

Data Release

Foreign Sales Corporation Statistics for 1987

Foreign Sales Corporations (FSC's) filed 2,613 income tax returns for Tax Year 1987. A FSC is incorporated in a foreign country or U.S. possession for the purpose of exporting U.S. products. A FSC is entitled to certain tax benefits. In particular, a portion of the "foreign trade income" of a FSC is exempt from U.S. taxation. (Foreign trade income is income attributable to the sale or lease of export property outside the United States and the performance of various types of export services outside the United States.) For 1987, FSC's reported "Schedule P gross receipts" of \$84.3 billion and net exempt income of \$2.1 billion. (Schedule P gross receipts includes gross receipts that the FSC and its related suppliers earned from transactions with third parties.) FSC's were subject to a total U.S. tax of \$0.5 billion on income subject to tax ("taxable income") of \$1.3 billion.

Most FSC returns for 1987 were filed for companies which exported manufactured products. As indicated in Table 1, returns for FSC's exporting manufactured products accounted for 88 percent of all FSC returns filed. Classified by Schedule P gross receipts, the largest product groups were transportation equipment (\$23.2 billion); machinery, except electrical machinery (\$13.4 billion); chemicals and allied products (\$12.2 billion); and electrical machinery, equipment and supplies (\$9.7 billion).

Table 2 contains data for FSC returns classified by the country of incorporation of the FSC. A FSC can only be incorporated in selected foreign countries and U.S. possessions. The largest number of FSC's were incorporated in the U.S. Virgin Islands (65 percent of all FSC's), Guam (15 percent), Jamaica (8 percent), and Barbados (6 percent).

When a FSC engages in a transaction with a related party, the FSC and the related party must allocate the income they receive from the transaction using one of three pricing methods. The three possible pricing methods that can be used are (1) 1.83 percent of gross receipts method (income of the FSC equals 1.83 percent of receipts derived from the sale), (2) 23 percent of combined taxable income method (income of the FSC equals 23 percent of the combined taxable income earned from the transaction by both the FSC and the related party) and (3) Internal Revenue Code section 482 method (income of the FSC equals the amount that the FSC can independently justify on the basis of its sales activity). Different pricing methods can be used for different transactions.

Table 3 presents data classified by the pricing method used for intercompany transactions. The method most often used was the 23 percent of combined taxable income method. Of the 2,324 FSC income tax returns showing the pricing method used for intercompany transactions, 1,412 FSC's (61 percent) reported using only this method. Another 384 FSC's used only the 1.83 percent of gross receipts method (17 percent). Although only 317 FSC's (14 percent) reported using both the combined taxable income and gross receipts methods, these FSC's included many of the larger FSC's, accounting for 61 percent of total gross receipts for all FSC's, as opposed to 26 percent of gross receipts for FSC's using only the combined taxable income method and 10 percent of gross receipts for FSC's using only the gross receipts method.

Explanation of Selected Terms for FSC's Statistics

Administrative Pricing Rules.—These rules are the 1.83 percent of gross receipts method and the 23 percent of combined taxable income method. If one of these two administrative pricing rules are not used, then the Code section 482 method must be used.

Cost of Goods Sold.—Cost of goods sold, including cost of operations, related to foreign trading gross receipts. For “commission FSC’s,” the cost of goods sold was generally factored into the commission calculation and therefore is not shown separately in the tables. In addition, cost of goods sold includes cost of goods sold related to the foreign trading gross receipts in excess of \$5 million that is calculated by small FSC’s.

Direct Costs:

- *Administrative.*—Total foreign direct costs related to foreign trade income from transactions in which the administrative pricing rules were used.
- *Nonadministrative.*—Total foreign direct costs related to foreign trade income from transactions in which the administrative pricing rules were not used.

Net Exempt Income:

- *Administrative.*—Exempt foreign trade income from transactions in which the administrative pricing rules were used, net of deductions related to that exempt foreign trade income.
- *Nonadministrative.*—Exempt foreign trade income from transactions in which the administrative pricing rules were not used, net of deductions related to that exempt foreign trade income.

Net Income.—Total nonexempt income net of all appropriate deductions except the net operating loss and dividends-received deductions, including (1) net income attributable to nonexempt foreign trade income from transactions in which the administrative pricing rules were used; (2) net income attributable to nonexempt foreign trade income from transactions in which the administrative pricing rules were not used, reduced by any nontaxable income (i.e., income that is not “effectively connected” with a U.S. trade or business); and (3) net income attributable to non-foreign trade income.

- *Administrative.*—Net income attributable to nonexempt foreign trade income from transactions in which the administrative pricing rules were used.
- *Nonadministrative.*—Net income attributable to nonexempt foreign trade income from transactions in which the administrative pricing rules were not used.
- *Non-foreign trade.*—Net income attributable to non-foreign trade income.

Schedule P Gross Receipts.—Gross receipts earned by the FSC and related suppliers from transactions with third parties.

Taxable Income.—Total income net of all deductions, including the net operating loss and dividends-received deductions. Taxable income is the same as “income subject to tax” shown in the statistics for U.S. corporations in general (e.g., in Table 13 of the “Selected Historical and Other Data” section of this issue).

Total Foreign Trade Deductions:

- *Administrative.*—Total deductions related to foreign trade income (both exempt and nonexempt) from transactions in which the administrative pricing rules were used. These deductions include foreign direct costs related to foreign trade income from transactions in which the administrative pricing rules were used.
- *Nonadministrative.*—Total deductions related to foreign trade income (both exempt and nonexempt) from transactions in which the administrative pricing rules were not used. These deductions include foreign direct costs related to foreign trade income from transactions in which the administrative pricing rules were not used.

Total (Foreign Trade) Income:

- *Administrative.*—Includes both foreign trading gross receipts (or the commission portion of gross receipts) and other nonexempt foreign trade income earned by FSC's from transactions in which the administrative pricing rules were used.
- *Nonadministrative.*—Includes both foreign trading gross receipts and other nonexempt foreign trade income earned by FSC's from transactions in which the administrative pricing rules were not used.

Total Non-foreign Trade Deductions.—Deductions related to total non-foreign trade income.

All Returns of Active Foreign Sales Corporations

Table 1.—Assets, Receipts, Deductions, Net Income, Exempt Income and Taxes of FSC, by Major Product or Service

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Schedule P gross receipts	Total income			Cost of goods sold	Direct costs		Total foreign trade deductions	
						Administrative foreign trade	Non-administrative foreign trade	Non-foreign trade		Administrative	Non-administrative	Administrative	Non-administrative
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All products and services	2,613	5,562,757	4,579,930	3,116,065	84,280,131	17,629,033	2,658,229	206,584	12,264,906	1,787,658	108,169	3,647,521	337,894
Nonmanufactured products and services	319	466,881	362,589	229,810	10,545,810	943,281	314,629	2,405	451,184	227,737	42,060	370,684	62,459
Grains and soybeans.....	12	142,558	106,982	59,865	6,309,395	315,949	158,662	59	61,314	157,916	37,046	184,289	54,876
Cotton.....	37	44,074	30,042	27,006	760,702	49,037	—	285	—	23,864	—	29,717	—
Crops, except cotton, grains and soybeans.....	34	22,133	19,810	15,992	529,837	26,492	—	63	—	4,363	—	12,694	—
Livestock and livestock products.....	33	18,157	5,234	12,356	395,856	280,174	—	1,833	356,677	—	4,994	15,364	5,454
Fishery products and services.....	33	13,868	11,508	—	240,489	20,107	—	—	—	6,261	—	10,722	—
Metal mining, except iron ores, products and services.....	9	37,239	27,169	4,483	271,919	39,856	—	—	705	911	—	1,150	—
Chemical and fertilizer mineral products and services.....	33	9,964	7,635	3,181	299,123	19,748	—	—	—	8,679	—	10,497	—
Export management services.....	18	22,876	22,775	16,280	136,498	22,832	—	31	—	3,690	11	14,536	31
Computer software.....	20	99,015	99,291	73,906	341,802	97,045	—	—	—	6,037	—	68,168	—
Motion picture distribution.....	32	16,441	10,182	5,237	279,283	29,981	—	9,452	7,065	1,908	—	4,815	579
Engineering and architectural services.....	22	1,677	1,611	177	89,142	6,179	—	—	1,648	101	—	292	—
Manufactured products.....	2,294	5,095,876	4,217,341	2,886,255	73,734,321	16,685,772	2,343,600	204,179	11,813,722	1,559,922	66,109	3,276,837	275,435
Ordnance and accessories.....	4	15,719	15,680	3,040	10,069	837	—	—	—	7	—	7	44
Ammunition, except for small arms.....	4	15,719	15,680	3,040	10,069	837	—	—	—	7	—	7	44
Food and kindred products.....	147	136,727	131,701	79,438	2,500,802	658,588	80,546	58,504	540,314	39,609	735	124,165	1,427
Meat products.....	41	31,271	31,104	17,013	727,170	292,830	37,865	38,951	296,787	1,704	735	16,401	880
Canned and preserved fruits, vegetables and seafoods.....	8	9,108	9,057	3,662	264,642	11,195	—	—	—	2,417	—	4,504	—
Grain mill products.....	9	37,228	35,680	31,078	209,175	42,347	—	—	—	11,561	—	34,958	—
Beverages.....	9	9,473	9,342	314	138,988	40,917	—	1	16,612	8,035	—	13,871	—
Tobacco manufactures.....	10	80,718	79,623	6,220	2,969,015	305,886	—	70	—	147,729	—	214,939	—
Cigarettes.....	3	62,274	62,137	1,691	2,268,159	281,209	—	—	—	146,723	—	206,383	—
Tobacco stemming and redrying.....	6	17,534	17,430	5,943	559,985	17,250	—	—	—	906	—	3,707	—
Textile mill products.....	17	2,449	2,376	376	181,117	9,991	—	8,430	6,763	1,196	—	4,715	—
Yarn and thread mills.....	8	848	813	27	30,397	2,435	—	—	—	—	—	1,850	—
Apparel and other finished products made from fabrics and similar materials.....	5	1,641	1,580	59	16,182	2,122	—	139	115	328	—	1,098	—
Lumber and wood products, except furniture.....	34	93,567	62,245	45,751	930,735	469,191	100,020	81,872	399,716	14,680	—	75,124	682
Millwork, veneer, plywood, and prefabricated structural wood products.....	9	54,355	45,684	33,083	390,693	217,783	100,020	81,730	281,177	14,398	—	20,577	682
Furniture and fixtures.....	14	4,525	4,503	3,718	52,436	17,166	—	—	13,095	947	—	3,151	—
Office furniture.....	3	4,231	4,219	3,702	36,940	1,670	—	—	—	947	—	1,097	—
Paper and allied products.....	52	156,044	135,704	97,360	1,569,288	263,221	23,597	3,304	32,957	108,129	953	164,093	2,147
Pulp mills.....	8	53,345	52,938	43,838	314,995	63,364	—	—	—	33,386	—	39,825	—
Paper mills, except building paper mills.....	8	25,891	9,691	17,499	123,279	28,569	19,293	—	17,177	529	4	12,349	150
Paperboard mills.....	4	24,691	22,076	905	578,731	88,636	4,303	7	2,154	57,797	949	60,888	1,996
Converted paper and paperboard products, except boxes.....	15	41,580	41,135	29,050	364,218	49,742	—	3,297	13,626	9,628	—	22,447	—
Paperboard containers and boxes.....	11	661	—	—	41,882	5,194	—	—	—	—	—	4,427	—
Building paper and building board mills.....	6	9,875	9,865	6,069	146,182	27,717	—	—	—	6,789	—	24,158	—
Printing, publishing, and allied products.....	57	30,510	16,678	7,787	191,020	27,673	12,817	725	9,628	8,280	24	10,841	2,065
Periodicals: publishing, printing.....	6	3,147	2,851	1,482	16,990	3,301	—	—	—	1,295	—	1,389	11
Books.....	47	18,906	5,562	205	133,112	20,636	—	587	—	5,690	—	8,129	—
Chemicals and allied products.....	173	1,337,691	1,071,698	1,047,039	12,209,528	2,307,578	1,301,753	13,571	1,649,345	625,807	47,491	972,008	121,848
Industrial inorganic and organic chemicals.....	39	632,280	414,890	691,482	3,624,475	447,010	1,259,250	10,718	1,027,773	61,578	44,771	212,452	115,358
Plastic materials, synthetic and other man-made fibers.....	16	308,888	299,262	144,095	4,157,618	783,162	—	83	—	454,474	—	528,976	—
Drugs.....	50	173,161	148,235	98,390	1,898,152	603,776	3,173	183	463,970	24,935	6	46,547	779
Soaps, detergents, and toilet preparations.....	15	15,698	13,039	5,643	68,856	19,128	—	—	—	3,805	—	8,289	—
Paints and allied products.....	8	8,823	6,556	5,097	29,232	19,208	8	24	16,169	87	—	277	8
Gum and wood chemicals.....	3	43,665	42,189	33,109	496,774	92,683	107	1	88	9,979	1	55,105	3
Agricultural chemicals.....	3	17,508	17,448	11,346	214,098	117,809	—	—	98,731	8,086	—	12,022	—

All Returns of Active Foreign Sales Corporations

Table 1.—Assets, Receipts, Deductions, Net Income, Exempt Income and Taxes of FSC, by Major Product or Service—Continued

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

Major product or service	Total non-foreign trade deductions	Net income			Net income (less deficit)	Net income	Deficit	Taxable income	Net exempt income		Total tax	Income tax
		Administrative	Non-administrative	Non-foreign trade					Administrative	Non-administrative		
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All products and services	190,439	1,188,034	243,749	16,145	1,294,109	1,294,919	811	1,291,673	2,006,396	104,534	507,111	505,028
Nonmanufactured products and services	1,867	106,870	47,369	538	118,746	118,900	153	118,897	199,971	20,355	45,224	45,115
Grains and soybeans.....	—	45,795	29,731	59	45,856	45,856	—	45,856	85,864	12,742	17,047	17,024
Cotton.....	—	6,720	—	285	4,614	4,665	51	4,665	12,600	—	1,873	1,873
Crops, except cotton, grains and soybeans.....	23	5,495	—	40	1,625	1,637	12	1,637	10,303	—	533	534
Livestock and livestock products.....	1,788	762	12,554	45	13,361	13,361	—	13,361	1,429	5,380	5,389	5,389
Fishery products and services.....	—	3,122	—	—	3,122	3,122	—	3,122	6,264	—	1,274	1,273
Metal mining, except iron ores, products and services.....	—	13,218	—	—	13,218	13,218	—	13,218	24,783	—	5,249	5,184
Chemical and fertilizer mineral products and services.....	—	3,218	—	—	3,218	3,218	—	3,218	6,033	—	1,212	1,212
Export management services.....	10	2,886	-22	21	2,885	2,909	24	2,909	5,411	-9	1,159	1,159
Computer software.....	—	10,070	—	—	10,071	10,071	1	10,069	18,043	—	3,664	3,659
Motion picture distribution.....	—	8,754	1,230	65	10,048	10,048	—	10,048	16,413	579	3,682	3,675
Engineering and architectural services.....	1	1,471	—	-1	1,470	1,470	3	1,473	2,768	—	595	595
Manufactured products	188,571	1,081,164	196,381	15,607	1,175,362	1,176,023	657	1,172,776	1,806,424	84,179	461,887	459,913
Ordinance and accessories.....	—	562	-31	—	531	562	31	562	268	-13	259	259
Ammunition, except for small arms.....	—	562	-31	—	531	562	31	562	268	-13	259	259
Food and kindred products.....	58,712	23,669	3,780	-208	24,310	24,330	20	21,964	44,379	1,620	7,913	7,934
Meat products.....	39,394	4,279	3,281	-443	4,185	4,185	—	4,185	8,022	1,406	1,422	1,445
Canned and preserved fruits, vegetables and seafoods.....	—	2,328	—	—	2,328	2,328	—	2,328	4,364	—	868	866
Grain mill products.....	—	2,570	—	—	2,570	2,570	—	2,570	4,819	—	970	970
Beverages.....	—	3,629	—	1	3,629	3,629	—	3,629	6,805	—	1,384	1,380
Tobacco manufactures.....	6	31,634	—	65	31,699	31,699	—	31,699	59,313	—	12,749	12,733
Cigarettes.....	—	26,027	—	—	26,027	26,027	—	26,027	48,799	—	10,414	10,398
Tobacco stemming and redrying.....	—	4,711	—	—	4,711	4,711	—	4,711	8,833	—	2,009	2,009
Textile mill products.....	8,345	1,640	—	85	1,725	1,729	4	1,729	3,074	—	680	680
Yarn and thread mills.....	—	204	—	—	204	204	—	204	382	—	72	72
Apparel and other finished products made from fabrics and similar materials.....	139	268	—	—	268	268	—	267	502	—	107	107
Lumber and wood products, except furniture.....	80,718	30,545	1,261	1,155	32,960	32,962	2	32,962	57,461	540	12,900	12,863
Millwork, veneer, plywood, and prefabricated structural wood products.....	80,715	3,302	1,261	1,015	5,577	5,577	—	5,577	6,381	540	2,040	2,039
Furniture and fixtures.....	—	320	—	—	320	320	—	320	600	—	123	123
Office furniture.....	—	199	—	—	199	199	—	199	373	—	74	74
Paper and allied products.....	3,160	28,593	1,483	143	30,220	30,222	2	30,213	53,612	636	12,123	12,014
Pulp mills.....	—	8,188	—	—	8,188	8,189	2	8,188	15,352	—	3,282	3,282
Paper mills, except building paper mills.....	—	5,642	1,376	—	7,018	7,018	—	7,018	10,578	590	2,820	2,808
Paperboard mills.....	—	9,652	107	7	9,765	9,765	—	9,765	18,097	46	3,909	3,903
Converted paper and paperboard products, except boxes.....	3,160	3,608	—	137	3,744	3,744	—	3,738	6,764	—	1,513	1,486
Paperboard containers and boxes.....	—	267	—	—	267	267	—	267	500	—	107	107
Building paper and building board mills.....	—	1,238	—	—	1,238	1,238	—	1,238	2,321	—	492	429
Printing, publishing, and allied products.....	35	5,855	787	690	6,537	6,544	8	6,544	10,978	337	2,366	2,364
Periodicals: publishing, printing.....	—	665	-8	—	657	665	8	665	1,247	-4	256	256
Books.....	—	4,350	—	587	4,937	4,937	—	4,937	8,156	—	1,734	1,732
Chemicals and allied products.....	3,710	228,531	149,947	9,861	290,435	290,465	29	290,436	422,191	64,263	115,820	115,524
Industrial inorganic and organic chemicals.....	3,674	48,641	147,959	7,044	107,542	107,547	5	107,547	90,717	63,411	43,063	42,959
Plastic materials, synthetic and other man-made fibers.....	—	88,502	—	83	88,585	88,585	—	88,585	165,684	—	35,406	35,288
Drugs.....	12	33,249	44	171	33,464	33,474	10	33,445	62,340	19	13,311	13,276
Soaps, detergents, and toilet preparations.....	2	3,770	—	-2	3,768	3,770	2	3,770	7,069	—	1,499	1,498
Paints and allied products.....	11	960	—	13	972	984	11	984	1,802	—	411	411
Gum and wood chemicals.....	—	13,071	12	1	13,083	13,083	—	13,083	24,507	5	5,228	5,228
Agricultural chemicals.....	—	2,455	—	—	2,455	2,455	—	2,455	4,603	—	969	968

Foreign Sales Corporations, 1987

All Returns of Active Foreign Sales Corporations

Table 1.—Assets, Receipts, Deductions, Net Income, Exempt Income and Taxes of FSC, by Major Product or Service—Continued

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Schedule P gross receipts	Total income			Cost of goods sold	Direct costs		Total foreign trade deductions	
						Administrative foreign trade	Non-administrative foreign trade	Non-foreign trade		Administrative	Non-administrative	Administrative	Non-administrative
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Manufactured products—Continued													
Rubber and miscellaneous plastic products.....	65	28,961	24,315	14,832	882,387	68,379	13,307	380	26,135	9,355	—	27,418	1,627
Tires and inner tubes.....	4	8,735	4,420	517	681,004	36,560	—	341	—	4,375	—	19,456	—
Leather and leather products.....	23	60,476	53,566	49,623	597,755	244,670	177,348	99	390,242	6,473	5,925	10,645	9,518
Footwear, except rubber.....	7	1,591	1,399	1,125	5,239	460	—	—	—	134	—	192	—
Stone, clay, glass and concrete products.....	21	22,104	20,366	11,817	518,736	44,808	—	—	—	3,550	—	24,081	—
Glass products, made or purchased glass.....	16	12,753	12,372	6,570	248,269	21,857	—	—	—	215	—	10,147	—
Primary metal products.....	56	79,273	78,654	48,905	1,060,017	125,099	—	1	16,751	38,440	—	68,050	—
Iron and steel foundries.....	30	12,170	12,131	2,419	169,182	12,601	—	—	—	217	—	1,152	—
Rolling, drawing, and extruding of nonferrous metals.....	4	10,441	10,427	8,543	18,450	—	—	—	16,751	180	—	859	—
Fabricated metal products, except ordnance, machinery and transportation equipment.....	152	99,942	89,251	53,610	1,319,936	170,086	46,634	5,194	76,661	10,509	53	59,099	5,182
Cutlery, hand tools, and general hardware.....	44	24,516	23,956	19,256	207,183	19,391	46,634	101	32,974	1,782	53	6,753	5,182
Heating apparatus and plumbing fixtures.....	32	16,738	14,156	9,590	243,621	45,105	—	67	19,913	3,087	—	16,130	—
Fabricated structural metal products.....	6	348	339	185	24,389	1,387	—	—	—	12	—	20	—
Screw machine products.....	30	66	63	46	5,000	408	—	2	—	—	—	7	—
Metal stampings.....	9	5,241	5,181	513	157,397	16,619	—	—	—	—	—	9,464	—
Machinery, except electrical.....	356	1,184,080	960,791	594,593	13,356,565	2,287,366	81,630	11,177	1,240,125	240,894	1,139	433,282	33,130
Engines and turbines.....	13	446,537	275,620	275,726	2,970,279	1,344,783	36,891	47	1,091,924	16,834	452	84,287	22,008
Farm machinery and equipment.....	16	16,777	15,855	11,680	97,270	13,153	9,286	38	8,863	5,653	—	9,587	417
Construction, mining, and materials handling equipment.....	38	23,973	10,387	9,367	2,041,420	100,891	6,549	135	17,063	19,179	270	35,833	4,262
Metalworking machinery and equipment.....	13	4,020	3,769	1,114	70,171	9,287	—	—	—	1,186	—	6,430	—
Special industry machinery, except metalworking.....	23	72,802	46,067	48,879	444,716	72,765	26,996	9,724	40,475	9,255	390	14,349	6,346
General industry machinery and equipment.....	23	12,680	12,471	1,889	411,470	17,416	—	—	—	1,725	—	5,499	—
Office, computing, and accounting machines.....	124	541,917	540,160	210,963	6,735,710	645,200	—	223	54,920	174,716	—	246,175	—
Service industry machines.....	35	36,781	29,869	23,456	156,290	44,928	—	—	23,248	2,577	—	12,671	—
Electrical machinery, equipment, and supplies.....	536	644,947	544,280	314,372	9,746,845	1,213,516	167,098	19,372	376,445	107,638	70	568,562	21,491
Electrical industrial apparatus.....	41	11,521	11,446	9,141	312,844	17,139	—	28	—	2,986	—	7,398	—
Household appliances.....	17	17,123	16,614	6,383	632,826	58,889	—	—	4,908	14,696	—	35,198	—
Electric lighting and wiring equipment.....	5	9,002	8,179	5,982	129,471	13,109	—	—	—	3,991	—	6,269	—
Radio and television sets, except communication.....	31	15,990	15,659	11,929	88,887	5,684	—	—	—	582	—	3,759	—
Communication equipment.....	55	93,997	91,093	33,617	1,580,136	199,599	—	1	6,128	6,457	—	126,915	—
Electronic components and accessories.....	225	317,613	230,827	168,380	3,884,397	613,690	126,342	885	283,960	45,151	70	277,789	15,998
Transportation equipment.....	178	915,422	756,415	419,095	23,206,536	8,016,074	96,772	648	6,622,026	158,684	6,106	344,824	62,786
Motor vehicles and motor vehicle equipment.....	63	393,147	384,512	81,185	11,982,518	297,247	31,607	408	27,236	67,937	—	131,362	4,300
Aircraft and parts.....	76	498,473	348,158	330,686	10,608,943	7,652,902	65,164	240	6,594,789	54,124	6,106	176,270	58,487
Ship and boat building and repairing.....	33	1,574	1,543	371	18,002	—	—	—	—	207	—	222	—
Professional, scientific, and controlling instruments; photographic and optical goods; watches and clocks.....	175	122,480	102,485	53,545	1,632,740	281,367	211,470	89	291,444	28,500	3,615	128,962	3,662
Engineering, laboratory and scientific equipment.....	46	31,197	30,731	18,308	291,669	46,895	—	—	—	12,246	—	36,573	—
Instruments for measuring physical characteristics.....	75	29,068	28,141	2,855	493,066	90,825	53	49	—	9,111	—	65,219	24
Optical instruments and lenses.....	8	7,372	4,067	511	117,114	7,273	—	—	—	940	—	1,928	—
Surgical, medical, and dental instruments and supplies.....	30	21,111	12,357	3,635	395,406	89,476	—	—	62,709	725	—	9,305	—
Photographic equipment and supplies.....	16	33,732	27,188	28,236	335,484	46,898	211,417	40	228,735	5,479	3,615	15,937	3,638
Miscellaneous manufactured products and manufactured products not allocable.....	216	78,596	65,428	33,072	782,607	172,149	30,610	605	121,960	9,168	—	41,768	9,824
Toys, amusement, sporting and athletic goods.....	53	8,988	7,944	4,054	275,529	35,548	—	3	25,561	848	—	2,185	—

All Returns of Active Foreign Sales Corporations

Table 1.—Assets, Receipts, Deductions, Net Income, Exempt Income and Taxes of FSC, by Major Product or Service—Continued

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

Major product or service	Total non-foreign trade deductions	Net income			Net income (less deficit)	Net income	Deficit	Taxable income	Net exempt income		Total tax	Income tax
		Administrative	Non-administrative	Non-foreign trade					Administrative	Non-administrative		
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Manufactured products—Continued												
Rubber and miscellaneous plastic products.....	7	8,993	455	373	9,821	9,831	9	9,831	16,862	195	4,007	4,000
Tires and inner tubes.....	7	5,949	—	334	6,283	6,283	—	6,283	11,155	—	2,581	2,575
Leather and leather products.....	—	3,243	1,603	99	4,945	4,948	3	4,948	6,080	687	1,853	1,849
Footwear, except rubber.....	—	93	—	—	93	97	3	97	175	—	38	37
Stone, clay, glass and concrete products.....	—	7,210	—	—	7,210	7,210	—	7,210	13,518	—	3,388	2,783
Glass products, made or purchased glass.....	—	4,073	—	—	4,073	4,073	—	4,073	7,637	—	1,521	1,521
Primary metal products.....	—	14,017	—	1	14,018	14,018	—	14,018	26,281	—	5,496	5,482
Iron and steel foundries.....	—	3,982	—	—	3,982	3,982	—	3,982	7,467	—	1,589	1,575
Rolling, drawing, and extruding of nonferrous metals.....	—	292	—	—	292	292	—	292	548	—	117	117
Fabricated metal products, except ordnance, machinery and transportation equipment.....	4,749	21,601	9,665	445	31,711	31,719	8	31,719	40,177	4,142	12,309	12,289
Cutlery, hand tools, and general hardware.....	27	2,542	9,665	74	12,281	12,281	—	12,281	4,766	4,142	4,854	4,846
Heating apparatus and plumbing fixtures.....	53	3,152	—	14	3,166	3,166	—	3,166	5,910	—	1,252	1,250
Fabricated structural metal products.....	—	475	—	—	475	476	1	476	891	—	195	195
Screw machine products.....	7	139	—	—5	134	140	6	140	261	—	41	41
Metal stampings.....	—	2,489	—	—	2,489	2,489	—	2,489	4,666	—	976	976
Machinery, except electrical.....	10,092	211,661	17,784	1,085	220,112	220,275	163	219,568	381,895	7,658	85,489	85,305
Engines and turbines.....	—	53,156	10,418	47	53,202	53,322	119	53,322	85,483	4,465	21,364	21,271
Farm machinery and equipment.....	1	1,240	4	37	1,282	1,284	3	1,284	2,326	2	492	492
Construction, mining, and materials handling equipment.....	106	16,694	1,601	29	18,324	18,337	14	17,630	31,301	686	7,304	7,282
Metalworking machinery and equipment.....	—	994	—	—	994	995	1	995	1,863	—	400	400
Special industry machinery, except metalworking.....	8,988	7,429	5,237	735	13,401	13,401	—	13,401	13,929	2,281	4,958	4,958
General industry machinery and equipment.....	—	4,145	—	—	4,145	4,145	—	4,145	7,772	—	1,590	1,587
Office, computing, and accounting machines.....	49	119,690	—	174	119,864	119,880	16	119,880	224,415	—	45,941	45,877
Service industry machines.....	—	1,786	—	—	1,786	1,786	—	1,786	3,415	—	700	700
Electrical machinery, equipment, and supplies.....	18,842	157,729	3,454	530	161,712	162,018	306	162,018	224,345	1,460	63,071	62,795
Electrical industrial apparatus.....	1	3,378	—	27	3,405	3,405	—	3,405	6,334	—	1,288	1,288
Household appliances.....	—	6,533	—	—	6,534	6,534	—	6,534	12,250	—	2,610	2,608
Electric lighting and wiring equipment.....	—	2,379	—	—	2,379	2,379	—	2,379	4,461	—	908	906
Radio and television sets, except communication.....	2	670	—	—2	668	670	2	670	1,256	—	155	155
Communication equipment.....	—	25,368	—	1	25,369	25,369	—	25,369	41,187	—	10,135	9,949
Electronic components and accessories.....	508	63,917	3,463	377	67,757	68,050	293	68,050	83,446	1,464	26,199	26,178
Transportation equipment.....	9	272,622	357	639	273,618	273,635	17	273,635	388,157	153	108,894	108,809
Motor vehicles and motor vehicle equipment.....	—	59,068	50	408	59,525	59,525	—	59,525	106,818	21	23,670	23,645
Aircraft and parts.....	9	197,057	308	231	197,596	197,604	9	197,604	269,103	132	78,712	78,671
Ship and boat building and repairing.....	—	401	—	—	401	407	5	407	920	—	61	61
Professional, scientific, and controlling instruments, photographic and optical goods; watches and clocks.....	27	22,155	5,762	61	22,236	22,259	22	22,259	38,341	2,469	8,713	8,375
Engineering, laboratory and scientific equipment.....	—	3,590	—	—	3,590	3,590	—	3,590	6,732	—	1,674	1,366
Instruments for measuring physical characteristics.....	25	9,923	20	24	9,967	9,978	10	9,978	15,641	9	3,525	3,523
Optical instruments and lenses.....	—	1,940	—	—	1,940	1,940	—	1,940	3,404	—	804	801
Surgical, medical, and dental instruments and supplies.....	2	6,074	—	—2	6,072	6,084	12	6,084	11,389	—	2,443	2,418
Photographic equipment and supplies.....	—	627	5,742	40	667	667	—	667	1,176	2,461	267	266
Miscellaneous manufactured products and manufactured products not allocable.....	21	10,318	73	584	10,976	11,007	31	10,874	18,390	31	3,626	3,624
Toys, amusement, sporting and athletic goods.....	—	2,586	—	3	2,589	2,589	—	2,589	5,216	—	662	662

Note: Detail may not add to total because only selected products and services are included.

All Returns of Active Foreign Sales Corporations

Table 2.—Assets, Receipts, Deductions, Net Income, Exempt Income and Taxes of FSC, by Country of Incorporation

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

Country	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Schedule P gross receipts	Total income			Cost of goods sold	Direct costs		Total foreign trade deductions	
						Administrative foreign trade	Non-administrative foreign trade	Non-foreign trade		Administrative	Non-administrative	Administrative	Non-administrative
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All countries, total	2,613	5,562,757	4,579,930	3,116,065	84,280,131	17,629,033	2,658,229	206,584	12,264,906	1,787,658	108,169	3,647,521	337,894
Latin America, total	367	665,406	642,325	337,229	10,056,683	1,306,824	99,111	2,468	618,742	169,676	452	399,176	36,121
Barbados	163	326,616	316,810	143,069	4,673,668	789,201	38,602	1,416	416,844	54,220	—	184,884	22,047
Jamaica	204	338,790	325,515	194,161	5,383,015	517,623	60,509	1,052	201,898	115,456	—	214,291	14,074
Europe, total	51	958,359	700,187	726,299	10,260,889	625,580	1,481,463	7,493	1,141,830	269,155	48,657	314,990	123,165
Netherlands	51	958,359	700,187	726,299	10,260,889	625,580	1,481,463	7,493	1,141,830	269,155	48,657	314,990	123,165
Asia, total	11	10,526	5,486	7,651	40,315	—	40,315	—	32,049	—	70	—	5,745
South Korea	11	10,526	5,486	7,651	40,315	—	40,315	—	32,049	—	70	—	5,745
U.S. possessions, total	2,085	3,905,784	3,217,824	2,036,760	63,549,649	15,677,694	998,939	196,623	10,438,023	1,347,323	58,990	2,922,250	171,375
Guam	380	932,007	583,923	604,010	16,553,042	10,172,079	300,249	142,455	8,790,457	203,701	31,733	452,466	35,473
U.S. Virgin Islands	1,688	2,960,827	2,623,065	1,426,531	46,879,715	5,475,659	698,690	54,052	1,626,705	1,141,064	27,257	2,464,901	135,902
Other U.S. possessions	17	12,950	10,836	6,219	116,892	29,956	—	116	20,861	2,557	—	4,883	—
Country not stated	100	22,681	14,108	8,125	372,594	18,935	38,400	—	34,262	1,505	—	11,106	1,488

Country	Total non-foreign trade deductions	Net income			Net income (less deficit)	Net income	Deficit	Taxable income	Net exempt income		Total tax	Income tax
		Administrative	Non-administrative	Non-foreign trade					Administrative	Non-administrative		
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All countries, total	190,439	1,188,034	243,749	16,145	1,294,109	1,294,919	811	1,291,673	2,006,396	104,534	507,111	505,028
Latin America, total	1,286	125,176	10,550	1,182	126,490	126,710	220	126,576	206,755	4,521	49,914	49,836
Barbados	1,245	73,273	10,795	171	73,821	73,830	9	73,830	110,545	4,626	28,423	28,362
Jamaica	41	51,903	-244	1,011	52,669	52,881	212	52,746	96,210	-105	21,491	21,474
Europe, total	315	107,968	155,422	7,179	168,724	168,735	11	168,028	197,059	66,609	64,390	64,245
Netherlands	315	107,968	155,422	7,179	168,724	168,735	11	168,028	197,059	66,609	64,390	64,245
Asia, total	—	—	1,765	—	1,765	1,765	—	1,765	—	756	508	508
South Korea	—	—	1,765	—	1,765	1,765	—	1,765	—	756	508	508
U.S. possessions, total	188,838	952,292	74,157	7,785	992,676	993,245	570	990,842	1,597,352	31,852	390,904	389,107
Guam	141,292	264,167	16,730	1,163	272,369	272,391	22	272,385	462,728	7,170	107,848	107,639
U.S. Virgin Islands	47,546	686,659	57,428	6,506	718,726	719,273	548	716,876	1,131,877	24,682	282,568	280,979
Other U.S. possessions	—	1,465	—	116	1,580	1,580	—	1,580	2,747	—	488	488
Country not stated	—	2,599	1,855	—	4,454	4,463	9	4,463	5,230	795	1,395	1,332

All Returns of Active Foreign Sales Corporations

Table 3.—Assets, Receipts, Deductions, Net Income, Exempt Income and Taxes of FSC, by Intercompany Pricing Method

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

Intercompany pricing method	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Schedule P gross receipts	Total income			Cost of goods sold	Direct costs		Total foreign trade deductions	
						Administrative foreign trade	Non-administrative foreign trade	Non-foreign trade		Administrative	Non-administrative	Administrative	Non-administrative
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
All returns	2,613	5,562,757	4,579,930	3,116,065	84,280,131	17,629,033	2,658,229	206,584	12,264,906	1,787,658	108,169	3,647,521	337,894
Returns showing intercompany pricing method, total	2,324	5,499,288	4,526,260	3,087,591	84,244,851	17,629,033	2,658,229	205,401	12,264,906	1,787,650	108,158	3,647,188	337,722
1.83 percent of gross receipts method only.....	384	259,296	227,586	138,802	8,103,806	877,453	—	41,596	495,609	92,080	—	234,580	—
23 percent of combined taxable income method only....	1,412	1,700,063	1,505,703	846,153	21,702,431	4,399,039	—	33,411	1,848,352	617,832	—	1,410,260	—
Section 482 method only	188	794,937	459,671	767,006	2,606,882	—	2,553,084	127,456	1,891,315	—	77,750	—	300,672
1.83 and 23 percent methods.....	317	2,668,398	2,273,121	1,306,562	51,270,070	12,217,501	—	2,626	7,940,391	1,066,876	—	1,965,424	169
23 percent and section 482 methods	3	19,532	16,891	13,253	56,951	6,894	32,992	74	31,283	211	1,674	1,084	4,171
1.83 percent and section 482 methods	15	28,643	16,799	9,778	169,023	34,373	15,521	123	34,941	194	949	7,657	4,160
All three methods.....	5	28,419	26,489	6,037	335,688	93,773	56,632	116	23,015	10,458	27,785	28,182	28,548
Returns not showing intercompany pricing method ..	289	63,469	53,669	28,474	35,280	—	—	1,183	—	8	11	334	172

Intercompany pricing method	Total non-foreign trade deductions	Net income			Net income (less deficit)	Net income	Deficit	Taxable income	Net exempt income		Total tax	Income tax
		Administrative	Non-administrative	Non-foreign trade					Administrative	Non-administrative		
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All returns	190,439	1,188,034	243,749	16,145	1,294,109	1,294,919	811	1,291,673	2,006,396	104,534	507,111	505,028
Returns showing intercompany pricing method, total	189,779	1,188,154	243,871	15,622	1,293,827	1,294,191	364	1,290,945	2,006,610	104,585	506,983	504,901
1.83 percent of gross receipts method only.....	40,339	51,261	—	1,257	46,216	46,335	119	46,307	95,386	—	17,871	17,538
23 percent of combined taxable income method only....	30,185	403,147	—	3,226	405,389	405,390	—	403,013	718,233	—	156,895	156,663
Section 482 method only	117,872	—	238,067	9,584	104,528	104,770	242	103,930	—	102,097	40,691	40,612
1.83 and 23 percent methods.....	1,369	709,857	— 119	1,257	710,995	710,997	2	710,997	1,148,200	— 51	280,993	279,579
23 percent and section 482 methods	—	415	1,507	74	1,996	1,996	—	1,996	779	646	779	776
1.83 percent and section 482 methods	2	869	446	120	1,435	1,435	—	1,435	1,629	191	446	445
All three methods.....	11	22,605	3,970	105	23,267	23,267	—	23,267	42,384	1,701	9,309	9,287
Returns not showing intercompany pricing method ..	660	— 120	— 122	523	282	728	447	728	— 214	— 51	128	127