service stations
5598 Other automotive dealers

Code

- 5600 Apparel and accessory stores
5700 Furniture and home furnishings stores
5800 Eating and drinking places
Miscellaneous retail stores:
5912 Drug stores and proprietary stores
5921 Liquor stores
5995 Other miscellaneous retail stores
FINANCE, INSURANCE, AND REAL ESTATE
Credit agencies other than banks:
6199 Other credit agencies

SERVICES

- Business services:**
7389 Export management services
Auto repair and services; miscellaneous repair services:
7500 Lease or rental of motor vehicles
Amusement and recreation services:
7812 Motion picture production, distribution, and services
Other services:
8911 Architectural and engineering services
8930 Accounting, auditing, and bookkeeping
8980 Miscellaneous services

Computation of Investment Credit

Attach to your tax return.
Schedule B (Business Energy Investment Credit) on back.

Name(s) as shown on return Identifying number

- PART I—Elections**
- A The corporation elects the basic or basic and matching employee plan percentage under section 48(n)(1)
 - B I elect to increase my qualified investment to 100% for certain commuter highway vehicles under section 46(c)(6)
 - C I elect to increase my qualified investment by all qualified progress expenditures made this and all later tax years
 - D I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details.)
- Enter total qualified progress expenditures included in column (4), Part II

| 1 Recovery Property | Line | (1) Class of Property | | (2) Unadjusted Basis | (3) Applicable Percentage | (4) Qualified Investment (Column 2 x column 3) |
|---|------|-----------------------|-----------|----------------------|---------------------------|--|
| | | (a) 3-year | (b) Other | | | |
| Regular Percentage | (a) | 3-year | | | 60 | |
| | (b) | Other | | | 100 | |
| | (c) | 3-year | | | 60 | |
| | (d) | Other | | | 100 | |
| §48(q) Election to Reduce Credit (instead of adjusting basis) FY 1982-83 filers only (see instr.) | (e) | 3-year | | | 40 | |
| | (f) | Other | | | 80 | |
| | (g) | 3-year | | | 40 | |
| | (h) | Other | | | 80 | |

- PART II—Qualified Investment**
- 2 Nonrecovery property—Enter total qualified investment (See instructions for line 2) 2
 - 3 New commuter highway vehicle—Enter total qualified investment (See Instruction D(2)) 3
 - 4 Used commuter highway vehicle—Enter total qualified investment (See Instruction D(2)) 4
 - 5 Total qualified investment in 10% property—Add lines 1(a) through 1(h), 2, 3, and 4 (See instructions for special limits) 5
 - 6 Qualified rehabilitation expenditures—Enter total qualified investment for:
 - a 30-year-old buildings 6a
 - b 40-year-old buildings 6b
 - c Certified historic structures (Enter the Dept. of Interior assigned project number 6c
 - 7 Corporations checking election box A above—add lines 5, 6a, 6b, and 6c 7

- PART III—Tentative Regular Investment Credit**
- 8 10% of line 5 8
 - 9 15% of line 6a 9
 - 10 20% of line 6b 10
 - 11 25% of line 6c 11
 - 12 Corporations checking election box A (See Instruction D(1))—
 - a Basic 1% credit—Enter 1% of line 7 (1982-83 fiscal-year filers, see instructions for line 12) 12a
 - b Matching credit (not more than 0.5%)—Allowable percentage times adjusted line 7 (attach schedule) 12b
 - 13 Credit from cooperative—Enter regular investment credit from cooperatives 13
 - 14 Current year regular investment credit—Add lines 8 through 13 14
 - 15 Carryover of unused credits 15
 - 16 Carryback of unused credits 16
 - 17 Tentative regular investment credit—Add lines 14, 15, and 16 17

- PART IV—Tax Liability Limitations**
- 18 a Individuals—From Form 1040, enter tax from line 38, page 2, plus any additional taxes from Form 4970 b Estates and trusts—From Form 1041, enter tax from line 26a, plus any section 644 tax on trusts c Corporations (1120 filers)—From Form 1120, Schedule J, enter tax from line 3 d Other organizations—Enter tax before credits from return 18
 - 19 a Individuals—From Form 1040, enter credits from lines 41 and 42 of page 2 b Estates and trusts—From Form 1041, enter any foreign tax credit from line 27a c Corporations (1120 filers)—From Form 1120, Schedule J, enter any foreign tax credit from line 4(a), plus any possessions tax credit from line 4(f) d Other organizations—Enter any foreign or possessions tax credit 19
 - 20 Income tax liability as adjusted (subtract line 19 from line 18) 20
 - 21 a Enter smaller of line 20 or \$25,000. See instruction for line 21 21a
 - b If line 20 is more than \$25,000—Enter 90% of the excess 21b
 - 22 Regular investment credit limitation—Add lines 21a and 21b 22
 - 23 Allowed regular investment credit—Enter the smaller of line 17 or line 22 23
 - 24 Business energy investment credit limitation—Subtract line 23 from line 20 24
 - 25 Business energy investment credit—From line 14 of Schedule B (Form 3468) 25
 - 26 Allowed business energy investment credit—Enter smaller of line 24 or line 25 26
 - 27 Total allowed regular and business energy investment credit—Add lines 23 and 26. Enter here and on Form 1040, line 43; Schedule J (Form 1120), line 4; page 3; or the proper line on other returns 27

Schedule B Business Energy Investment Credit

1 Enter on lines 1(a) through 1(e) your qualified investment in business energy property that is the kind listed in the instructions for line 1, column (3).

| Type of Property | Line | (2) Class of property or life years | (3) Code | (4) Unadjusted basis/Basis | (5) Applicable Percentage | (6) Qualified investment (Column 4 x column 5) |
|------------------|------|-------------------------------------|----------|----------------------------|---------------------------|--|
| Recovery | (a) | 3-year | | | 60 | |
| | (b) | Other | | | 100 | |
| | (c) | 3 or more but less than 5 | | | 33 1/3 | |
| Nonrecovery | (d) | 5 or more but less than 7 | | | 66 2/3 | |
| | (e) | 7 or more | | | 100 | |

2 Total 10% energy investment property—Add lines 1(a) through 1(e), column (6) 2

3 Enter on lines 3(a) through 3(e) the basis in qualified hydroelectric generating property. Enter nameplate capacity of the property (see instructions for line 3) ▶

| Type of Property | Line | (2) Class of property or life years | (3) Code | (4) Unadjusted basis/Basis | (5) Applicable Percentage | (6) Qualified investment (Column 4 x column 5) |
|------------------|------|-------------------------------------|----------|----------------------------|---------------------------|--|
| Recovery | (a) | 3-year | | | 60 | |
| | (b) | Other | | | 100 | |
| | (c) | 3 or more but less than 5 | | | 33 1/3 | |
| Nonrecovery | (d) | 5 or more but less than 7 | | | 66 2/3 | |
| | (e) | 7 or more | | | 100 | |

4 Total 11% energy investment property—Add lines 3(a) through 3(e), column (6) 4

5 Enter on lines 5(a) through 5(e) the basis in energy property that is solar equipment, wind equipment, ocean thermal equipment, or geothermal equipment. (See instructions for line 5, column (3).)

| Type of Property | Line | (2) Class of property or life years | (3) Code | (4) Unadjusted basis/Basis | (5) Applicable Percentage | (6) Qualified investment (Column 4 x column 5) |
|------------------|------|-------------------------------------|----------|----------------------------|---------------------------|--|
| Recovery | (a) | 3-year | | | 60 | |
| | (b) | Other | | | 100 | |
| | (c) | 3 or more but less than 5 | | | 33 1/3 | |
| Nonrecovery | (d) | 5 or more but less than 7 | | | 66 2/3 | |
| | (e) | 7 or more | | | 100 | |

6 Total 15% energy investment property—Add lines 5(a) through 5(e), column (6) 6

- 7 Enter 10% of line 2 7
- 8 Enter 11% of line 4 8
- 9 Enter 15% of line 6 9
- 10 Cooperative credit—Enter business energy investment credit from cooperatives 10
- 11 Current year business energy investment credit—Add lines 7 through 10 11
- 12 Carryover of unused credit(s) 12
- 13 Carryback of unused credit(s) 13
- 14 Tentative business energy investment credit—Add lines 11 through 13. Enter here and on line 25 of Form 3468 14

Instructions for Schedule B (Form 3468)

Energy property must meet the same requirements as regular investment credit property, except that the provisions of sections 48(a)(1) and 48(a)(3) do not apply. See instructions for Form 3468 for definitions and rules regarding regular investment credit property.

Energy property must be acquired new. See sections 46(a)(2)(C) and 48(i)(1) through (17) for details.

See section 48(i)(17) for special rules on public utility property, and section 48(j)(11) (as amended by the Crude Oil Windfall Profit Tax Act of 1980) for special rules on property financed by Industrial Development Bonds.

Specific Instructions

One Credit Only.—If property qualifies as more than one kind of energy property, you may take only one credit for the property.

Lines 1, 3, and 5—Type of Property.—For definition of recovery and nonrecovery

property, see the separate instructions for Form 3468.

Line 1—Column (3).—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. If you enter more than one kind of property on a line, enter the code letter for each kind of property in column (3) and the code letter and dollar amount of each kind of property in the right hand margin.

- The code letters are:
 - a. Alternative energy property, including biomass property
 - b. Specially defined energy property that reduces the energy consumed in an existing process, installed in connection with an existing industrial or commercial facility (see regulations section 1.48-9(f)).
 - c. Recycling equipment
 - d. Shale oil equipment
 - e. Equipment to produce natural gas from geopressured brine
 - f. Cogeneration equipment installed in an existing facility, but only if the cogeneration energy capacity of the facility is expanded. See section 48(i)(14).

g. Qualified intercity buses (see section 48(i)(16)(C) for the limitation on qualified investment for intercity buses based on the increase in operating seating capacity).

Line 3.—Figure your qualified investment in hydroelectric generating property. If the installed capacity is more than 25 megawatts, the 11% energy credit is allowed for only part of the qualified investment. See section 48(i)(13)(C).

In the space provided in line 3, enter the megawatt capacity of the generator as shown on the nameplate of the generator. **Line 5—Column (3).**—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. Be sure to put the code or codes on the line for the correct recovery period or life years as explained in the instruction for line 1, column (3).

- h. Solar equipment (but not passive solar equipment)
 - i. Wind equipment
 - j. Ocean thermal equipment
 - k. Geothermal equipment
- See sections 48(i)(4) and 48(i)(3)(A)(viii) and (ix) for definitions and special rules that apply to these kinds of property.

Instructions for Form 3468 Computation of Investment Credit

(References are to the Internal Revenue Code)

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. We need it to ensure that you are complying with these laws and so that we can figure and collect the correct amount of tax. You are required to give us this information.

General Instructions

A. Purpose.—Use Form 3468 if you are an individual, estate, trust, or corporation claiming a regular or business energy investment credit or making certain elections. An exempt organization may also claim the credit if the property is used mainly in an unrelated trade or business whose income is taxed under section 511.

A partnership or subchapter S corporation completes only the Part I elections; column (2) of line 1 and the line 2 worksheet; and columns (3) and (4) of lines 1, 3, and 5 of Schedule B, to figure the basis or cost of property to pass through to their individual partners or shareholders. Attach the form to the return to show the total cost or basis that is passed through.

This credit does not apply to a Domestic International Sales Corporation (DISC), and is not divided among DISC shareholders.

For detailed information on investment credit, see Publication 572, Investment Credit, and the regulations under sections 46 and 48.

If you are a partner, beneficiary, shareholder in a subchapter S corporation, or lessee, use Form 3468 to figure the credit based on your share of the investment by the partnership, estate, trust, subchapter S corporation, or lessor.

B. How to Figure the Credit.—For recovery property, the class of property determines the percentage qualifying for investment credit. Even if you elect an alternate recovery period under section 168(b) of 5 or 12 years for 3-year property, the property is still treated as 3-year property, and the lower percentage applies.

For nonrecovery property the useful life of the property for investment credit must be the same as the useful life for depreciation or amortization.

See section 48(k) for special rules on figuring investment credit for movie and television films or tapes.

See section 46(e) for limitations on the investment credit for mutual savings institutions, regulated investment companies, and real estate investment trusts.

Generally, you may only take an investment credit of half of the regular investment credit for certain vessels. See sections 46(g)(1) through (6) for more information. If you claim the full credit, check box D in Part I of Form 3468.

C. Regular Investment Credit Property.—Generally, you may take the investment credit the first year you place qualified property in service, make qualified progress expenditures, or acquire an amortizable basis in qualified forestation or reforestation expenditures.

The property must be used in a trade or business and be either recovery property or other depreciable property with a life of 3 years or more. Enter only the business part of the investment in property that is for both business and personal use.

Examples of investment credit property are listed below. For more details see Publication 572.

Generally, investment credit property is:

- (1) Tangible personal property as defined in section 48(a)(1).
- (2) Elevators and escalators.
- (3) Other tangible property, including certain real property, used as an integral part of manufacturing, production, or extraction, or used as a research facility or bulk storage facility for fungible commodities for these activities.
- (4) Livestock other than horses as long as you do not sell or dispose of substantially identical livestock (not subject to recapture tax) during the 1-year period beginning 6 months before the date you got the livestock. Reduce the cost of the livestock you got by the amount you received on the disposition of the substantially identical livestock.

(5) Certain single-purpose agricultural or horticultural structures defined in section 48(D).

(6) Rehabilitation expenditures for qualified 30-year buildings, 40-year buildings, and certified historic structures. See sections 46(a)(2)(F) and 48(g) for details.

(7) Forestation and reforestation expenditures that are amortizable under section 194. See section 48(a)(1)(F) for more information.

(8) Petroleum storage facilities. See section 48(m) for transitional rules.

Exceptions.—The regular investment credit generally does not apply to property that is:

- (1) Used mainly outside the U.S.
- (2) Used by a tax-exempt organization (other than a section 521 farmers' cooperative) unless the property is used mainly in an unrelated trade or business.
- (3) Used by governmental units.
- (4) Used for lodging or for furnishing the lodging (see section 48(a)(3) for exceptions, i.e. hotel or motel furnishings).
- (5) Amortized or depreciated under sections 184, 167(k), 191, and 188.
- (6) Acquired or constructed with "excluded cost-sharing payments" from grants made after September 30, 1979,

under any program listed in section 126(a) or by grants under the Energy Security Act. (7) Expensed under section 179.

D. Elections.—There are certain elections you may make that affect the amount of investment credit you can claim. Some of these elections are made by checking the boxes in Part I of Form 3468. Others are made by attaching a statement to Form 3468.

(1) **Employee Plan Percentages.**—A corporation may elect an additional credit for a contribution of stock or cash to a tax credit employee stock ownership plan. This required contribution must not exceed 1% of the qualified investment (line 7) made before January 1, 1983, minus any part of the additional credit carried over to a later year. Make the election by checking box A in Part I of Form 3468.

For contributions made after 1982, see Form 3007, Credit for Employee Stock Ownership Plan.

(2) **Commuter Highway Vehicle.**—Employees may elect under section 46(c)(6) to claim the full investment credit for commuter highway vehicles with a useful life of 3 years or more, or which is recovery property. Make this election by checking box G in Part I of Form 3468. See section 46(c)(6) for the definition of commuter highway vehicle and other details.

(3) **Qualified Progress Expenditures.**—You may elect under section 46(e) to increase your qualified investment for a year by qualified progress expenditures. Make this election by checking box C in Part I of Form 3468. The election applies to all progress expenditure property for the tax year it is made and all later tax years. On the line between blocks C and D, Part I, enter your 1982 qualified investment (column (4) of Part I) for progress expenditures for which you made an election in any tax year.

(4) **Election for Leased Property.**—If you lease property to someone else, you may elect to treat all or part of your investment in new property as if it were made by the person who is leasing it from you. See section 48(d) and related regulations for rules on making this election and special rules on leased property and the section 48(q) basis adjustment. For the limitation on the availability of the credit to certain owners of property for lease, see section 46(e)(3).

E. At Risk Limitation for Individuals, Subchapter S Corporations, and Personal Holding Companies.—The allowable basis or cost of property for investment credit purposes is limited to the amount a taxpayer is at risk for the property at the close of the taxpayer's tax year.

A person is generally considered at risk for property to the extent of the qualified loans and cash and the adjusted basis of property contributed for acquisition or construction of property. See Publication 572 and sections 46(c)(8) and 465 for definitions, exceptions, and other details.

Specific Instructions

Lines 1(a)–1(h). Recovery Property.—Enter on the proper line the unadjusted basis of new or used recovery property. Do not include any amount that was expensed under section 179(a). Recovery property is tangible personal property used in a trade or business or held for the production of income, and depreciated under the Accelerated Cost Recovery System (ACRS). See sections 46(c)(7) and 168.

1982–83 Fiscal-Year Filers.—For property placed in service after December 31, 1982, new section 48(q) says you must reduce the depreciable basis of the property by one-half of the investment credit taken. Instead of adjusting the basis of the property, you may make an irrevocable election to take a reduced credit. You make this election by listing the property on lines 1(e)–1(h) instead of on lines 1(a)–1(d). See Publication 572 for more details.

Line 2. Nonrecovery Property.—Complete your qualified investment for the worksheet format below. Nonrecovery property includes:

- property placed in service before 1981;
- property you elect to depreciate using a method not expressed in terms of years;
- property you elect to amortize (e.g., leasehold improvements);
- property transferred or acquired merely to bring the property under ACRS;
- property acquired in certain nonrecognition transactions;
- certain property used outside the U.S.;
- public utility property if you do not use the normalization method of accounting.

See section 168(e) for further details. Enter the amortizable basis in forestation and reforestation expenditures on line 2(c) of the worksheet. See section 48(a)(1)(F). See section 46(c)(5) for rules for certain pollution control facilities.

Lines 1(a), 1(b), 1(e), and 1(f) of Form 3468; lines 2(a), 2(b), and (c) of worksheet. Qualified Progress Expenditures.—Enter on the proper line the amount of qualified progress expenditures made in the tax year.

Do not take any qualified progress expenditures for the year in which the progress expenditure property is placed in service or for the year for which recapture is required for the property. The investment credit allowed for the year the property is placed in service is based on the entire qualified investment in the property reduced by the progress expenditures that were included as qualified investment in earlier years.

See section 46(d) for more information.

Lines 1(c), 1(d), 1(g), and 1(h) of Form 3468; lines 2(d), 2(e), and 2(f) of worksheet. Used Property Dollar Limitation.—In general, you may not take into account more than \$125,000 of the cost of used property in any one year. The cost of used property does not include the basis of any property traded in unless the trade-in caused the recapture of all or part of an investment credit allowed earlier, or a reduction in an investment credit carryback or carryover. Determine the \$125,000 amount before applying the percentages based on the class of property or useful life. On the proper line, enter the cost (subject to the dollar limitation) of used property placed in service during the year. Property you inherited, received as a gift, or acquired from certain related persons does not qualify for the investment credit.

If a husband and wife file separate returns, each may claim up to \$62,500. If

one of them has no qualifying used property, the other may claim up to \$125,000.

The \$125,000 limitation applies to a partnership, subchapter S corporation, estate, or trust. The \$125,000 must be divided among the estate or trust and its beneficiaries based on the income of the estate or trust allocable to each. The \$125,000 limitation also applies to each partner, shareholder, and beneficiary. Controlled corporate groups must divide the limitation among all component members. See section 48(c) and related regulations.

Lines 3 and 4. Commuter Highway Vehicle.—Enter 100% of basis in new vehicle on line 3, and 100% of cost (subject to the overall limitation) of used vehicles on line 4.

1982–83 Fiscal-year filers.—If you make the irrevocable election to use the lower percentage in section 48(q)(4) instead of reducing the basis of the property, enter 80% (instead of 100%) of the cost or basis on these lines. If you elect to take a reduced credit on all the vehicles on line 3 or 4, write "48(q)(4) election property" in the margin. If your election covers only certain vehicles, attach a schedule showing the breakdown.

Lines 5a, 5b, and 5c. Rehabilitation Expenditures.—Enter on the proper line the qualified investment in qualified rehabilitation expenditures for the tax year. The applicable percentage for qualified rehabilitation expenditures is 100%. The additions or improvements must have a recovery period of at least 15 years.

The increase in basis of the qualified rehabilitated building that would result from the expenditures must be decreased by 100% of the allowed credit, and, after Dec. 31, 1982, 50% for certified historic structures. The increase in basis must be recovered by a straight line depreciation method over a recovery period of at least 15 years. See section 212(e)(2) of the Economic Recovery Tax Act of 1981 for transitional rules and code section 48(g) for other details. The qualified investment for rehabilitation expenditures that qualify under pre-1982 rules, but not under post-1981 rules, is figured separately and entered in the total for line 5. (Identify this amount in the margin.)

If you claim a credit for a certified historic structure on line 6(c), you must enter the project number assigned by the Department of Interior. You must also attach a copy of the final certification letter issued by the Department of Interior to the first return you file after receiving the certification. If you have not yet received the final certification, attach a copy of the first page of the application you submitted (U.S. Department of the Interior Form FHR–8–233a, Historic Preservation Certification Application—Part 2).

Lines 5, 6, and 21a Limitations.—Mutual savings institutions, regulated investment companies, and real estate investment trusts are subject to special limitations for the amounts to be entered on

lines 5, 6 a–c, and line 21a. See regulations section 1.46–4.

Line 12a.—You may take the additional 1% credit if you qualify and make the election. See General Instruction D(1) and section 48(n).

Line 12b.—The matching employee plan credit on line 12b is limited to a maximum of 0.5% times the qualified investment for property acquired, constructed, or erected after 1976 and before January 1, 1983. See section 46(a)(2)(E).

Line 13. Credit from Cooperative.—Section 1381(a) cooperative organizations may claim the regular and energy investment credits, if the cooperative cannot use any of the credit because of the tax liability limitation that applies, the unused credit from tax years ending after October 31, 1978, must be allocated to the patrons of the cooperative. The recapture provisions of section 47 apply as if the cooperative had kept the credit and not allocated it.

Patrons should enter their regular investment credit from a cooperative on line 13.

Lines 15 and 16. Carryover and Carryback of Unused Credits.—If you cannot use part of a regular or energy investment credit earned in any tax year ending after Dec. 31, 1973, because of tax liability limitations or the operation of the alternative minimum tax, you may carry it back 3 years, then forward 15 years.

If the basis of property was reduced under section 48(q), new section 195 permits the writeoff of one-half of the unused credit after the 15-year carryover period (or earlier if the taxpayer dies or goes out of business). See Publication 572 for more details.

If you are subject to the alternative minimum tax, you may be able to apply your investment credit from the active conduct of a trade or business against that tax. See Form 6251, Alternative Minimum Tax Computation, for more information.

Line 21. Limitation.—If the tax liability (line 20) is \$25,000 or less, the investment credit may not be more than the amount of the tax liability.

If the tax liability is more than \$25,000, the credit may not be more than \$25,000 plus 50% of the excess.

If you and your spouse file separate returns, each must use \$12,500 instead of \$25,000. However, if only one has any qualifying investment, that one may use the entire \$25,000.

Controlled corporate groups (see section 46(a)(6)) must divide the \$25,000 among all component members.

An estate or trust must allocate the \$25,000 among itself and its beneficiaries in the same ratio as the qualified investment was allocated.

Line 24. Business Energy Investment Credit Limitation.—The energy credit is limited to the tax on line 20 minus the regular investment credit allowed on line 23. See the instructions for Schedule B on page 2 of Form 3468.

| Line 2 Nonrecovery Property Worksheet | Line | (1) | | (3) Applicable percentage | (4) Qualified investment (Column 2 x column 3) |
|--|------|---------------------------|----------------------|------------------------------|---|
| | | Life years | (2) Basis or cost | | |
| New | (a) | 3 or more but less than 5 | | 33 1/3 | |
| | (b) | 5 or more but less than 7 | | 66 2/3 | |
| | (c) | 7 or more | | 100 | |
| Used | (d) | 3 or more but less than 5 | | 33 1/3 | |
| | (e) | 5 or more but less than 7 | | 66 2/3 | |
| | (f) | 7 or more | | 100 | |
| Total—Add lines (a) through (f) and enter on line 2 of Form 3468 | | | | | 2 |

Instructions for Form 4562 Depreciation and Amortization

(Revised September 1982)

Section references are to the Internal Revenue Code

Paperwork Reduction Act Notice.—We ask for this information to carry out the Internal Revenue laws of the United States. The information is used to ensure that you are complying with these laws and so that we can figure and collect the right amount of tax. You are required to give us this information.

Purpose.—Use Form 4562 to explain your deductions for depreciation and amortization, and to make the election to expense recovery property.

For more information, about depreciation (including the treatment of mass asset accounts) and the election to expense newly acquired recovery property, see Publication 534, Depreciation. For more information about amortization, see Publication 535, Business Expenses. You may be eligible to take investment credit on newly acquired depreciable property. See the Instructions for Form 3468, Computation of Investment Credit, for more information.

Specific Instructions

Part I.—Depreciation

Depreciation is an amount you can deduct each year for assets, except land, you buy to use in your business or hold to produce income. (Land is never depreciable.) Depreciation starts when you place the property in service. It ends when you take the property out of service or deduct all of your depreciable cost.

Generally, assets you place in service after December 31, 1980, are depreciated using the Accelerated Cost Recovery System (ACRS). These assets are called "recovery property." You may be able to elect to expense up to \$5,000 of certain recovery property in Section A. Show your depreciation for recovery property in Section B. If you have an asset that is nonrecovery property, show your depreciation in Section C.

Section A.—Election to expense recovery property.—For tax years beginning after December 31, 1981, you may elect to expense part of the cost of recovery property that would qualify for investment credit. You must have purchased (as defined in section 179(d)(2)) the property and placed it in service this year for use in your trade or business. If you take this deduction, you may not depreciate or amortize the same cost, nor may you take the investment credit for this cost.

An estate or trust may not elect to expense recovery property. A partnership may elect to expense and pass through to its partners a maximum of \$5,000. Each partner adds his or her share of the partnership amount to any other section 179 expense he or she elected to take, and deducts the combined amount up to the \$5,000 (or \$2,500 for married taxpayers filing separately) limit for each taxpayer. See Publication 572, Investment Credit, and Publication 534 for more information.

Column A.—Enter the class of recovery property (that is, 3-year, 5-year, etc.) for which you make the election and a brief description of the item.

Column B.—Enter the property's cost, include only what you paid; omit any un-depreciated basis on assets you traded in. For information about basis, see Publication 551, Basis of Assets.

Column C.—Enter the part of the cost you elect to expense. You can elect to expense part of the cost of an asset and depreciate the rest of it. (You may take investment credit for the part of the cost you do not expense.)

Line 1.—Enter the column C total, up to \$5,000 (\$2,500 for married taxpayers filing separately). Partnerships should carry the line 1 amount to Schedule K (Form 1065). All others carry it to line 8 of Section C.

Section B.—Depreciation of recovery property.—**Column A.**—Two factors determine the class of property: whether the property is section 1245 or section 1250 class property; and what midpoint class life (if any) would have applied to it on January 1, 1981, if the asset depreciation range (ADR) system had been elected. The midpoint class lives are listed in the asset guideline period column of the table for depreciation in the back of Publication 534.

In each recovery class except 15-year real property, group the property by the year you placed it in service. For example, list as one item all new and used 3-year property you bought in 1982. However, you must list separately:

- Property used mainly outside the United States.
- Retirement - replacement - betterment (RRB) property.
- Qualified leased property.
- Property financed by tax-exempt obligations.

In the 15-year real property class, group property by the depreciation method elected and the month and year you placed it in service.

Column B.—For lines 2(a), (b), (c), and (d), enter the year you placed the property in service. For lines 2(e) and (f), enter the month and year you placed it in service.

Column C.—Enter the unadjusted basis of the assets you placed in service in the same year. To find unadjusted basis, subtract the part of the basis you elected to amortize or expense (section 179) from the basis you use to determine gain. Do not deduct salvage value in figuring your ACRS deduction. Also, the basis of property placed in service after December 31, 1982, may have to be reduced by one-half of any investment credit taken on it. See Instructions for Form 3468, and Publication 551.

Column D.—Enter the recovery period you are using. This is usually the class of property itself (that is, 3-year, 5-year, etc.); but you may instead elect an alternate per-

centage figured by using the straight-line method over one of the following periods:

| 3-year property | 5 or 12 years | 5-year property | 10, 25, or 35 years | 15-year real property | 15, 35, or 45 years | 15-year public utility property | 15, 35, or 45 years |
|-----------------|---------------|-----------------|---------------------|-----------------------|---------------------|---------------------------------|---------------------|
| 3 | 5 | 5 | 10, 25, or 35 | 15 | 15, 35, or 45 | 15 | 15, 35, or 45 |

Also, for certain assets (described in Column E below) you may be required to use a specified recovery period.

Column E.—For property for which you are using the prescribed percentages (described in Section B, lines 2(a) through 2(f)), enter "RRB." If you elect an alternate percentage, as described above in Column D instructions, enter "SL." If the asset is used mainly outside the United States, enter "FP" and see section 168(f)(2). If the asset is retirement-replacement-betterment property, enter "RRB" and see section 168(f)(3). If the asset is qualified leased property, enter "QLP" and see sections 168(f)(8) and 168(i). If the asset is property financed by tax-exempt obligations enter "TEO" and see section 168(f)(12).

Column F.—Unless you use an alternate percentage, or a special percentage required for certain types of property (as described above in Column E instructions), enter the prescribed percentage from the line instructions below. If you use an alternate percentage, enter the percentage based on the recovery period you chose. Except for 15-year real property and property requiring a special percentage (as described above), use the same alternate percentage for all property in the same class that you place in service in the same year.

If you elect an alternate percentage, do not figure depreciation by the number of months the property was in use; instead use the half-year convention. The half-year convention treats property as if it were placed in service, or retired, on the first day of the second half of the tax year. However, for the 15-year real property, you can elect an alternate percentage on a property-by-property basis, and the half-year convention does not apply.

Column G.—Multiply the amount in column C by the percentage in column F, and enter the result in column G.

Section B, Line 2(a).—3-year property.—Includes section 1245 class property that:

- Has a midpoint class life of 4 years or less, or
- Is used for research and experimentation, or
- Is a race horse more than 2 years old when you place it in service, or any other horse that is more than 12 years old when you place it in service.

Some examples of 3-year property are: automobiles; light-duty trucks; and machinery and equipment used in connection with research and experiments.

The percentages prescribed for these assets are:

| | |
|----------|-----|
| 1st year | 25% |
| 2nd year | 38% |
| 3rd year | 37% |

Line 2(b).—5-year property.—Includes section 1245 class property that is not assigned to one of the other recovery classes. The percentages prescribed for these assets are:

| | |
|----------------------|-----|
| 1st year | 15% |
| 2nd year | 22% |
| 3rd through 5th year | 21% |

Line 2(c).—10-year property.—Includes: public utility property (except 3-year property or section 1250 class property) that has a midpoint class life of more than 18

years and no more than 25 years; section 1250 class property that has a midpoint class life of 12.5 years or less; manufactured homes; railroad tank cars; and certain coal utilization property of public utilities.

The percentages prescribed for these assets are:

| | |
|-----------------------|-----|
| 1st year | 8% |
| 2nd year | 14% |
| 3rd year | 12% |
| 4th through 6th year | 10% |
| 7th through 10th year | 9% |

Line 2(d).—15-year public utility property.—Includes public utility property (except 3-year property or 15-year real property) that has a midpoint class life of more than 25 years.

The percentages prescribed for these assets are:

| | |
|----------|-----|
| 1st year | 5% |
| 2nd year | 10% |

Line 2(e). 15-year real property low-income housing.—

| Year | Use the column for the month placed in service | | | | | | | | | | | |
|------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1st | 13% | 12% | 11% | 10% | 9% | 8% | 7% | 6% | 4% | 3% | 2% | 1% |
| 2nd | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 13% | 13% | 13% | 13% | 13% |
| 3rd | 10% | 10% | 10% | 10% | 11% | 11% | 11% | 11% | 11% | 11% | 11% | 11% |

Line 2(f). 15-year real property other than low-income housing.—

| Year | Use the column for the month placed in service | | | | | | | | | | | |
|------|--|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1st | 12% | 11% | 10% | 9% | 8% | 7% | 6% | 5% | 4% | 3% | 2% | 1% |
| 2nd | 10% | 10% | 11% | 11% | 11% | 11% | 11% | 11% | 11% | 11% | 11% | 12% |
| 3rd | 9% | 9% | 9% | 9% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% |

Section B, line 3.—Report property on line 3 that you elect, under section 168 (e)(2), to depreciate by the units-of-production method or any other method not based on a term of years. If you use the retirement-replacement-betterment method, see section 168(f)(3).

Column A.—Describe the property and what depreciation method you elect that excludes the property from ACRS.

Column C.—Enter the depreciable basis (cost or other basis reduced, if applicable, by salvage value, half the investment credit, or both).

Column D.—Enter the depreciation deduction for the property in column G.

Section C.—Depreciation of nonrecovery property.—Use Section C for property you do not amortize, expense, or use ACRS to depreciate. This includes:

- Property placed in service before January 1, 1981;
- Certain public utility property, which

| | |
|-----------------------|----|
| 3rd year | 9% |
| 4th year | 8% |
| 5th and 6th year | 7% |
| 7th through 15th year | 6% |

Lines 2(e) and (f).—15-year real property.—Includes section 1250 class property that does not have a midpoint class life of 12.5 years or less. Within each line, enter property grouped by the depreciation method elected and the month and year you placed it in service.

Different percentages apply to low-income housing than to other 15-year real property. The percentage to enter in column F each year depends on the month you placed the property in service. Publication 534 gives complete percentage tables for 15-year real property. The following chart shows the percentages prescribed for the first three years.

Column A.—Briefly describe each asset or group.

Column B.—For a single asset, enter the date you placed it in service. For a group of assets that you place in service on the same date, enter that date. Otherwise, leave column B blank.

Column C.—Enter the depreciable basis (cost or other basis reduced by salvage value, if it applies). See Publication 531 for more information.

Part II.—Amortization of property

Each year you may elect to deduct part of certain capital expenses over a fixed period. If you amortize property, the part you amortize does not qualify for the election to expense recovery property or depreciation.

Column A.—Describe the property you are amortizing. Amortizable property includes:

- Pollution control facilities (section 169, limited by section 291 for corporations).
- Expenses paid before January 1, 1977, for on-the-job training facilities (section 188).
- Child-care facilities (section 188).
- Amounts paid for research or experiments (section 174), or for a trademark or trade name (section 177).
- Certain business startup costs paid or incurred after July 29, 1980 (section 195).
- Organizational expenses for a corporation (section 248) or partnership (section 709).
- Qualified forestation and reforestation cost (section 194).

Column B.—Enter the date you acquired or completed the property or spent the amount you are amortizing.

Column C.—Enter the total amount you are amortizing. See the applicable Code section for limits on the amortizable amount.

Column E.—Enter the Code section under which you amortize the property.

Attach any other information the Code and regulations may require in order to make a valid election.

User Survey

Statistics of Income - 1982 - Corporation Income Tax Returns

Please take a few moments to answer the following questions concerning this *Statistics of Income* publication. Your responses will enable us to direct our efforts to meeting the needs of our users. After indicating your responses, please fold, tape, and mail. No postage is required. Thank you for your assistance.

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- ____ Tables
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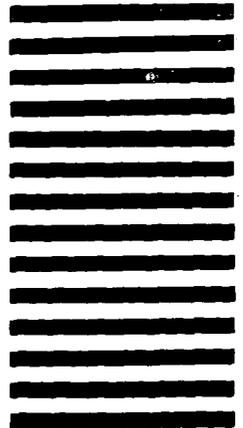
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6 Forms and Instructions

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