1990

Statistics of Income

Corporation Income Tax Returns



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Corporation Income Tax Returns

Department of the Treasury
Internal Revenue Service

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This report contains data by industry on assets, liabilities, receipts, deductions, net income, income subject to tax, tax, and credits. Data are also classified by size of total assets, by size of business receipts, and by size of income tax after credits. Other classifications include returns with net income, return types, and other selected subjects.

More detailed statistics for the industries shown in table 1 of this report are available in Publication 1053, ***Source Book of Statistics of Income - 1990***. A general description of the Source Book, including ordering information, is available from the Acting Director, Statistics of Income CP:S, Internal Revenue Service, Washington, DC 20224.

In addition, special Statistics of Income tabulations based on corporation income tax returns for 1990 can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Acting Director, Statistics of Income, at the address shown above.

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Business Source Books

Corporation Source Book, 1990
Publication 1053-Price $175.00

This 479-page document presents detailed income statement, balance sheet, tax and selected items, by major and minor industries and by size of total assets. The report, which underlies the *Statistics of Income-Corporation Income Tax Returns* publications, is a part of an annual series and can be purchased for $175 (issues prior to 1982 are for sale at $150 per year). A magnetic tape containing the tabular statistics for 1990 can be purchased for $1500.

Partnership Source Book, 1957-1983
Publication 1289-Price $30.00

This 291-page document shows key partnership data, for 1957 through 1983, by major and minor industries. It includes a historical definition of terms section and a summary of legislative changes affecting the comparability of partnership data during that period. Tables show:

- number of partnerships;
- number of partners;
- business receipts;
- depreciation;
- taxes paid deductions;
- interest paid deductions;
- payroll deductions;
- payments to partners; and
- net income less deficit.

A magnetic tape containing the tabular statistics for the partnerships can be purchased for $300 from the National Technical Information Service, U.S. Department of Commerce, Springfield, VA 22161. More recent partnership data are published annually in the *SOI Bulletin.*

Sole Proprietorship Source Book, 1957-1984
Publication 1323 - Price $95.00

This *Source Book* is a companion to that for partnerships, described above. It is a 251-page document showing key proprietorship data for 1957 through 1984; data for farm proprietorships are excluded after 1981. Each page presents statistics for a particular industry. Tables show:

- number of businesses;
- business receipts;
- depreciation;
- taxes paid deductions;
- interest paid deductions;
- payroll deductions; and
- net income less deficit.

A magnetic tape containing the tabular statistics can be purchased for $245. As with partnerships, more recent (nonfarm) sole proprietorship data are published annually in the *SOI Bulletin.*

Compendiums

Studies of Tax-Exempt Organizations,1974-1987
Publication 1416 - Price $26.00

This publication presents 22 articles from *Statistics of Income* studies on tax-exempt organizations. The *Compendium* emphasizes important issues within the non-profit sector, and includes previously published *SOI Bulletin* articles, as well as papers published in proceedings of the American Statistical Association and the Independent Sector Research Forum. Topics featured are:

- nonprofit charitable organizations (primarily charitable, educational and health organizations);
- private foundations and charitable; and
- unrelated business income of exempt organizations.

Studies of Tax-Exempt Organizations,1986-1992, Volume 2
Publication 1416 - Price $26.00

This publication presents 12 articles from *Statistics of Income* studies on tax-exempt, nonprofit organizations. The *Compendium* emphasizes important issues within the non-profit sector, and includes previously published *SOI Bulletin* articles, as well as papers prepared for the Journal off Nonprofit Manatement and Leadership, Trusts and Estates, the Independent Sector Research Forum, the National Research Council's Committee on National Statistics, and the American Statistical Association. Topics featured are:

- nonprofit charitable organizations (primarily charitable, educational and health organizations);
- private foundations and charitable; and
- unrelated business income of exempt organizations.

Studies of International Income and Taxes, 1984-1988

Publication 1267-Price $26.00

This report presents information from 13 *Statistics of Income* studies in the international area (many of them previously published in the *SOI Bulletin*), including:

- foreign activity of U.S. Corporations;
- activity of foreign corporations in the United States;
- foreign controlled U.S. corporations;
- statistics related to individuals, trusts and estates; and
- data represented by geographical area or industrial activity, as well as other classifiers.

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Public Use Magnetic Tape Microdata Files

Included are individual income tax returns for 1979-1990. (Individual income tax returns for 1966-1978 are available from the Center for Electronic Records (NNX) of the National Archives and Records Administration, Washington, DC 20408). Files containing more limited data for each State are also available for 1985 and 1988. All of these files have been edited to protect the confidentiality of individual taxpayers. Files for private foundations for 1982-1983 and 1985-1989 and nonprofit charitable organizations doe 1982-1983 and 1985-1989 are also available from the Statistics of Income Division. The individual, private foundation and charitable organization files are the only microdata files that can be released to the public.

Migration Data

Compilations are available showing migration patterns, from where to where, by State and county, based on year-to-year changes in the tax return address. Data are also available for selected time periods (according to the years in which returns were filed) between 1978 and 1991 and include counts of the number of individual income tax returns and personal exemptions. In addition, county income totals are available for Income Years 1982 and 1984 through 1990.

Other Unpublished Tabulations

Unpublished tabulations are also available, including detailed tables underlying those published in the *SOI Bulletin*. Special tabulations may also be produced, depending on the availability of SOI computer programming resources.

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Provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and on partnerships, as well as from periodic or special studies of particular interest to tax analysts and administrators and to economists. Historical tables include data from SOI, as well as on tax collections and refunds by type of tax.

Statistics of Income - 1989, Corporation Income Tax Returns

Publication 16, Stock No. 048-004-02316-4
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- income tax;
- tax credits;
- assets; and
- liabilities.

Data are classified by:
- industry;
- accounting period;
- size of total assets; and
- size of business receipts.

Statistics of Income - 1990,
Individual Income Tax Returns
Publication 1304, Stock No. 048-004-02320-2
Price $10.00

This report presents more comprehensive and complete data on individual income tax returns for 1990 than those published earlier in the *SOI Bulletin*.

Presents information on:
- Sources of Income;
- Exemptions;
- Itemized deductions;
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- size of adjusted gross income; and
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CONTENTS

Page

GUIDE TO TABLES iii

Section 1

INTRODUCTION 1
Overall Corporate Summary 1
Activities Covered 1
Time Period Employed 4

Section 2

CHANGES IN LAW AND REGULATIONS 7
Alternative Minimum Tax 7
Business Energy Credits 7
Disabled Access Credit 7
Low-Income Housing Credit 7
Orphan Drug Credit 7
Research Credit 7
Targeted Jobs Credit 8

Section 3

DESCRIPTION OF THE SAMPLE AND LIMITATIONS OF THE DATA 9
Background 9
Population 9
Sample Design 9
Sample Selection 10
Data Capture 10
Data Cleaning 12
Data Completion 12
Estimation 13
Data Limitations and Measures of Variability 13
Table Notation 15
Industrial Classification 16

Section 4

BASIC TABLES 19

Section 5

EXPLANATION OF TERMS 167
Index 167
Terms and Explanations 169

Section 6

FORMS AND INSTRUCTIONS 217

GUIDE TO TABLES

This report contains 25 basic tables. The major classification is industrial activity. This guide provides a reference for the major selected items and subjects available in the report. See pages 19 and 20 to determine the appropriate page number(s) for specific tables.

INCOME AND DEDUCTION ITEMS

Total receipts (figures A, C, tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 22, 24, 25)
- Business receipts (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 22, 24, 25)
- Interest (tables 2, 3, 6, 7, 8, 9, 10, 11,12, 13, 14, 15, 16, 17, 19, 24, 25)
- Interest on Government obligations (tables 2, 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Rents (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Royalties received (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Net short-term capital gain (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Net long-term capital gain (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Net gain, (loss) noncapital assets (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Dividends received (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)

Total deductions (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Cost of sales and operations (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Compensation of officers (tables 2, 3, 6, 7, 9, 10, 11, 12)
- Repairs (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Bad debt expense (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 16, 17, 19, 24, 25)
- Rent paid on business property (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Taxes (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Interest paid (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Advertising (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Contributions or gifts (tables 2, 3, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Amortization, and Depletion deduction (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Depreciation deduction (tables 1, 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Pension, and Employee benefit plans (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)

Constructive taxable income from related foreign corporations (tables 2, 3, 6, 7, 12, 13, 16, 17, 19, 20, 24, 25)

Net income (less deficit), total (figures A, B, C, tables 2, 4, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 24, 25)

Net income (tables 1, 3, 7, 9, 11, 13, 15, 17, 18, 19, 23, 25)

Statutory special deductions, total (tables 18, 20)

BALANCE SHEET ITEMS

Total assets (figures A, C, tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 21, 22, 24, 25)
- Cash (tables 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
- Notes and accounts receivable (tables 2, 3, 6, 7, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)

Allowance for bad debts (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Inventories (tables 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Investments in Government obligations (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 16, 17, 19, 24, 25)
Tax-exempt securities (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Loans to stockholders (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Mortgage and real estate loans (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Other investments (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Depreciable assets (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12,13, 17, 15, 16, 17, 19, 24, 25)
Accumulated depreciation (tables 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Depletable assets (tables 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Accumulated depletion (tables 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Land (tables 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Intangible assets (amortizable) (tables 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Accumulated amortization (tables 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Total liabilities (tables 2, 3, 4, 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Accounts payable (tables 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Loans from stockholders (tables 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Mortgages, notes, and bonds payable (tables 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Capital stock (tables 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Paid-in or capital surplus (tables 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Retained earnings (tables 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)
Cost of treasury stock (tables 2, 3, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)

TAX COMPUTATION ITEMS

Income subject to tax, (figures A, C, tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
Income tax (figures A, C, tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
Alternative minimum tax (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25)
Environmental tax (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25)
Tax payments (tables 18, 20)
Foreign tax credit (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
U.S. possessions tax credit (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
Nonconventional source fuel credit (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
General business credit (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
Orphan drug credit (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
Prior year minimum tax (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 22, 23, 24, 25)
Income tax after credits (figures A, C, tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)

SELECTED SUBJECTS

Accounting periods (figures B, C, table 18)
Alternative minimum tax (table 22)
Consolidated returns (table 19)
Dividend items (table 20)
Form 1120 only (tables 16, 17)
Form 1120-A corporations (tables 8, 9)
Form 1120F corporations (tables 10, 11)
Form 1120S corporations (tables 14, 15)
General business credit (table 21)
Returns other than Forms 1120 S, 1120-REIT, and 1120-RIC (tables 12, 13)
Returns with 50% or More Foreign Ownership (tables 24, 25)
Sampling selections (figures D, E)
Size of income tax after credits, (table 23)

Section 1

INTRODUCTION

This report presents statistical estimates based on 4 million returns filed, derived from a stratified sample of approximately 82,600 returns selected from the 3.7 million active corporate returns filed for the 1990 Income Year.

The report is divided into 6 sections. The first section provides statistics summarizing overall corporate activity for Income Year 1990. Section 2 discusses changes in law and regulations between this report and that for Income Year 1989. 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 basic tables that contain detailed statistics on 1990 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.

The statistics in this report provide additional detail on the data contained in Corporation Income Tax Returns, 1990 in the Statistics of Income Bulletin, Volume 13, Number 1, Summer 1993. [1]

OVERALL CORPORATE SUMMARY

Figure A presents corporation summary statistics for Income Years 1989 and 1990. The total number of returns increased by 2.4 percent from 1989 to 1990, Total assets and total receipts continued to increase and net income (less deficit), income subject to tax continued to decrease from 1989 to 1990. Income tax before credits of 128.2 billion, and income tax after credits of 96.4 billion for 1990 was a slight increase of .3 percent over the income tax before credits of 127.8 billion and total income tax after credit of 96.1 billion for 1989. Total assets of 18.2 trillion was an increase of 3.1 percent and total receipts of 11.4 trillion was an increase of 4.3 percent over the prior year. Both of these increases were smaller than the 6.5 percent increase for each from 1988 to 1989. Net income (less deficit) decreased by 4.7 percent and income subject to tax decreased by 1.3 percent.

The number of returns with total assets of $250 million or more represented less than one percent of the total returns and 80.5 percent of total assets for both 1989 and 1990. The 5,589 returns for 1990 accounted for 54.1 percent of the total receipts; 81.2 percent of net income (less deficit); 75.4 percent of income subject to tax; 77.6 percent of total income tax; and 73.3 percent of the total income tax after credits. This was an increase from 1989 where the 5,450 returns accounted for 53.3 percent of total receipts; 79.1 percent net income (less deficit); 74.0 percent of income subject to tax; 76.0 percent of total income tax; and 71.8 percent of total income tax after credits.

ACTIVITIES COVERED

The estimates in this report encompass corporate business activities in the United States as well as certain foreign activities as reported on returns of domestic corporations, and foreign corporations with

*Victor Rehula and Janice Washington were responsible for the overall production and the text for sections 1, 2, and 5. The tables for section 4 were reviewed by June Walters and Janice Washington. The report was prepared under the direction of Ken Szeflinski, Chief, Corporation Returns Analysis Section.

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 1989 and 1990

(All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets are in whole 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 [4]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1989							
Total	3,627,863	17,647,120,286	10,934,973,405	389,010,675	371,054,512	127,754,021	96,147,206
Zero assets	209,208	-	217,765,745	3,309,326	9,002,168	3,127,585	2,145,436
$1 under $100,000	1,833,773	58,373,473	314,115,671	1,470,913	2,450,519	403,434	385,782
$100,000 under $250,000	617,139	99,794,218	306,033,231	1,704,326	4,024,342	685,181	660,429
$250,000 under $500,000	364,017	128,716,039	318,666,631	1,834,208	4,476,413	867,233	832,021
$500,000 under $1,000,000	249,674	176,219,089	390,035,804	3,741,666	5,569,072	1,291,371	1,240,609
$1,000,000 under $5,000,000	261,895	548,078,126	1,169,509,547	12,877,814	14,494,429	4,433,038	4,247,668
$5,000,000 under $10,000,000	38,236	265,542,278	505,641,183	7,229,251	7,099,013	2,452,937	2,313,921
$10,000,000 under $25,000,000	24,810	386,563,232	558,213,868	9,910,703	9,718,570	3,402,799	3,130,176
$25,000,000 under $50,000,000	10,781	379,638,611	385,450,722	8,717,560	9,212,350	3,243,646	2,880,190
$50,000,000 under $100,000,000	7,276	515,157,094	368,918,334	11,318,118	11,333,669	4,002,108	3,429,556
$100,000,000 under $250,000,000	5,604	883,741,291	567,476,613	19,269,427	19,045,354	6,725,906	5,801,878
$250,000,000 or more	5,450	14,205,296,834	5,833,146,057	307,627,364	274,628,612	97,118,783	69,079,540
1990							
Total	3,716,650	18,190,057,609	11,409,520,074	370,632,632	366,352,857	128,185,666	96,403,099
Zero assets	205,294	-	195,344,348	-1,092,983	4,324,204	1,499,310	1,246,496
$1 under $100,000	1,906,248	59,610,230	335,737,079	-586,996	2,165,790	355,274	343,816
$100,000 under $250,000	614,940	99,661,769	309,499,710	1,372,127	3,484,111	606,306	587,763
$250,000 under $500,000	375,972	133,500,029	330,712,024	2,475,995	4,148,269	810,778	788,469
$500,000 under $1,000,000	255,374	180,874,426	410,471,695	3,167,931	5,051,769	1,155,722	1,117,105
$1,000,000 under $5,000,000	265,263	554,075,412	1,174,417,185	10,685,922	13,279,326	4,018,782	3,857,446
$5,000,000 under $10,000,000	38,529	267,304,762	511,686,103	6,435,784	6,457,924	2,242,359	2,099,511
$10,000,000 under $25,000,000	25,177	392,362,945	574,752,460	9,633,779	9,636,177	3,427,279	3,178,770
$25,000,000 under $50,000,000	11,020	388,697,785	403,355,318	7,750,683	8,232,046	3,131,359	2,831,276
$50,000,000 under $100,000,000	7,408	528,371,036	389,340,341	9,909,493	11,209,116	4,028,319	3,527,868
$100,000,000 under $250,000,000	5,837	938,882,728	599,641,872	20,017,789	21,371,163	7,466,907	6,132,567
$250,000,000 or more	5,589	14,646,716,487	6,174,561,939	300,863,108	276,362,960	99,443,272	70,692,012

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

[2] Includes taxable income less net operating loss deduction and special deductions.

[3] Includes regular tax, personal holding company tax, recapture of investment credit, alternative minimum tax, environmental tax; excess net passive income tax (Form 1120S); branch tax (Form 1120F); taxes from Parts II, III, and IV (Form 1120-REIT); tax from line 4, Part II (Form 1120-RIC); and adjustments to income tax and total tax.

4 Credits include foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business and prior-year minimum tax 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 Limitations of the Data."

U.S. business 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. The effect of foreign activity on the statistics varies by type of industry and by size of assets. Income from foreign activity is reflected to a greater extent in manufacturing industries than other industries. Also, foreign activity is almost totally concentrated among returns with assets of $250 million or more. For foreign corporations (defined as those incorporated abroad) engaged in trade or business in the United States, only income that was considered effectively connected with the conduct of a trade or business in the United States was included in the statistics and any investment income from U.S. sources was excluded from the data. Most foreign corporations are concentrated in the finance, insurance and real estate industries. Other foreign corporations, incorporated abroad and not engaged in trade or business in the United States, were liable for tax only on investment income from U.S. sources and these returns were excluded from this report. [2]

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. (It should be noted however that inactive corporations have been excluded from the statistics. See Section 3.)

In addition to legally defined corporations, the Internal Revenue Code recognized many types of businesses as corporations including: joint stock companies,

Figure B
Corporation Income Tax Returns and Net Income (less Deficit, by Accounting Periods, Income Year 1990)

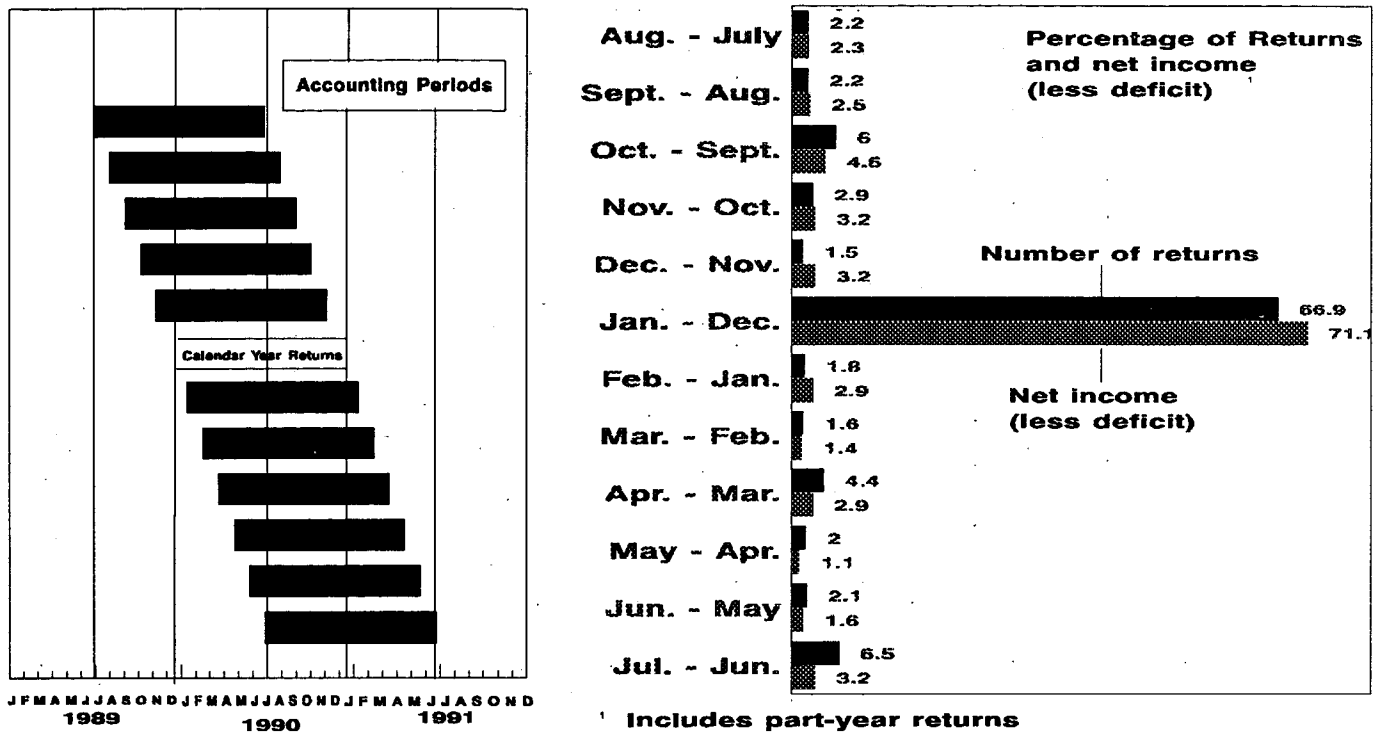


Figure C.--Returns of Active Corporations: Number of Returns, Total Assets, Total Receipts, Net Income (Less Deficit), Income Subject to Tax, Total Income Tax, and Total Income Tax After Credits, by Accounting Periods for Income Year 1990

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

Accounting Period Ended [1]	Number of returns	Total assets	Total receipts	Net income (less deficit) [2]	Income subject to tax [3]	Total income tax [4]	Total income tax after credits [5]
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total	3,716,650	18,190,057,609	11,409,520,074	370,632,632	366,352,857	128,185,666	96,403,099
December 1990	2,485,426	14,401,625,980	7,569,250,435	263,454,620	272,698,522	96,959,640	70,305,603
Noncalendar year, total	1,231,224	3,788,431,628	3,840,269,639	107,178,012	93,654,335	31,226,027	26,097,496
July 1990	80,485	209,783,032	205,547,493	8,520,379	4,412,490	1,426,097	1,123,746
August 1990	80,985	203,203,620	208,328,085	9,128,831	5,435,602	1,742,903	1,434,449
September 1990	223,815	753,430,033	690,403,037	17,025,068	16,046,034	5,302,723	4,614,260
October 1990	107,127	354,494,106	299,992,545	11,798,347	7,124,118	2,371,769	1,887,255
November 1990	55,958	237,283,601	161,801,810	11,826,421	7,261,249	2,424,325	1,205,580
January 1991	66,577	289,728,855	426,318,756	10,841,214	12,325,225	4,216,428	3,930,614
February 1991	58,105	161,641,993	184,180,250	5,308,580	4,370,616	1,454,766	1,365,023
March 1991	163,443	576,786,793	588,229,608	10,848,437	10,705,686	3,531,340	3,174,761
April 1991	75,180	150,562,161	174,403,509	4,006,528	3,354,029	1,170,166	1,063,806
May 1991	78,613	188,959,545	246,219,256	5,837,827	5,761,501	1,963,143	1,748,694
June 1991	240,936	662,557,890	654,845,290	12,036,380	16,857,784	5,622,367	4,549,208

[1] Includes full and part-year returns.
[2] Includes taxable income before net operating loss deduction and special deductions.
[3] Includes taxable income less net operating loss deduction and special deducations.
[4] Includes regular tax, personal holding company tax, recapture of investment credit, alternative minimum tax, environmental tax, excessive net passive income tax (Form 1120S), branch tax (Form1120F), taxes from Parts II, III, and IV (Form 1120-REIT); tax from line 4, Part II (Form 1120-RIC), and adjustments to income tax and total tax.
[5] Credits include foreign tax, U.S. posessions tax, nonconventional source fuel, orphan drug, general business, and prior-year minimum tax 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."

unincorporated associations, such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks. These organizations possess characteristics typical of the corporate form, such as continuity of life, centralization of management apart from ownership, limited liability of owners, and transferability of shares of capital ownership.

Included in the statistics are financial data estimated from the following number of active corporation tax returns:

Form 1120 (U.S. Corporations)	1,848,498
Form 1120-A (U.S. Short-Form Corporations)	273,603
Form 1120S (U.S. S Corporations)	1,575,092
Form 1120L (U.S. Life Insurance Companies)	2,151
Form 1120-PC (U.S. Property and Casualty Insurance Companies)	2,302
Form 1120-REIT (U.S. Real Estate Investment Trust)	276
Form 1120-RIC (U.S. Regulated Investment Companies)	5,250
Form 1120F (U.S. Returns of Foreign Corporations)	9,479
Total*	3,716,650

*Detail may not add to total due to rounding.

In addition, the following types of returns are specifically excluded from the statistics: inactive corporations; foreign corporations with no income effectively connected with a U.S. trade or business; information returns of certain joint undertakings; foreign sales corporations (section 922); interest charge domestic international sales corporations (section 992); 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; nonprofit corporations (educational, charitable, and similar organizations) exempt from income tax under Code section 501; and insurance companies except life (including interinsurers and reciprocal underwriters), if the net written premiums for the taxable year do not exceed $350,000, which were exempt from income tax under 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 1990 through June 1991. 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, 1989, and closed on July 31, 1990, and the start of the last-included accounting period, which began on July 1, 1990, and closed on June 30, 1991. 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, the report shows a corporation's position only 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 B also presents the percentage of the total that each accounting period represents for the number of returns and the net income (less deficit).

Figure C shows that 66.9 percent of the 1990 returns were filed for the calendar year; and, since they included most of the larger corporations, these returns had approximately 79.2 percent of total assets, 66.3 percent of total receipts, 71.1 percent of net income (less deficit), 74.4 percent of income subject to tax, 75.6 percent of total income tax, and 72.9 percent of total income tax after credits. 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 of 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 not differ between this report and the Statistics of Income Bulletin because no additional returns and corrections are included in this report.

[2] See Hobbs, James R., "Foreign Corporations with Income Effectively Connected with a U.S. Business, 1989," Statistics of Income Bulletin, Volume 13, Number 1, Summer 1993, pp. 81-83.

Section 2 CHANGES IN LAW AND REGULATIONS

The statistics in this report reflect, in general, changes in law and regulations 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 highlights the major changes (listed alphabetically) that affected substantially the comparability of the statistics in this report with those for prior years. These changes resulted from the Omnibus Budget Reconciliation Act of 1990. More detail on changes in law and regulations are contained in the Explanation of Terms section of this report. The facsimiles of the tax forms and instructions, included as Section 6, may also prove helpful.

Alternative Minimum Tax

Beginning in 1990, the alternative minimum taxable income (AMTI) is adjusted based on adjusted current earnings (ACE). It is no longer adjusted for book income of corporations. A corporation's ACE can be treated as a tax preference subject to the minimum tax. For this to occur the corporation's alternative minimum taxable income (AMTI) must be increased by 75% of the amount by which its ACE exceed AMTI. Also, beginning in 1990, there were minor changes in the calculation of certain other tax preferences.

Business Energy Credits

Business energy credits for solar, geothermal, and ocean thermal property set to expire after September 30, 1990 were extended through December 31, 1991. This relates to property placed in service with the percentages being 10 percent for solar energy and geothermal property and 15 percent for ocean thermal property.

Disabled Access Credit

The disabled access credit has been legislated for eligible businesses for their expenditures incurred to make their establishment accessible to disabled individuals. The amount of the nonrefundable disabled credit, which is part of the general business credit, is equal to 50 percent of the amount of the eligible access expenditures that exceeds $250 but not to exceed $10,250.

Low-Income Housing Credit

The low-income housing credit was extended through December 31, 1991. There is a provision in Section 11407(c) of the Omnibus Budget Reconciliation Act of 1990 that states that certain taxpayers may elect to increase their low-income housing credit by 50% . There are also provisions that a low-income housing credit can be claimed for eligible property financed with tax-exempt bonds.

Orphan Drug Credit

The orphan drug credit set to expire December 31, 1990 was extended. The credit is available for qualified expenses incurred after December 31, 1990 but before January 1, 1992. 50% of the qualified clinical tests of drugs credited for rare diseases and conditions can be used for the orphan drug credit.

Research Credit

The research credit set to expire after 1990 was extended through December 31, 1991. In addition, the requirement of the proration of research expenditures incurred during 1990 found in a special rule was repealed.

Targeted Jobs Credit

The targeted jobs credit set to expire after September 30, 1990 was extended through December 31, 1991. This applies to individuals who begin work for the employer after September 30, 1990. The targeted jobs credit can be claimed by an employer that employs a member of at least one of the nine targeted groups.

Section 3

DESCRIPTION OF THE SAMPLE AND LIMITATIONS OF THE DATA*

This section describes the 1990 Corporate Sample design, including the methods used in the selection of returns, data capture, data cleaning, and data completion. The techniques used to produce estimates and an assessment of the data limitations, including measures of sampling variability, are also discussed.

BACKGROUND

The 1916 Revenue Act requires the annual publication of "facts deemed pertinent and valuable" with respect to the operation of the income tax law. The Internal Revenue Service (IRS) has been publishing statistics on corporate income tax returns since 1918, beginning with data from 1916. Prior to 1918, limited information on corporate taxes appeared in the Commissioner's Annual Report [1,2,3].

From 1916 through 1950, data were extracted for the Statistics of Income (SOI) program from each corporate return filed. Stratified probability sampling was introduced in 1951. Since then, the size of the samples has generally decreased while the population has increased. For example, for Tax Year 1951 the sample comprised 41.5% of the entire population, or 285,000 of the 687,000 total returns filed. For 1990, the sample proportion had decreased to about 2.12%, or 86,005 returns selected from a total population of 4,052,835 returns that were filed and posted.

In 1951, stratification was by size of total assets and industry. From 1952 through 1967, the stratification was by size only, where the size was measured either by volume of business (1953-1958) or total assets (1952, and 1959-1967). Since 1968, returns have been stratified by both total assets and a measure of income, the definition of which depends on the return's form type [4].

POPULATION

This annual SOI corporation study includes corporations of all types that are organized for profit. For a list of the federal income tax returns and the estimated numbers that were subjected to sampling for 1990, see Section 1. The following chart gives the estimated number of active corporations by form type that filed during Tax Years 1986 through 1990.

Estimated Number of Active Corporations by Form Type, 1986-1990

	Year**				
Form Type	1986	1987	1988	1989	1990
1120	2,331,809	2,224,778	2,057,036	1,917,144	1,848,498
1120-A	251,012	238,730	228,861	268,149	273,603
1120S	826,216	1,127,905	1,257,191	1,422,967	1,575,092
1120L	2,335	2,273	2,295	2,309	2,151
1120M	1,468	***	***	***	***
1120-PC	*	2,048	2,204	2,195	2,302
1120-RIC	*	1,980	5,070	5,250	5,250
1120-REIT	*	145	211	528	276
1120F	11,338	10,478	9,921	9,321	9,479
1120-IC-DISC	1,443	1,185	***	***	***
1120-FSC	2,900	2,613	***	***	***
Total	3,428,517	3,612,133	3,562,789	3,627,863	3,716,650
Total (Minus IC-DISC,FSC)	3,424,174	3,608,335	3,562,789	3,627,863	3,716,650

*Form not in existence at that time.

**Figures exclude out-of-scope returns (inactives, duplicates, etc.)

***Form removed from corporate program. Data will be available for 1120-IC-DISC for 1991 and for 1120-FSC for 1992

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

SAMPLE DESIGN

The current sample design is a stratified probability sample, where stratification is done by form type, and either size of total assets alone, or both size of total assets and a measure of income. Form types 1120, 1120-A, 1120-RIC, and 1120-REIT are stratified by size of total assets and size of proceeds. In this case, size of proceeds is used as the measure of income, and it is defined to be the larger of the absolute value of net income (or deficit) or the absolute value of "Cash Flow" (depreciation + depletion + net income). Forms 1120F, 1120L, and 1120-PC are stratified by size of total assets only. Form 1120S is stratified by size of total assets and, as the measure of income, size of taxable income.

The design differs from a typical stratified sample in that sample rates, not sample sizes, are set initially. This approach is taken since stratum population totals are known only after all tax returns have been filed for a particular year. The design process begins with projected population totals derived from those used to estimate administrative workloads [5]. Using projected population totals by sampling strata, a constrained

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*Jeri Mulrow and Richard Collins designed the sample for this report. Richard Collins and Bertrand Uberall prepared the text and Richard Collins prepared the tables in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistics Section, Coordination and Publication Staff.

optimization is carried out to assign sample sizes such that the overall projected sample size is 85,000 [6]. Figure D gives stratum boundary limits, population and sample sizes, and sample rates for all form types. The final sample size for Tax Year 1990, including inactive returns and rejected returns, was 86,005 returns for all form types.

Since 1981, the population, including active and inactive returns, has increased in size from 3 million to over 4 million in 1990. The sample size, on the other hand, has remained fixed at around 85,000, with the sample of active returns being slightly less. As a consequence, sampling rates have gone down considerably in recent years. The overall sampling percentage for all returns was 3.04% in 1981 and decreased to 2.12% in 1990. Issues raised by keeping the sample size relatively fixed over the years include the effects on cross-sectional estimates, the effects on short-term year-to-year changes and longitudinal sample composition. Research is currently being conducted on these issues, and the findings are being slowly incorporated into future sample designs [7].

SAMPLE SELECTION

Corporation income tax returns are filed at the ten IRS Service Centers located throughout the country. All corporate returns are processed initially to determine tax liability and are then available to other parts of IRS, including the SOI Division. All tax data are transmitted and updated on a weekly basis to the IRS's Business Master File (BMF) System located in Martinsburg, West Virginia. This system serves as the point of selection for the sample for the corporation study. The sample was selected on a weekly basis.

Sample selections for the 1990 corporation study took place during the period from July 1990 through June 1992. A twenty-four month sampling period is needed for two reasons. First, approximately 33% of all corporations have non-calendar year accounting periods (See Figure B). To allow for this, the 1990 SOI file represents all corporations filing returns with accounting periods ending during the period from July 1990 to June 1991. Also, many corporations, including some of the largest, request six-month filing extensions. The combination of non-calendar year filing and filing extensions means that returns that might first be due to be received by IRS in September of 1991 (1990 accounting period ending June 1991), could be timely filed as late as March 1992. Normal administrative processing time lags require that the sampling process remain open for the 1990 study until June 30, 1992. However, a few very large returns for Tax Year 1990 were added to the sample as late as December 1992.

Each corporation is assigned a permanent and unique Employer Identification Number (EIN) similar to a Social Security Number for an individual. The EIN is used as the basis for random selection. A pseudo-random number (PRN) is generated using the EIN as the seed. The last four digits of the PRN called the transformed taxpayer identification number (TTIN) are compared to the sampling rates; a corporation with a value of its TTIN below 10,000 times the sampling rate is selected to be in the sample, all others are not selected. Since a corporation generally uses the same EIN from year-to-year, use of this identifier to select the sample over the years facilitates the selection of many of the same corporations over time. This results in a reduction of the sample variance for estimates of year-to-year change. EIN's were used as the basis for random selection from 1968-1978. TTIN's have been in use as the basis for random selection from 1979 through the present [8,9].

DATA CAPTURE

Data processing for SOI begins with information already abstracted for administrative purposes; approximately 80 items are available from the BMF system. An additional 400 to 450 items are abstracted from the tax return. At this time, the administrative data are checked and corrected as necessary. The SOI data capture process can take as little time as one-half hour for a small single entity corporation filing on Form 1120-A or as long as a week for a large consolidated corporation filing several hundred attachments and schedules with the return. The process is further complicated by several factors:

- Over 400 separate data items may be abstracted from any tax return. These items often require totals to be constructed from various other parts of the forms and schedules.
- Each different 1120 form type has a different layout with different types of schedules and attachments, making data abstraction less than uniform over the various form types.
- There is no legal requirement whatsoever for a corporation to meet its tax return filing requirements by filling in, line for line, the U.S. tax return form. Therefore, many corporate taxpayers report much of their financial details in their own format.

Figure D -- Active Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Selection Class, Income Year 1990

Sample Class Number	Description of Sample Selection Classes (See Notes)		Number of Returns		Sampling Rates (Percent)	
	Size of Total Assets	Size of Proceeds**	Estimated Population	Sample Size	Prescribed	Achieved
	(1)	(2)	(3)	(4)	(5)	(6)
	All Returns, Total		3,716,649	82,614	2.22	2.22
	Forms 1120, 1120-A, and 1120S with Form 5735 attached, Total		385	382	*	99.26
1	Under $100,000,000		320	317	100.00	99.10
2	$100,000,000 or more		65	65	100.00	100.00
	Forms 1120, 1120-A, 1120-RIC, 1120-REIT, and 1120S (no Form 5735 attached), Total		3,702,332	78,605	*	2.12
3	Under $50,000	Under $25,000	1,380,988	3,898	0.30	0.28
4	$50,000 under $100,000	$25,000 under $50,000	550,508	2,214	0.40	0.40
5	$100,000 under $250,000	$50,000 under $100,000	676,246	3,992	0.60	0.59
6	$250,000 under $500,000	$100,000 under $250,000	436,326	5,502	1.30	1.26
7	$500,000 under $1,000,000	$250,000 under $500,000	275,191	6,190	2.30	2.25
8	$1,000,000 under $2,500,000	$500,000 under $1,000,000	204,634	10,857	5.55	5.31
9	$2,500,000 under $5,000,000	$1,000,000 under $1,500,000	78,539	5,915	7.75	7.53
10	$5,000,000 under $10,000,000	$1,500,000 under $2,500,000	41,216	5,701	14.00	13.83
11	$10,000,000 under $25,000,000	$2,500,000 under $5,000,000	27,233	9,142	34.00	33.57
12	$25,000,000 under $50,000,000	$5,000,000 under $10,000,000	11,967	5,894	50.00	49.25
13	$50,000,000 under $100,000,000	$10,000,000 under $15,000,000	7,429	7,292	100.00	98.16
14	$100,000,000 under $250,000,000	$15,000,000 or more	6,477	6,430	100.00	99.27
15	$250,000,000 or more		5,578	5,578	100.00	100.00
	Forms 1120L, Total		2151	1217	*	56.58
16	Under $50,000,000		1,749	817	43.00	46.72
17	$50,000,000 under $250,000,000		166	164	100.00	98.79
18	$250,000,000 or more		236	236	100.00	100.00
	Forms 1120F (with effectively connected income in U.S.), Total		9479	1627	*	17.16
19	Under $50,000,000		9,127	1,275	14.00	13.97
20	$50,000,000 under $100,000,000		72	72	100.00	100.00
21	$100,000,000 or more		280	280	100.00	100.00
	Forms 1120-PC, Total		2302	783	*	34.01
22	Under $100,000		226	44	15.18	19.47
23	$100,000 under $5,000,000		1,184	258	20.00	21.79
24	$5,000,000 under $50,000,000		606	200	40.00	33.00
25	$50,000,000 under $250,000,000		192	187	100.00	97.40
26	$250,000,000 or more		94	94	100.00	100.00

Notes: * Not Applicable

** Proceeds is defined as the larger of absolute value of net income (deficit) or absolute of cash flow (depreciation + depletion + net income)

Notes: Returns were classified according to either size of total assets or size of proceeds, whichever sample class is higher.
EXAMPLE: A Form 1120S return with total assets of $750,000 and a cash flow of $75,000 is in sample class 7 (based on total assets) rather than in sample class 5 (based on cash flow).

- There is no single accepted method of corporate accounting used throughout the country, but rather several accepted accounting "guidelines", many of which are unique to geographic locations. SOI attempts to standardize these differences during data abstraction and editing.

- Different companies may report the same data item, such as other current liabilities, on different lines of the tax form. Again, SOI attempts to standardize these differences.

In order to help overcome these complexities and to standardize reporting, SOI prepares extremely detailed instructions for each tax year. For Tax Year 1990, these instructions consisted of over 500 pages covering normal and straightforward procedures and instruc-

tions for exceptions and non-standard situations that might be encountered [10].

DATA CLEANING

Beginning with the 1990 program, the statistical editing process takes place in an on-line computer environment. This means that the data are entered by the editors directly into the corporation database via terminals connected to a minicomputer in the Ogden Service Center (OSC). In this context then, the term "editing" refers to the combined interactive processes of editing, consistency testing, and error resolution. There are nearly 400 of these consistency tests, which look for such inconsistencies as:

- Impossible conditions, such as incorrect tax data for a particular form type;
- Internal inconsistencies, such as items not adding to shown totals;
- Questionable values, such as a bank with an extremely large amount of cost of goods sold; and
- Improper sample class codes, such as in the case where a return has $10,000 reported total assets but was selected as if it had $1 million total assets.

DATA COMPLETION

Several more steps are needed to complete the information in the file. Missing data must be addressed and returns that are to be excluded from the tabulations must be identified. The data completion process focuses on these issues.

Missing data are handled in several different ways depending upon the cause. A first situation is that for which certain data items may not be available from the tax return and are thus missing in the file. If the missing data items are from Schedule L, the Balance Sheet, then imputation procedures are used. Imputation is a process of developing estimates for missing data.

In other instances, data for a whole return are missing because the return is unavailable to SOI during the data capture process. These types of returns will be referred to as "unavailable returns". Again, in certain cases, imputation procedures are used.

For the 1990 SOI program, the Mass Imputation technique is not used for Other Schedule imputation as it had been previously. Instead, for Other Schedules, all the data are captured.

A ratio-based imputation procedure is used to fill in missing Balance Sheet items from all 1120 form types. Missing Balance Sheet items are imputed for returns with 12 month accounting periods. Imputation is not used on returns with less than 12 month accounting periods. The ratios are determined by major industry group from the previous year's data. The imputed amounts are calculated from these ratios and the business or total receipts available from the return [11]. For Tax Year 1990, a total of 302 returns had Balance Sheet items imputed.

Number of Returns with Balance Sheet Items Imputed

Year	1986	1987	1988	1989	1990
Total	484	361	371	354	302

Data for unavailable critical corporations, corporations whose total assets are greater than or equal to 2% of their minor industry's total assets (6% in 1990) or whose total assets are over a specified limit (dependent on form type), are imputed in two ways. For those corporations selected in the sample but unavailable to SOI during the time needed, the ratio-based imputation procedure, as described above, is applied to the Balance Sheet data. Three corporations fell into this category in 1988, one in 1989, and none in 1990. For those corporations not selected in the sample, data from the previous year's return is used with adjustments for tax law changes. There were six of these cases in 1988, four in 1989, and two in 1990.

Another part of the data cleaning process includes identifying sampled returns that will not be used in the tabulations. The BMF system, used for sample selection, can include duplicate tax returns and other out-of-scope returns, such as returns for non-profit oriented corporations and prior-year tax returns. These types of returns are identified and marked and during the estimation process they are considered to have zero money amounts. The following list identifies such returns:

- Inactive returns having neither income nor deductions;
- Duplicate returns;
- Amended returns not associated with the original returns and which were not earlier removed by the selection process;

- Tentative returns not associated with the revised returns and which were not earlier removed by the selection process;
- Returns exempt under Section 931 of the Internal Revenue Code (IRC);
- Returns exempt under Section 1247 of the IRC;
- Returns exempt under Section 883 of the IRC;
- Cost corporation returns exempt under Revenue Ruling 52-542;
- Returns exempt under Section 501(c)(15) of the IRC;
- Returns of non-resident foreign corporations having no income effectively connected with a trade or business within the U.S.;
- U.S. Virgin Island returns exempt under Section 934 of the IRC;
- Returns of political organizations filing under IRC Section 527;
- Returns filed by general stock ownership corporations exempt from tax;
- Returns filed by homeowners associations under IRC Section 528;
- Information returns reporting no tax due to tax treaty or convention according to IRC Section 894; and, finally;
- Prior year returns, which are returns with total assets under $250,000,000 that used basic tax forms prior to 1989 and had ending accounting periods before July 1990.

Estimated Number of Returns Excluded from Tabulations

Type of Return	Year				
	1986	1987	1988*	1989	1990
Inactive	186,524	237,631	222,146	206,617	202,679
Duplicate	72,090	68,045	66,507	63,777	51,088
Prior Year	90,637	59,248	86,980	70,330	74,414
Other	767	1,940	1,797	3,193	2,381
Total	350,018	366,864	377,429	343,917	330,562

* Figures for 1988 have been amended. They were reported incorrectly in the 1989 Complete Report (Publication 16)

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

ESTIMATION

The estimates produced in this report of the total number of corporations and associated money amounts are based on weighted sample results. A one-step process was used to determine the weights for Forms 1120F, 1120L, 1120-PC, and Form 1120 with Form 5735 attached. A two-step process was used to determine the weights for Forms 1120, 1120-A, 1120-RIC, 1120-REIT and 1120S.

The one-step process determines weights as the reciprocal of the achieved sample rate. These weights are used to produce the aggregated total frequencies and money amounts published in this report for Forms 1120F, 1120L, 1120-PC, and Form 1120 with Form 5735 attached.

The two-step process is needed because industry estimates are desired. The first stage is identical to the one-step process as described above and provides an initial weight for the record. The second stage involves post-stratification by industry. During post-stratification, certain cells have small sample sizes. To handle this problem, a raking ratio estimation approach is applied during post-stratification in order to determine the final weights [12, 13]. Restrictions are placed on the raking process to produce final weights that fall within the range SQRT(2/3) x original weight to SQRT(3/2) x original weight. These final weights are used to produce the aggregated frequencies and money amounts published in this report for Forms 1120, 1120-A, 1120-RIC, 1120-REIT and 1120S.

DATA LIMITATIONS AND MEASURES OF VARIABILITY

Before any estimates were produced for this report, several extensive quality review processes were implemented. The review processes began at the sample selection stage with weekly monitoring of the sample to insure that the proper number of returns were being selected. They continued through the data collection, data cleaning, and data completion procedures with consistency testing. Part of the review process included extensive comparisons of the 1990 data with the 1989 data. A great amount of effort was made at every stage to insure data integrity.

Since the SOI Corporation estimates were based on a sample, they may differ from figures that would have been obtained if a complete census of all income tax returns had been taken using the same procedures employed in the sample. The particular sample used to produce the results in this report is one of a large number of possible samples that could have been selected under the same sample design. Estimates

derived from one of the possible samples could differ from any other and from the population aggregates. The deviation of a sample estimate from the average of all possible similarly selected samples is called the sampling error. The standard error (SE) is a measure of the average magnitude of the sampling errors over all possible samples.

The standard error is the most commonly used measure of the sampling error and can be estimated from the sample. Sometimes, for convenience, the standard error is expressed as a percentage of the value being estimated. This is called the coefficient of variation (CV) of the estimate. The coefficient of variation can be used in assessing the reliability of an estimate.

The estimated coefficient of variation of an estimate is calculated by dividing the estimated standard error by the estimate. Estimated coefficients of variations for selected money amount estimates are shown in Table 1. Estimated coefficients of variation for the estimated number of returns are given in Figure E. Estimated coefficients of variation for post-stratified variables are computed from conditional variances [13].

Readers may use the coefficient of variation, CV(X), of the estimate X to recalculate the standard error needed for the construction of confidence intervals. We illustrate this calculation and its meaning with an example.

Assume that a 95% confidence interval for the number of returns having total assets between $2.5 million and $5 million is desired. The estimated population from Figure D is:

$$X = 78{,}539 \text{ returns.}$$

A coefficient of variation (CV) of 1.59% for this frequency is obtained by using column 5 of Figure E. Using the method described in the footnote to Figure E, we obtain the CV as follows, where CVS is the scaled CV expressed as a percentage:

$$\frac{CVS - 16.82}{15.74 - 16.82} = \frac{785 - 700}{800 - 700}$$

$$CVS = 16.82 + \frac{85}{100} * (-1.08)$$

$$= 15.9$$

The final CV is obtained by dividing CVS by 10.

The standard error of the estimate, which is needed in order to construct the interval, is equal to the product of the estimate and its coefficient of variation:

$$SE(X) = X * CV(X)$$
$$= 78{,}539 \times (.0159)$$
$$= 1{,}249 \text{ returns}$$

The 95% confidence interval is constructed as follows:

$$(X - 2 * SE(X), X + 2 * SE(X))$$
$$(78{,}539 - 2 * 1{,}249, 78{,}539 + 2 * 1{,}249)$$
$$(78{,}539 - 2{,}498, 78{,}539 + 2{,}498)$$
$$(76{,}041 , 81{,}037)$$

Thus, the interval estimate is the interval from 76,041 returns to 81,037 returns. This means that if all possible samples were selected under essentially the same general conditions and using the same sample design, and if an estimate and its standard error were calculated from each sample, then approximately 95% of the intervals from two standard errors below the estimate to two standard errors above the estimate would include the average estimate derived from all possible samples. Thus, for a particular sample, one can say with 95% confidence, that the average of all possible samples is included in the constructed interval. This average of the estimates derived from all possible samples would be equal to or near the value obtained from a census.

In addition to sampling error, another type of error called non-sampling error can affect the estimates. Non-sampling errors can be classified into two groups: random errors whose effects may cancel out and systematic errors whose effects tend to remain somewhat fixed and result in bias.

Non-sampling errors can be categorized into coverage errors, non-response errors, processing errors, and response errors. These errors can be the result of the inability to obtain information about all returns in the sample, differing interpretations of tax terms and tax instructions, inability of a corporation to provide accurate information (data are collected before auditing), inability to obtain all tax schedules and attachments, errors in recording or coding the data, errors in collecting or cleaning the data, errors made in estimating values for missing data, and failure to represent all population units.

Coverage errors in the SOI corporation study can result from the difference between the time frame for sampling and the actual time needed for filing and processing of returns. Many of the largest returns

receive extensions to their filing periods and as a result end up filing after sample selection has ended for that tax year.

Coverage problems within industrial divisions in the SOI corporation study result from the way consolidated returns may be filed. The Internal Revenue Code permits a parent corporation to file a single return which includes the combined financial data of the parent and all its subsidiaries. These data are not separated into the different industries but are entered into only one industry. Thus, there is an undercoverage of financial data within certain industries and overcoverage in others [14]. Coverage problems within industrial divisions present a limitation on any analyses done with the sample results.

Unit non-response for SOI occurs when a sampled return is unavailable for SOI processing. For example, other areas of the IRS such as Audit, or Collection, or a District Office may have the return during the time SOI needs it. These returns are termed unavailable returns. In 1990, there were 27 unavailable returns in the corporation study, which constituted about three-hundreds of one percent of the sample.

Number of Unavailable Returns, 1986-1990

Year	1986	1987	1988	1989	1990
Total	354	213	162	89	27

Errors in recording, coding or processing the data can cause a return to be sampled in the wrong sampling class. This type of error is called a mis-stratification error. One example of how a return might be mis-stratified is the following: A corporation files a return with total assets of $10,000.00 and net income of $5,000.00; a processing error causes the return to be classified according to $1,000,000 total assets and $5,000 net income. The return would be mis-stratified according to the incorrect value of total assets.

Number of Mis-stratified Returns, 1986-1990

Year	1986	1987	1988	1989	1990
Total	2,264	3,213	1,802	1,271	1,969

Mis-stratified returns in the sample were reclassified into their proper sampling classes after complete data capture. The population of returns that needed to be reclassified was estimated from the sample and the stratum population sizes were adjusted accordingly [15]. Population and sample totals were minimally affected by the reclassification and an analysis of the sample results tended to confirm that mis-stratified returns were randomly distributed.

Response errors are due to data being captured before auditing. Some purely, arithmetical errors made by the taxpayer are corrected during the data capture and cleaning processes. Because of time constraints, adjustments to a return during auditing are not incorporated into the SOI file.

TABLE NOTATION

All money amounts and frequencies in the tables in the following sections are subject to rounding error. As a result, a row or column of frequencies or amounts may fail to add exactly to the corresponding total amount. Money amounts are rounded to the nearest $1,000 at the table level. Amounts of $500 or more were rounded up to the next thousand. Total amounts under $500 are entered as zero and footnoted to indicate that an amount was present and greater than zero but less than $500.

Whenever a cell frequency was less than three, the estimate was combined or deleted in order to avoid disclosure of information about specific corporations. Combinations or deletions are indicated by a double asterisk (**) or a triple asterisk (***) respectively. In all other cases, an estimate based on fewer than ten returns, not all selected at 100% is indicated by an asterisk (*) and should be considered statistically unreliable. These estimates should typically be used in combination with other tabulated values due to the small sample size.

The statistical reliability of each cell in the tables is determined separately from all other cells. Thus, it is possible to see a total figure with an asterisk (*) indicating statistical unreliability and see a subset of that total not so identified. For example, an industrial division amount could be based on seven returns, three not sampled at 100%. This amount would receive an asterisk. However, a major group within the division may have all of the four returns sampled at 100% and not receive an asterisk.

A dash (-) in place of a frequency or an amount can indicate one of two things. If returns were sampled at 100%, then no returns had that particular characteristic. If returns were sampled at less than 100%, then either no return in the population had that characteristic

Figure E -- Coefficient of Variation of Estimated Number of Returns, Income Year 1990

Estimated number of returns	Tables showing the classification by size of total assets (000)								Tables not showing classes by size of total assets
	Under $100[1]	$100 under $250	$250 under $500	$500 under $1,000	$1,000 under $5,000	$5,000 under $10,000	$10,000 under $50,000	$50,000 under $100,000[2]	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	(Percent)[2 3]								
200	142.01	97.57	67.95	49.32	31.47	19.18	10.19	7.24	142.01
300	115.95	79.67	55.48	40.27	25.70	15.66	8.32	5.91	115.95
400	100.42	68.99	48.05	34.87	22.25	13.56	7.20	5.12	100.42
500	89.82	61.71	42.98	31.19	19.91	12.13	6.44	4.58	89.82
600	81.99	56.33	39.23	28.47	18.17	11.07	5.88	4.18	81.99
700	75.91	52.15	36.32	26.36	16.82	10.25	5.45	3.87	75.91
800	71.01	48.79	33.98	24.66	15.74	9.59	5.09	3.62	71.01
900	66.95	46.00	32.03	23.25	14.84	9.04	4.80	3.41	66.95
1,000	63.51	43.64	30.39	22.06	14.08	8.58	4.56	3.24	63.51
1,200	57.98	39.83	27.74	20.13	12.85	7.83	4.16	2.96	57.98
1,400	53.68	36.88	25.68	18.64	11.90	7.25	3.85	2.74	53.68
1,600	50.21	34.50	24.03	17.44	11.13	6.78	3.60	2.56	50.21
1,800	47.34	32.52	22.65	16.44	10.49	6.39	3.40	2.41	47.34
2,000	44.91	30.85	21.49	15.60	9.95	6.07	3.22	2.29	44.91
2,500	40.17	27.60	19.22	13.95	8.90	5.43	2.88	2.05	40.17
3,000	36.67	25.19	17.55	12.73	8.13	4.95	2.63	1.87	36.67
4,000	31.76	21.82	15.20	11.03	7.04	4.29	2.28	1.62	31.76
5,000	28.40	19.51	13.59	9.86	6.29	3.84	2.04	1.45	28.40
7,000	24.00	16.49	11.49	8.34	5.32	3.24	1.72	1.22	24.00
10,000	20.08	13.80	9.61	6.97	4.45	2.71	1.44	1.02	20.08
15,000	16.40	11.27	7.85	5.69	3.63	2.21	1.18	0.84	16.40
25,000	12.70	8.73	6.08	4.41	2.82	1.72	0.91	(4)	12.70
35,000	10.74	7.38	5.14	3.73	2.38	1.45	0.77	(4)	10.74
50,000	8.98	6.17	4.30	3.12	1.99	1.21	(4)	(4)	8.98
75,000	7.33	5.04	3.51	2.55	1.63	(4)	(4)	(4)	7.33
100,000	6.35	4.36	3.04	2.21	1.41	(4)	(4)	(4)	6.35
150,000	5.19	3.56	2.48	1.80	1.15	(4)	(4)	(4)	5.19
250,000	4.02	2.76	1.92	1.39	0.89	(4)	(4)	(4)	4.02
500,000	2.84	1.95	1.36	0.99	0.63	(4)	(4)	(4)	2.84
700,000	2.40	1.65	(4)	(4)	(4)	(4)	(4)	(4)	2.40
1,000,000	2.01	(4)	(4)	(4)	(4)	(4)	(4)	(4)	2.01
1,500,000	1.64	(4)	(4)	(4)	(4)	(4)	(4)	(4)	1.64
2,000,000	1.42	(4)	(4)	(4)	(4)	(4)	(4)	(4)	1.42

[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 is greater than the population count.

NOTE: To determine the coefficient of variation (CV) for an estimated number (or frequency) of returns not listed, begin by dividing this estimated number by 100. Then, find the two values of estimated returns that are listed in the table and that are located directly above and directly below the scaled frequency determined above. For these two values, look up the corresponding CVs and perform a linear interpolation in order to find the CV corresponding to the scaled frequency. The final CV is obtained by dividing this interpolated CV by 10. For example, to find the CV for 63,000 returns having assets of $300,000, we first divide 63,000 by 100 to get 630. We then look up the CVs for 600 and 700 in column (3) and obtain, respectively, 39.23% and 36.32% . A linear interpolation between these two CVs yields a CV of 38.36% for 630 returns. The CV for 63,000 returns will then be this value divided by 10 and rounded to two digits after the decimal point, i.e. 3.84% .

or the characteristic was so rare that it did not appear in any of the sampled returns.

INDUSTRIAL CLASSIFICATION

The industry classification used in this report generally conforms to the Enterprise Standard Industrial Classification (ESIC) authorized by The Office of Information and Regulatory Affairs in The Office of Management and Budget (OMB). This classification was designed to classify companies which are often engaged in more than one industry activity into only one industry category. It follows closely the detailed Standard Industrial Classification (SIC) Manual which is authorized by OMB. Some departures from the ESIC system were made by SOI for financial 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 [14,16].

NOTES AND REFERENCES

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INCOME AND FINANCIAL DATA BY INDUSTRY AND SIZE

1 Returns of active corporations: Number of returns, selected receipts, cost of sales and operations, net income, deficit, total income tax, selected credits, total assets, depreciable assets, depreciation deduction, and coefficients of variation, by minor industry, page 21.

2 Returns of active corporations: Balance sheets, income statements, and selected other items, by size of total assets, page 33.

3 Returns with net income: Balance sheets, income statements, and selected other items, by size of total assets, page 35.

4 Returns of active corporations: Selected balance sheet, income statement, and tax items, by industrial division, by size of total assets, page 37.

5 Returns of active corporations: Selected balance sheet, income statement, and tax items, by industrial division, by size of business receipts, page 42.

6 Returns of active corporations: Balance sheets, income statements, tax and selected other items, by major industry, page 47.

7 Returns with net income: Balance sheets, income statements, tax, and selected other items, by major industry, page 55.

SELECTED SUBJECTS

8 Returns of active corporations, Form 1120-A: Balance sheets and selected income statement items, by major industry, page 63.

9 Returns with net income, Form 1120-A: Balance sheets and selected income statement items, by major industry, page 71.

10 Returns of active foreign corporations with U.S. business operations, Form 1120F: Income statements and selected tax items by major industry, page 79.

11 Returns with net income for corporations with U.S. business operations, Form 1120F: Income statements and selected tax items by major industry, page 87.

12 Returns of active corporations other than Forms 1120S, 1120-REIT, and 1120-RIC: Balance sheets and income statements, by major inndustry, page 95.

13 Returns with net income, other than Forms 1120S, 1120-REIT and 1120-RIC: Balance sheets and income statements, by major industry, page 103.

14 Returns of active S Corporations, Form 1120S: Balance sheets and income statements, by major industry, page 111.

15 Returns with net income, S Corporations, Form 1120S: Balance sheets and income statements, by major industry, page 119.

16 Returns of active corporations, Form 1120: Balance sheets and income statements, by major industry, page 127.

17 Returns with net income, Form 1120: Balance sheets and income statements, by major industry, page 135.

18 Returns of active corporations: Total receipts, net income, statutory special deductions, income tax, selected credits, and tax-payment items, by accounting period ended, page 143.

19 Returns of active corporations, consolidated returns: Balance sheet, income statements, tax, and selected other items, by selected industrial divisions, page 144.

20 Returns of active corporations: 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, by selected industrial divisions, page 146.

21 Returns of active corporations, other than Forms 1120-REIT, 1120-RIC, and 1120S: Number of returns, selected income, tax, credits, and general business credit items, by selected industrial divisions, page 147.

22 Returns of active corporations, other than Forms 1120-REIT, 1120-RIC, and 1120S: Alternative minimum tax: number of returns, tax preference adjustments, and related items, by selected industrial divisions, page 148.

23 Returns of active corporations, other than Forms 1120-REIT, 1120-RIC, and 1120S: Number of returns and selected tax items, by size of total income tax after credits, page 149.

24 Returns of active corporations with 50 percent or more foreign ownership: Income statements and selected tax items by major industry, page 150.

25 Returns with net income for corporations with 50 percent or more foreign ownership: Income statements and selected tax items by major industry, page 158.

RETURNS OF ACTIVE CORPORATIONS

Table 1--Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, 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)
Total returns of active corporations	**3,716,650**	**1,910,670**	**11,409,520,074**	**8,597,755,190**	**9,860,441,633**	**6,610,769,883**	**552,526,789**	**181,894,157**	**366,352,857**	**128,185,666**
Agriculture, forestry, and fishing	**126,423**	**70,965**	**88,101,065**	**62,822,076**	**82,114,836**	**52,758,720**	**4,328,433**	**3,172,184**	**2,101,441**	**589,866**
Agricultural production	79,374	45,243	57,078,018	41,072,083	52,305,923	32,271,297	3,100,798	2,245,687	1,587,283	441,783
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping	47,049	25,722	31,023,047	21,749,992	29,808,913	20,487,424	1,227,635	926,477	514,158	148,084
Mining	**39,674**	**18,436**	**111,444,457**	**89,305,036**	**97,321,579**	**62,070,361**	**9,071,733**	**3,769,511**	**5,661,551**	**2,223,977**
Metal mining	1,390	188	12,172,615	9,588,336	10,613,889	6,566,605	1,142,787	581,353	1,010,984	424,244
Iron ores	*63	*60	*1,228,121	*1,162,067	*1,090,997	*926,784	*94,533	*15,107	*91,278	*33,090
Copper, lead and zinc, gold and silver ores	903	119	10,062,371	7,943,390	8,704,099	5,224,029	981,431	497,116	865,619	367,462
Other metal mining	425	*10	882,122	*482,879	818,794	415,792	*66,824	69,129	*54,087	*23,692
Coal mining	2,814	962	20,698,793	15,730,922	19,405,231	14,896,492	714,156	371,744	317,839	182,886
Oil and gas extraction	31,415	15,613	65,877,754	53,937,410	55,367,462	33,179,487	6,461,196	2,563,544	3,925,328	1,468,252
Crude petroleum, natural gas, and natural gas liquids	17,781	9,530	47,368,370	40,936,287	38,689,711	24,548,653	5,103,206	1,323,055	3,417,156	1,286,368
Oil and gas field services	13,635	6,083	18,509,384	13,001,123	16,677,751	8,630,834	1,357,990	1,240,488	508,172	181,884
Nonmetallic minerals, except fuels	4,054	1,672	12,695,296	10,048,367	11,934,997	7,427,777	753,593	252,871	407,399	168,595
Dimension, crushed, and broken stone; sand and gravel	3,486	1,504	9,346,253	7,550,290	8,725,616	5,477,172	602,552	165,827	322,523	124,985
Other nonmetallic minerals, except fuels	567	169	3,349,043	2,498,077	3,209,381	1,950,605	151,042	87,043	84,876	43,610
Construction	**406,874**	**223,434**	**534,654,044**	**394,770,607**	**522,586,199**	**407,448,745**	**15,859,977**	**9,035,370**	**6,895,462**	**2,092,196**
General building contractors and operative builders	160,810	83,379	237,746,036	173,553,061	231,345,401	195,193,582	5,935,316	4,609,688	2,293,571	694,201
General building contractors	156,543	80,492	226,531,592	166,059,082	221,169,201	188,807,375	5,527,585	4,142,580	2,179,084	649,608
Operative builders	4,267	2,887	11,214,444	7,493,980	10,176,201	6,386,207	407,730	467,107	114,487	44,593
Heavy construction contractors	24,610	15,814	81,707,752	63,039,423	78,774,472	62,266,502	2,961,655	1,324,260	1,849,508	626,781
Special trade contractors	221,453	124,241	215,200,256	158,178,123	212,466,326	149,988,661	6,963,006	3,101,422	2,752,383	771,213
Plumbing, heating, and air conditioning	42,917	23,834	45,379,450	33,815,286	44,910,982	32,434,814	1,267,247	613,511	524,662	138,822
Electrical work	30,816	16,449	34,974,704	27,810,602	34,356,581	25,109,491	1,084,795	477,968	469,624	131,940
Other special trade contractors and contractors not allocable	147,720	83,958	134,846,102	96,552,234	133,198,763	92,444,356	4,610,964	2,009,945	1,758,097	500,451
Manufacturing	**301,669**	**167,609**	**3,688,693,895**	**3,017,933,534**	**3,434,141,360**	**2,377,226,499**	**212,936,099**	**41,562,373**	**179,370,478**	**64,385,522**
Food and kindred products	17,133	8,930	377,025,159	307,065,927	362,760,479	252,168,707	16,820,536	2,653,056	14,381,663	4,952,172
Meat products	2,327	1,333	83,791,598	48,902,651	62,862,749	55,506,838	1,147,546	495,116	918,722	312,417
Dairy products	1,989	1,034	30,045,850	24,358,896	29,561,523	22,272,345	780,875	288,614	569,843	195,892
Preserved fruits and vegetables	638	325	27,451,376	22,619,708	26,421,238	17,423,939	1,645,048	126,355	1,511,197	524,021
Grain mill products	1,725	1,340	75,001,524	64,180,854	71,943,283	48,859,265	3,211,767	276,189	2,913,387	992,666
Bakery products	2,661	1,455	17,443,066	14,915,274	17,188,766	9,649,225	731,154	135,304	468,320	164,227
Sugar and confectionery products	902	364	17,637,067	15,607,257	16,996,846	10,395,491	1,354,066	152,696	1,161,919	399,017
Malt liquors and malt	120	7	17,595,597	17,112,759	17,059,907	9,613,693	1,205,510	*20,426	1,186,466	406,556
Alcoholic beverages, except malt liquors and malt	702	296	9,381,205	8,804,211	8,443,445	5,108,521	968,997	101,173	642,292	207,960
Bottled soft drinks and flavorings	786	526	55,477,767	44,868,971	51,159,775	29,248,627	3,671,077	468,371	3,389,750	1,165,728
Other food and kindred products	5,283	2,249	63,200,108	45,695,346	61,122,948	44,090,765	2,104,496	588,813	1,619,767	583,688
Tobacco manufactures	58	51	74,368,131	74,034,386	64,517,846	31,733,343	8,700,106	*6,951	7,881,769	2,702,576
Textile mill products	4,536	3,043	58,968,007	40,374,488	57,353,368	43,614,334	1,943,560	875,291	1,163,594	418,358
Weaving mills and textile finishings	591	483	19,667,441	12,536,572	18,991,033	14,408,952	709,914	313,184	487,797	175,004
Knitting mills	898	590	6,631,654	5,830,954	6,527,013	4,813,227	345,580	48,804	211,278	74,807
Other textile mill products	3,047	1,970	32,668,912	22,006,961	31,835,323	24,392,155	988,066	513,303	464,518	168,548
Apparel and other textile products	17,467	7,968	73,063,098	54,535,378	71,183,338	51,332,586	3,182,086	1,400,553	1,845,401	622,214
Men's and boys' clothing	1,141	435	21,227,962	16,868,106	20,185,718	14,472,010	1,239,150	290,700	1,033,103	354,152
Women's and children's clothing	5,533	2,300	27,664,008	21,609,153	27,227,083	19,904,972	1,168,346	550,182	541,002	181,555
Other apparel and accessories	5,043	2,054	11,979,216	7,287,205	11,708,770	8,148,552	390,352	291,959	140,964	46,247
Miscellaneous fabricated textile products; textile products, not elsewhere classified	5,750	3,179	12,191,912	8,770,913	12,061,767	8,807,052	384,239	267,712	130,332	40,259
Lumber and wood products	18,329	9,949	79,546,133	61,279,638	76,289,626	57,259,805	2,860,489	1,147,457	1,863,228	683,430
Logging, sawmills, and planing mills	7,419	4,890	26,843,347	21,212,193	25,487,272	18,863,902	1,029,915	339,291	646,083	233,897
Millwork, plywood, and related products	4,956	1,843	36,121,310	28,213,692	35,061,320	26,520,841	1,220,670	420,817	963,437	362,966
Other wood products, including wood buildings and mobile homes	5,954	3,216	16,581,476	11,853,753	15,741,033	11,875,062	609,904	387,349	253,708	86,568
Furniture and fixtures	10,032	5,292	37,550,295	24,946,521	36,659,805	25,976,963	1,458,334	866,856	950,134	317,480
Paper and allied products	3,627	2,147	120,188,641	100,189,964	115,830,599	77,920,118	7,407,219	1,305,606	6,558,560	2,392,124
Pulp, paper, and board mills	344	193	63,754,096	56,551,880	61,668,544	40,498,756	3,319,519	372,992	3,049,995	1,145,573
Other paper products	3,283	1,954	56,434,545	43,638,084	54,162,055	37,421,362	4,087,700	932,614	3,508,566	1,246,551
Printing and publishing	49,367	24,704	176,176,864	125,547,532	165,275,597	82,716,383	10,384,566	3,331,091	8,120,884	2,785,959
Newspapers	5,008	2,798	51,157,885	45,850,640	46,584,530	17,697,471	4,379,536	591,799	3,972,077	1,370,812
Periodicals	4,942	2,473	30,454,707	11,216,354	27,757,988	15,084,560	1,124,823	1,229,503	702,913	241,146
Books, greeting cards, and miscellaneous publishing	8,173	3,963	30,295,561	23,651,468	28,155,430	11,063,918	2,189,173	568,363	1,789,699	608,093
Commercial and other printing, and printing trade services	31,243	15,470	64,268,712	44,829,070	62,777,649	38,870,433	2,691,034	941,426	1,356,194	565,908
Chemical and allied products	11,105	6,443	394,802,191	342,423,687	363,139,091	222,296,206	36,796,457	4,259,668	33,534,803	11,919,418
Industrial chemicals, plastics materials and synthetics	5,206	2,707	184,042,142	156,438,643	170,276,015	114,594,482	11,846,456	1,297,705	10,509,678	3,917,217
Drugs	1,497	874	96,409,502	88,639,951	86,632,395	38,580,394	16,860,696	789,846	15,934,285	5,481,971
Soaps, cleaners, and toilet goods	1,536	992	73,211,666	66,550,360	68,681,036	44,844,596	4,489,500	1,668,896	4,308,445	1,514,144
Paints and allied products	1,080	438	11,080,032	9,393,080	10,761,765	6,523,129	756,666	55,549	651,995	221,093
Agriculture and other chemical products	1,786	1,432	30,058,848	21,401,652	26,787,880	17,753,605	2,843,139	447,670	2,130,400	784,993
Petroleum (including integrated) and coal products	1,442	1,159	543,110,676	530,295,467	511,938,924	399,914,488	33,582,136	331,222	30,391,435	11,174,740
Petroleum refining (including integrated)	488	324	537,652,339	526,198,080	506,576,999	395,723,934	33,396,414	242,512	30,306,944	11,145,219
Petroleum and coal products, not elsewhere classified	954	836	5,458,337	4,097,387	5,361,925	4,190,554	185,722	88,710	84,491	29,521
Rubber and miscellaneous plastics products	12,060	6,607	73,950,197	44,158,424	71,568,413	49,772,428	3,056,271	1,386,352	1,888,822	654,932
Rubber products; plastics footwear, hose and belting	1,642	1,425	29,386,917	11,675,138	28,139,940	19,168,414	964,052	618,242	747,610	266,096
Miscellaneous plastics products	10,418	5,181	44,563,280	32,483,286	43,428,473	30,604,014	2,092,220	768,110	1,141,212	388,835
Leather and leather products	1,571	932	17,945,222	15,660,497	17,275,213	12,203,533	715,918	130,353	467,306	158,550
Footwear, except rubber	212	147	13,566,475	12,346,244	12,994,197	8,926,482	564,652	63,413	375,612	128,731
Leather and leather products, not elsewhere classified	1,360	785	4,378,747	3,314,253	4,281,015	3,277,051	151,266	66,940	91,694	29,819

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, 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	9,366	5,930	65,403,841	41,989,333	61,004,875	40,943,307	3,733,687	1,237,696	3,040,913	1,061,176
Glass products	1,803	1,472	24,100,213	16,142,400	22,035,974	13,734,947	1,844,147	296,185	1,638,363	564,063
Cement, hydraulic	224	61	5,481,432	2,454,025	5,025,512	3,529,617	184,718	180,094	*111,799	44,038
Concrete, gypsum, and plaster products	3,829	2,595	20,967,865	11,269,258	20,016,714	14,269,976	629,850	509,864	361,048	131,484
Other nonmetallic mineral products	3,509	1,801	14,854,332	12,123,650	13,926,674	9,408,768	1,074,972	251,553	929,703	321,591
Primary metal industries	4,666	2,518	148,005,928	103,359,770	142,395,264	112,998,880	5,557,185	2,668,556	4,005,860	1,498,043
Ferrous metal industries, miscellaneous primary mineral products	2,268	1,525	70,924,227	38,222,643	68,622,105	53,423,662	2,068,411	2,193,238	1,204,433	452,730
Nonferrous metal industries	2,398	993	77,081,701	65,137,127	73,773,159	59,575,218	3,488,774	475,318	2,801,427	1,045,313
Fabricated metal products	49,696	30,941	177,470,056	129,479,426	171,617,717	121,609,725	8,881,228	2,639,719	5,927,790	1,985,442
Metal cans and shipping containers	153	103	9,972,015	8,918,543	9,002,503	7,295,587	643,006	*18,676	491,909	173,088
Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products	4,717	3,217	18,622,011	13,881,442	17,540,779	11,236,955	1,609,853	264,060	1,370,468	462,511
Plumbing and heating, except electric and warm air	1,385	1,152	12,264,375	8,909,923	11,852,852	8,025,671	551,905	147,976	463,237	158,046
Fabricated structural metal products	7,823	4,956	36,044,676	28,301,585	35,171,118	25,848,569	1,678,314	472,582	1,101,618	369,848
Metal forgings and stampings	4,231	2,805	22,614,150	13,094,263	21,967,039	16,078,959	778,923	414,100	412,951	141,136
Coating, engraving, and allied services	2,333	1,399	5,917,249	4,331,185	5,820,803	3,776,903	276,554	96,347	167,634	53,783
Ordnance and accessories, except vehicles and guided missiles	247	141	2,091,684	1,229,527	2,021,677	1,514,886	77,105	75,155	65,533	21,406
Miscellaneous fabricated metal products	28,807	17,167	69,943,896	50,812,958	68,240,947	47,832,194	3,265,569	1,150,823	1,854,440	605,623
Machinery, except electrical	25,728	15,456	301,245,740	231,711,534	259,035,617	168,669,082	20,822,646	4,380,829	18,242,611	6,520,361
Farm machinery	1,757	1,093	15,875,697	13,762,750	14,640,257	9,904,484	802,309	123,337	654,980	224,254
Construction and related machinery	1,506	763	33,629,313	29,552,624	32,160,813	23,308,738	1,315,109	253,759	879,997	312,162
Metalworking machinery	6,631	4,148	22,367,422	13,249,703	20,843,420	12,975,425	807,355	461,883	473,553	159,183
Special industry machinery	4,185	2,872	24,739,558	19,436,965	23,866,604	16,420,925	1,235,439	529,666	737,800	253,220
General industry machinery	3,781	2,248	32,304,457	27,763,483	31,231,572	21,013,771	2,006,218	299,071	1,664,184	575,810
Office, computing, and accounting machines	1,698	821	131,117,584	95,993,653	97,530,037	57,685,885	13,101,455	2,160,688	12,618,852	4,570,956
Other machinery, except electrical	6,170	3,510	41,211,707	31,952,355	38,762,914	27,359,855	1,554,762	552,424	1,213,245	424,775
Electrical and electronic equipment	22,953	11,063	315,063,895	250,054,798	288,839,184	186,231,740	18,588,949	5,557,425	15,568,876	5,462,741
Household appliances	416	310	16,586,105	13,841,389	15,611,612	11,308,754	708,003	245,040	622,870	215,123
Radio, television, and communication equipment	940	467	41,263,648	28,254,357	38,716,877	25,715,179	2,044,541	830,921	1,674,531	581,417
Electronic components and accessories	13,582	7,058	118,351,278	90,209,951	112,093,375	74,624,033	7,140,464	2,862,152	5,813,657	2,008,283
Other electrical equipment	8,015	3,228	138,862,863	117,749,101	122,417,320	74,583,774	8,695,940	1,619,312	7,457,818	2,657,919
Motor vehicles and equipment	2,342	1,138	290,950,881	230,771,120	254,907,614	204,562,102	6,904,426	2,921,242	6,298,357	3,107,630
Transportation equipment, except motor vehicles	5,649	2,228	177,017,005	161,964,232	166,341,966	126,221,900	9,652,312	917,588	8,056,094	2,787,346
Aircraft, guided missiles and parts	1,402	486	154,186,019	147,405,575	144,174,950	108,953,875	8,985,914	425,732	7,624,934	2,636,958
Ship and boat building and repairing	2,801	1,044	9,334,395	4,302,796	9,121,121	7,340,807	221,353	338,764	86,824	31,053
Other transportation equipment, except motor vehicles	1,446	697	13,496,591	10,255,862	13,045,895	9,927,219	445,045	153,092	344,335	119,336
Instruments and related products	8,475	5,566	100,309,904	82,065,782	93,654,136	54,401,427	7,398,513	1,636,925	6,442,940	2,237,382
Scientific instruments and measuring devices; watches and clocks	3,403	2,283	39,373,755	32,475,915	37,130,057	22,619,801	2,105,500	423,057	1,666,231	577,931
Optical, medical, and ophthalmic goods	4,545	3,030	40,018,145	29,567,981	37,278,206	19,915,193	3,336,717	1,135,836	2,958,536	1,036,972
Photographic equipment and supplies	528	*254	20,918,004	*20,021,886	19,245,873	11,866,432	*1,956,297	78,032	*1,818,173	*622,479
Miscellaneous manufacturing and manufacturing not allocable	26,069	15,445	86,532,032	66,025,630	82,552,688	54,679,440	4,489,476	1,907,938	2,739,439	943,450
Transportation and public utilities	**160,353**	**81,418**	**936,277,062**	**710,023,438**	**874,111,070**	**405,924,209**	**51,490,850**	**16,077,254**	**45,428,604**	**17,114,547**
Transportation	128,153	64,458	352,806,136	217,262,066	332,200,416	150,429,601	9,441,913	7,494,066	6,681,397	2,625,474
Railroad transportation	523	379	46,980,284	33,385,950	41,598,774	16,131,170	1,974,604	1,221,832	1,774,815	777,589
Local and interurban passenger transit	12,200	5,850	9,355,307	5,739,515	9,006,292	3,724,224	256,190	350,366	143,845	48,948
Trucking and warehousing	62,298	34,420	117,433,840	80,176,786	114,250,116	43,203,225	3,129,253	1,423,521	1,967,906	650,060
Water transportation	8,065	3,467	22,284,006	13,795,568	20,659,900	12,557,255	1,003,098	521,989	623,882	217,044
Transportation by air	6,908	1,698	97,041,681	44,810,830	90,197,879	38,182,935	1,139,794	3,008,300	919,969	483,817
Pipelines, except natural gas	112	96	1,837,319	1,782,222	1,740,687	553,521	685,547	*19,488	646,385	221,556
Transportation services, not elsewhere classified	38,047	18,548	57,873,699	37,571,196	54,746,767	36,077,273	1,253,427	948,571	604,597	226,461
Communication	17,515	8,845	259,659,799	224,580,630	237,665,987	96,739,772	20,229,824	5,475,985	18,521,741	6,887,406
Telephone, telegraph, and other communication services	10,379	6,038	218,570,893	202,556,155	201,802,762	83,709,468	17,242,908	1,672,112	16,097,178	6,053,307
Radio and television broadcasting	7,136	2,807	41,088,906	22,024,476	35,863,225	13,030,303	2,986,916	3,803,873	2,424,564	834,098
Electric, gas, and sanitary services	14,685	8,115	323,811,126	268,180,742	304,244,667	158,754,836	21,819,112	3,107,203	20,225,465	7,601,667
Electric services	330	143	123,464,804	107,050,578	113,366,013	49,121,306	10,340,032	1,559,379	9,735,608	3,642,189
Gas production and distribution	1,683	970	89,427,549	69,946,445	84,494,659	61,564,638	2,456,160	365,268	2,021,454	859,028
Combination utility services	112	95	84,454,585	69,280,416	81,380,104	36,611,244	7,099,152	817,523	6,979,656	2,587,040
Water supply and other sanitary services	12,560	6,907	26,464,188	21,903,304	25,003,890	11,457,648	1,923,769	364,933	1,488,747	513,410
Wholesale and retail trade	**1,023,057**	**527,128**	**3,308,988,336**	**2,358,156,788**	**3,216,861,660**	**2,482,483,270**	**65,383,876**	**35,289,798**	**42,139,269**	**13,839,310**
Wholesale trade	328,851	187,270	1,629,528,303	1,187,295,174	1,589,685,527	1,329,219,175	28,895,607	14,917,662	16,932,602	5,524,665
Groceries and related products	27,429	15,464	237,989,216	187,412,281	234,402,131	204,053,928	2,631,588	838,199	1,756,039	576,583
Machinery, equipment, and supplies	52,482	32,788	140,411,682	109,925,291	136,001,422	102,273,828	3,839,064	1,713,898	2,262,706	715,983
Miscellaneous wholesale trade	248,941	139,018	1,251,127,405	889,957,603	1,219,281,974	1,022,891,420	22,424,955	12,365,565	12,913,857	4,232,099
Motor vehicles and automotive equipment	22,557	14,473	139,103,260	95,595,011	135,113,226	110,076,745	2,519,024	1,387,449	1,968,297	693,236
Furniture and home furnishings	8,315	4,177	13,742,631	9,992,199	13,452,387	9,306,706	349,278	393,002	203,609	64,408
Lumber and construction materials	11,613	6,842	49,640,940	35,035,443	48,747,748	40,554,097	879,557	538,614	363,344	105,922
Sporting, recreational, photographic, and hobby goods, toys and supplies	9,265	3,321	26,966,231	20,819,816	26,545,245	19,787,214	899,991	614,119	544,088	178,434
Metals and minerals, except petroleum and scrap	8,212	5,739	117,032,801	66,959,085	107,337,259	98,816,156	950,331	1,110,378	478,797	171,371
Electrical goods	22,551	12,714	110,313,839	66,201,637	107,192,827	82,449,118	2,095,147	2,231,915	1,346,506	434,278
Hardware, plumbing, and heating equipment and supplies	13,778	9,488	52,066,232	42,619,410	51,212,584	38,977,980	1,165,282	360,140	611,147	185,880
Other durable goods	53,079	25,093	158,401,563	104,281,167	155,996,197	131,868,439	2,806,619	1,499,177	1,500,253	459,931
Paper and paper products	7,822	5,670	35,385,049	27,521,914	34,964,186	27,935,065	615,449	234,607	335,574	104,245
Drugs, drug proprietaries, and druggists' sundries	4,105	2,590	50,683,048	37,307,462	50,018,641	43,806,377	822,209	386,718	563,695	189,165
Apparel, piece goods, and notions	17,575	10,098	58,426,893	47,997,364	57,094,613	44,919,443	2,028,214	853,128	1,045,377	343,864
Farm-product raw materials	7,537	4,758	111,564,217	92,139,322	108,959,387	99,752,240	1,313,252	397,289	821,136	278,279
Chemicals and allied products	5,938	3,262	27,839,009	20,221,444	27,376,386	22,628,305	574,779	209,495	348,236	112,841
Petroleum and petroleum products	13,195	8,374	155,541,198	110,810,563	153,213,056	140,992,890	1,737,741	843,491	1,104,410	364,792
Alcoholic beverages	4,170	1,969	45,805,770	39,419,780	44,995,857	33,799,329	1,409,417	116,578	487,629	169,383
Miscellaneous nondurable goods; wholesale trade not allocable	39,230	20,449	98,614,722	73,035,986	97,062,374	77,221,315	2,258,666	1,189,465	1,191,759	376,069

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, 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)
Wholesale and retail trade--Continued										
Retail trade	689,575	337,901	1,673,925,700	1,168,337,248	1,621,746,982	1,149,383,359	36,383,367	20,235,162	25,170,616	8,305,909
Building materials, garden supplies, and mobile home dealers	42,916	23,840	84,803,488	60,465,147	83,188,521	59,034,154	2,041,648	1,004,551	1,239,186	365,645
Building material dealers	21,382	11,684	60,045,807	42,886,729	59,095,632	42,581,390	1,394,239	664,468	900,127	278,096
Hardware stores	11,956	6,272	14,343,539	10,261,460	14,084,806	9,481,435	343,923	179,781	159,859	37,501
Garden supplies and mobile home dealers	9,578	5,883	10,414,143	7,316,958	10,008,083	6,971,328	303,486	160,302	179,200	50,047
General merchandise stores	8,974	5,227	278,616,968	231,004,538	261,042,579	170,653,569	8,213,865	3,007,293	7,652,289	2,780,461
Food stores	66,014	32,217	343,578,144	271,392,457	336,833,746	257,420,751	6,078,729	1,986,214	4,690,980	1,621,695
Grocery stores	35,607	19,368	318,336,791	254,586,619	311,882,660	240,258,898	5,649,195	1,518,655	4,544,326	1,580,651
Other food stores	30,406	12,849	25,241,353	16,805,837	24,951,086	17,161,852	429,533	467,559	146,655	41,044
Automotive dealers and service stations	95,075	48,183	409,061,333	231,953,718	401,298,109	341,710,651	3,388,738	3,390,798	1,446,746	398,958
Motor vehicle dealers	42,667	20,095	315,404,054	171,293,682	308,998,482	270,332,760	2,034,245	2,434,206	683,513	212,742
Gasoline service stations	22,612	11,152	54,426,790	32,037,057	53,810,810	44,646,377	553,458	454,356	302,094	62,037
Other automotive dealers	29,796	16,936	39,230,489	28,622,978	38,488,818	26,731,514	801,035	502,236	461,139	124,179
Apparel and accessory stores	46,226	21,822	80,144,099	59,707,309	77,561,238	46,808,579	2,972,200	1,633,328	2,447,124	799,950
Furniture and home furnishings stores	37,548	19,578	58,422,932	40,830,296	56,560,966	36,136,262	1,444,179	816,871	847,235	252,730
Eating and drinking places	163,166	69,416	151,680,764	86,880,011	143,362,046	62,438,477	4,977,870	3,511,219	2,737,896	918,591
Miscellaneous retail stores	229,656	117,618	267,617,973	186,103,773	261,899,777	175,180,916	7,266,138	4,884,887	4,109,159	1,167,880
Drug stores and proprietary stores	24,716	15,791	53,443,869	40,057,063	52,612,404	37,944,300	1,111,296	360,438	812,889	249,265
Liquor stores	15,041	7,685	13,012,020	9,454,460	12,795,786	10,079,648	382,036	174,267	277,751	35,482
Other retail stores	189,898	94,142	201,162,084	136,562,249	196,491,587	127,156,968	5,772,806	4,350,182	3,018,519	883,133
Wholesale and retail trade not allocable	4,631	1,957	5,534,332	2,524,366	5,429,151	3,880,736	104,903	136,975	36,051	8,735
Finance, insurance, and real estate	**609,138**	**269,667**	**1,954,709,651**	**1,440,750,897**	**900,908,453**	**526,244,728**	**158,458,842**	**48,556,962**	**68,498,149**	**22,556,387**
Banking	11,670	9,305	521,866,533	373,591,938	54,917,249	841,026	22,518,254	9,968,823	20,623,413	7,500,045
Mutual savings banks	267	214	11,158,742	9,062,024	624,883	98,213	853,741	422,672	709,816	243,668
Bank holding companies	5,408	4,451	401,707,620	297,270,544	44,471,028	623,754	16,617,742	5,922,574	15,495,587	5,685,758
Banks, except mutual savings banks and bank holding companies	5,996	4,641	109,000,171	67,259,370	9,821,337	119,058	5,046,771	3,623,577	4,418,009	1,570,619
Credit agencies other than banks	21,218	10,404	267,471,280	216,991,569	77,676,418	44,311,474	24,546,292	12,802,857	19,507,435	4,800,480
Savings and loan associations	2,562	1,791	139,283,165	94,967,949	10,713,057	2,430,520	17,999,540	12,094,154	13,965,611	2,871,336
Personal credit institutions	2,702	1,897	20,846,143	20,310,593	6,337,611	*1,088,813	1,027,739	60,830	828,475	293,108
Business credit institutions	1,470	765	9,777,341	8,437,104	686,915	*54,935	400,431	106,313	285,061	124,654
Other credit agencies; finance not allocable	14,484	5,951	97,564,631	93,275,923	59,938,835	40,737,205	5,118,583	541,559	4,428,288	1,511,382
Security, commodity brokers and services	16,450	8,093	88,886,814	59,393,609	53,476,225	19,180,653	3,816,892	1,498,643	2,142,991	838,142
Security brokers, dealers, and flotation companies	8,735	3,748	62,933,810	40,127,962	30,004,040	3,320,758	2,851,054	987,447	1,724,286	699,126
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services	7,715	4,346	25,953,004	19,265,647	23,472,185	15,859,895	965,837	511,196	418,705	139,016
Insurance	8,829	5,815	764,422,388	577,165,184	548,632,246	394,254,515	22,085,780	5,106,528	16,982,240	6,419,849
Life insurance	2,243	1,691	405,602,413	282,079,004	250,573,314	184,770,864	9,682,050	2,510,815	7,635,171	2,599,161
Mutual property and casualty insurance companies	1,232	933	121,475,915	99,186,136	102,243,363	78,131,813	3,530,667	902,398	2,523,240	1,195,935
Stock property and casualty insurance companies and other insurance companies	5,354	3,190	237,344,061	195,900,044	195,815,569	131,351,838	8,873,064	1,693,315	6,823,829	2,624,754
Insurance agents, brokers, and service	68,645	42,425	39,633,224	28,779,134	37,248,285	5,466,631	3,094,039	862,607	1,724,328	540,903
Real estate	421,901	162,567	122,535,238	66,732,638	95,047,001	42,225,905	8,636,670	13,452,139	3,671,260	1,082,094
Real estate operators and lessors of buildings	164,639	53,747	31,819,877	16,668,306	22,174,668	6,735,771	2,795,296	3,643,499	1,838,293	554,030
Lessors of mining, oil, and similar property	1,541	1,333	564,384	418,497	101,252	*54,969	197,369	*6,249	174,079	56,985
Lessors of railroad property, and of real property, not elsewhere classified	4,920	2,753	452,220	413,298	244,280	*139,239	102,937	9,343	74,469	22,335
Condominimum management and cooperative housing associations	38,575	24,754	9,767,104	4,878,825	7,884,892	2,528,851	213,346	781,441	154,673	26,217
Subdividers and developers	61,431	22,084	37,150,111	19,804,774	29,980,099	22,175,828	2,673,352	4,803,276	433,565	136,842
Other real estate	150,795	57,896	42,781,542	24,548,938	34,661,810	10,591,247	2,654,370	4,208,332	996,180	285,685
Holding and other investment companies, except bank holding companies	60,424	31,058	149,894,173	118,096,825	33,911,028	19,964,524	73,760,916	4,865,365	3,846,483	1,374,873
Regulated investment companies	5,250	4,253	94,899,515	83,981,457	--	--	66,653,179	73,926	2,042	40,306
Real estate investment trusts	276	195	4,910,557	4,049,740	--	--	1,330,802	452,671	*771	323
Small business investment companies	7,291	2,678	407,593	257,057	100,132	*9,302	143,082	210,294	22,140	5,641
Other holding and investment companies, except bank holding companies	47,608	23,932	49,676,509	29,808,571	33,810,896	19,955,222	5,633,853	4,128,474	3,821,530	1,328,603
Services	**1,029,447**	**546,268**	**779,329,609**	**517,679,263**	**726,041,364**	**290,965,307**	**34,850,560**	**24,233,768**	**16,191,041**	**5,368,531**
Hotels and other lodging places	25,308	10,552	42,363,174	21,328,329	38,754,465	17,441,717	1,454,546	2,971,579	757,189	270,887
Personal services	80,827	42,820	35,440,799	25,859,598	33,831,149	13,160,000	1,789,747	582,873	983,831	308,889
Business services	324,126	176,028	288,957,357	201,927,774	268,181,855	123,595,112	12,729,895	8,336,130	6,121,599	2,042,103
Advertising	32,641	20,379	41,229,890	24,936,094	39,856,084	22,382,936	1,388,971	1,307,184	808,566	250,232
Business services, except advertising	291,485	155,649	247,727,467	176,991,680	228,325,771	101,212,176	11,340,924	7,028,947	5,313,033	1,791,871
Auto repair; miscellaneous repair services	117,980	69,818	74,603,208	50,848,249	69,565,461	33,160,268	2,288,906	1,352,069	1,040,574	327,169
Auto repair and services	72,404	39,863	54,857,167	35,824,572	50,193,427	22,444,019	1,485,693	1,047,404	671,657	240,536
Miscellaneous repair services	45,575	29,955	19,746,042	15,023,677	19,372,035	10,716,249	803,213	304,666	368,918	86,633
Amusement and recreation services	89,135	41,397	77,823,637	45,714,384	68,372,993	23,660,783	4,140,977	3,964,998	2,017,064	701,581
Motion picture production, distribution, and services	15,752	7,558	26,452,031	14,252,853	22,448,643	10,302,790	938,517	1,290,193	468,651	160,786
Motion picture theaters	2,514	1,394	5,538,013	2,044,655	4,933,899	1,136,082	246,605	372,324	*162,755	56,113
Amusement and recreation services, except motion pictures	70,869	32,445	45,833,592	29,416,876	40,990,450	12,221,911	2,955,856	2,302,481	1,385,657	484,682
Other services	392,073	205,653	260,141,435	172,000,929	247,335,441	79,947,427	12,446,490	7,026,119	5,270,785	1,717,902
Offices of physicians, including osteopathic physicians	42,531	23,196	27,762,760	14,177,098	26,642,894	5,911,005	909,219	497,509	87,218	26,348
Offices of dentists	19,549	10,546	7,361,058	4,527,858	7,310,303	1,293,850	278,876	67,378	34,938	5,493
Offices of other health practitioners	17,756	11,760	4,440,753	3,283,693	4,386,980	894,941	399,703	81,550	29,982	7,487
Nursing and personal care facilities	13,298	6,729	26,586,055	14,854,730	25,607,892	5,167,640	719,757	762,405	169,796	63,382
Hospitals	216	135	28,462,087	21,972,632	25,603,329	5,351,125	1,867,999	336,013	1,603,164	555,532
Medical laboratories	5,807	3,326	5,450,522	3,428,646	5,170,018	1,726,413	298,000	275,308	163,576	51,729
Other medical services	29,169	15,511	36,612,467	25,187,395	34,749,628	11,978,962	1,829,470	956,506	902,701	304,675
Legal services	28,801	15,929	12,023,515	7,760,740	11,254,343	921,103	729,905	286,846	42,202	15,050
Educational services	22,117	12,812	13,794,834	10,292,736	13,336,212	4,020,599	667,208	423,691	283,771	87,987
Social services	8,656	3,169	3,206,565	1,594,511	3,134,529	476,573	115,263	161,299	50,538	15,201
Membership organizations	16,151	9,331	6,238,306	3,350,429	5,328,963	3,186,419	146,369	146,949	79,277	21,667
Architectural and engineering services	45,680	25,963	39,724,270	29,479,330	38,539,638	18,412,916	1,708,765	760,879	804,501	261,432
Accounting, auditing, and bookkeeping services	24,294	16,702	6,082,274	4,109,301	5,908,230	959,247	400,192	89,503	74,954	20,994
Miscellaneous services (including veterinarians), not elsewhere classified	118,047	50,544	42,395,970	27,981,830	40,362,481	19,646,634	2,375,764	2,180,283	944,167	280,925
Nature of business not allocable	**20,017**	**5,848**	**7,321,955**	**6,313,551**	**6,355,113**	**5,648,046**	**146,418**	**196,958**	**66,862**	**15,330**

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, 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	Nonconventional source fuel credit	General business credit	Prior year minimum tax credit	Total income tax after credits [2]	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total returns of active corporations	**24,989,922**	**3,194,481**	**81,790**	**2,833,701**	**667,036**	**96,403,099**	**18,190,057,609**	**4,738,917,551**	**4,317,781,452**	**332,781,754**
Agriculture, forestry, and fishing	*17,508	472	--	14,294	2,775	554,818	68,338,381	23,360,455	48,526,221	3,636,306
Agricultural production	*17,486	472	--	12,549	*2,298	408,979	52,585,382	18,535,770	36,253,550	2,546,621
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping	*22	--	--	1,746	*477	145,839	15,753,000	4,824,685	12,272,671	1,089,685
Mining	**788,105**	--	**16,976**	**39,251**	**31,312**	**1,348,333**	**219,197,640**	**110,339,579**	**99,667,531**	**5,663,177**
Metal mining	*91,910	--	--	1,605	15,185	315,545	21,780,682	9,033,963	12,063,380	960,326
Iron ores	26,010	--	--	1,511	--	*5,569	*1,860,863	*1,109,053	1,591,623	27,503
Copper, lead and zinc, gold and silver ores	*48,569	--	--	93	15,185	303,615	18,722,402	8,145,101	9,500,865	875,769
Other metal mining	*17,332	--	--	--	--	*6,360	1,197,417	-220,190	970,892	57,054
Coal mining	9,441	--	*197	8,077	*1,065	144,106	23,727,771	10,348,002	11,017,965	629,743
Oil and gas extraction	680,039	--	16,779	27,107	15,057	729,270	158,240,743	83,228,072	65,735,756	3,184,495
Crude petroleum, natural gas, and natural gas liquids	642,605	--	14,766	20,517	14,308	594,172	127,605,683	67,603,223	47,372,397	1,963,801
Oil and gas field services	37,434	--	*2,014	6,591	*748	135,098	30,635,060	15,624,849	18,363,360	1,220,694
Nonmetallic minerals, except fuels	*6,715	--	--	2,462	5	159,413	15,448,444	7,729,541	10,850,430	888,613
Dimension, crushed, and broken stone; sand and gravel	*12	--	--	*2,428	5	122,540	11,648,861	5,821,319	7,998,538	656,547
Other nonmetallic minerals, except fuels	*6,703	--	--	34	--	36,873	3,799,583	1,908,222	2,851,892	232,066
Construction	**90,444**	**6,820**	***14**	**39,536**	**48,845**	**1,906,537**	**243,829,026**	**63,865,550**	**95,658,624**	**8,736,434**
General building contractors and operative builders	30,502	--	(1)	8,835	15,698	639,166	128,219,248	22,551,641	27,025,768	2,224,555
General building contractors	*11,846	--	(1)	8,121	15,568	614,073	112,671,475	20,472,450	24,738,225	2,097,007
Operative builders	18,656	--	--	*715	*130	25,093	15,547,773	2,079,192	2,287,543	127,548
Heavy construction contractors	59,798	6,810	2	20,752	10,801	528,618	44,888,134	17,169,564	31,022,699	2,553,534
Special trade contractors	*144	10	*12	9,949	22,346	738,752	70,721,644	24,144,344	37,810,157	3,958,348
Plumbing, heating, and air conditioning	--	--	--	2,252	3,196	133,375	14,391,875	4,451,021	5,737,601	558,257
Electrical work	--	10	*12	2,551	7,765	121,601	12,371,205	4,026,999	4,749,965	489,624
Other special trade contractors and contractors not allocable	*144	--	--	5,145	11,386	483,776	43,958,564	15,666,324	27,122,590	2,910,465
Manufacturing	**20,777,384**	**3,072,082**	**49,393**	**1,229,009**	**270,841**	**38,971,197**	**3,921,323,756**	**1,392,233,318**	**1,643,661,174**	**121,140,031**
Food and kindred products	933,483	371,750	8	74,854	11,199	3,560,879	308,741,733	109,730,748	114,829,824	8,970,000
Meat products	32,001	2,058	--	10,948	131	267,281	18,252,806	5,943,289	10,448,861	732,454
Dairy products	*12,209	339	--	2,299	*634	180,412	13,607,260	4,093,499	7,562,946	578,759
Preserved fruits and vegetables	63,267	61	--	9,817	4,018	446,857	24,713,230	10,808,277	8,953,460	704,901
Grain mill products	204,172	4,375	--	7,016	*1,147	775,955	69,572,326	28,197,996	19,504,915	1,454,522
Bakery products	*62	566	--	2,547	*1,243	159,810	9,004,662	3,631,631	6,463,433	502,164
Sugar and confectionery products	75,693	8,662	8	3,834	*269	310,552	14,868,301	6,853,959	6,419,455	465,154
Malt liquors and malt	--	--	--	6,599	1,424	398,534	21,057,075	7,477,355	12,885,091	848,358
Alcoholic beverages, except malt liquors and malt	56,224	30,567	--	*2,332	467	118,370	23,904,634	11,495,222	2,490,233	164,035
Bottled soft drinks and flavorings	*416,068	304,751	--	*13,610	*949	430,350	70,795,151	16,359,980	19,682,734	1,778,013
Other food and kindred products	*73,787	20,372	--	15,854	*917	472,757	42,966,289	14,869,540	20,418,696	1,741,638
Tobacco manufactures	374,031	15,219	--	36,406	--	2,276,919	209,011,162	78,736,894	18,196,956	2,303,315
Textile mill products	46,221	1,944	--	8,247	2,284	359,662	42,658,817	13,819,958	24,291,390	1,906,773
Weaving mills and textile finishings	*25,319	--	--	3,136	*378	146,171	15,887,779	5,526,614	9,245,304	624,620
Knitting mills	35	205	--	*2,280	*381	71,906	3,808,507	1,857,139	2,542,476	232,255
Other textile mill products	*20,868	1,740	--	2,831	*1,524	141,586	22,962,532	6,436,205	12,503,611	1,049,898
Apparel and other textile products	99,557	39,073	--	4,459	2,905	476,219	42,109,307	14,272,362	11,516,326	944,777
Men's and boys' clothing	93,899	21,173	--	3,122	2,378	233,580	19,207,842	7,577,617	4,829,184	386,146
Women's and children's clothing	*5,426	11,438	--	*841	410	163,440	10,920,338	3,232,522	2,660,773	200,374
Other apparel and accessories	*101	5,781	--	*267	*80	40,019	6,568,516	1,483,095	1,726,464	164,850
Miscellaneous fabricated textile products; textile products, not elsewhere classified	132	682	--	*229	*36	39,180	5,412,611	1,979,128	2,299,904	193,407
Lumber and wood products	38,025	--	7	13,728	*834	630,836	70,605,917	30,230,771	42,710,783	2,719,084
Logging, sawmills, and planing mills	*9,443	--	--	425	*314	223,714	27,249,348	14,629,006	16,769,258	894,711
Millwork, plywood, and related products	22,391	--	7	11,117	489	328,962	32,523,933	13,423,288	20,671,249	1,437,878
Other wood products, including wood buildings and mobile homes	6,191	--	--	*2,186	*30	78,161	10,832,636	2,178,477	5,270,276	386,495
Furniture and fixtures	*3,566	22	--	3,817	*526	309,549	22,281,719	7,989,303	9,763,511	759,558
Paper and allied products	495,340	3,857	1,163	46,397	*288	1,845,079	135,320,765	51,252,535	88,830,481	6,250,340
Pulp, paper, and board mills	110,137	110	1,163	17,698	*145	1,016,319	86,039,181	34,968,318	60,239,480	3,981,683
Other paper products	385,203	3,747	--	28,698	*143	828,760	49,281,584	16,284,216	28,591,001	2,268,656
Printing and publishing	225,563	2,625	*1	38,026	4,663	2,515,080	204,734,018	72,033,443	70,858,891	6,692,343
Newspapers	95,589	248	*1	25,089	2,451	1,247,434	81,466,988	36,639,940	26,048,904	2,501,515
Periodicals	60,633	--	--	*926	325	179,261	39,144,285	9,471,515	7,935,288	680,804
Books, greeting cards, and miscellaneous publishing	66,327	--	--	2,001	*873	538,890	39,413,522	11,242,699	8,169,175	854,130
Commercial and other printing, and printing trade services	*3,013	2,378	--	10,010	*1,013	549,494	44,709,224	14,679,289	28,705,523	2,655,895
Chemical and allied products	3,607,904	1,773,810	*3,343	235,934	15,994	6,266,881	497,148,671	201,522,819	203,373,521	13,624,006
Industrial chemicals, plastics materials and synthetics	1,568,342	70,334	3,319	46,115	8,274	2,220,587	238,570,161	95,184,314	122,914,353	8,348,590
Drugs	1,204,685	1,665,845	*14	142,253	1,591	2,452,278	126,808,594	60,066,754	39,425,814	2,783,527
Soaps, cleaners, and toilet goods	637,493	29,046	--	4,475	383	842,748	92,823,026	31,529,856	20,778,023	1,181,291
Paints and allied products	13,173	2,231	--	2,614	*43	203,031	5,832,008	2,733,862	2,551,098	192,000
Agriculture and other chemical products	184,211	6,355	9	40,477	*5,704	548,237	33,114,882	12,008,031	17,704,233	1,118,599
Petroleum (including integrated) and coal products	5,376,170	23,059	44,042	94,218	*43,645	5,593,605	556,314,162	246,602,701	310,316,707	12,399,047
Petroleum refining (including integrated)	5,375,545	23,059	44,042	93,953	43,517	5,565,103	553,319,114	245,497,133	308,528,854	12,247,810
Petroleum and coal products, not elsewhere classified	*625	--	--	*265	*128	28,502	2,995,048	1,105,568	1,787,853	151,236
Rubber and miscellaneous plastics products	96,127	11,240	37	17,794	1,207	528,527	54,387,975	17,575,666	34,762,945	2,503,677
Rubber products; plastics footwear, hose and belting	*30,043	852	37	2,273	*190	232,702	25,202,240	8,462,236	16,870,455	1,036,431
Miscellaneous plastics products	66,084	10,388	--	15,521	*1,017	295,825	29,185,735	9,113,430	17,892,490	1,467,246
Leather and leather products	8,720	17,808	--	12,741	524	118,757	17,196,464	3,226,012	4,455,479	238,924
Footwear, except rubber	8,477	14,029	--	*12,476	524	93,224	15,069,779	2,365,041	3,707,456	192,257
Leather and leather products, not elsewhere classified	*242	3,778	--	*266	--	25,533	2,126,685	860,971	748,023	46,667

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, 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	Nonconventional source fuel credit	General business credit	Prior year minimum tax credit	Total income tax after credits [2]	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Manufacturing--Continued										
Stone, clay, and glass products	310,409	7,787	80	15,595	4,672	722,633	91,695,827	35,202,837	43,717,623	2,678,567
Glass products	183,858	3,083	80	*7,137	*1,414	368,491	44,549,882	16,484,848	16,074,969	946,257
Cement, hydraulic	2,350	--	--	*3,372	974	37,342	10,037,513	4,548,659	6,871,788	303,578
Concrete, gypsum, and plaster products	428	3,499	--	2,273	*206	125,078	19,582,662	5,484,168	12,081,337	933,580
Other nonmetallic mineral products	*123,774	1,204	--	2,813	*2,078	191,723	17,525,769	8,685,163	8,689,530	495,151
Primary metal industries	355,549	202	--	83,536	5,987	1,052,769	129,291,468	39,800,556	80,044,136	4,827,773
Ferrous metal industries, miscellaneous primary mineral products	29,510	202	--	7,534	2,241	413,244	59,925,450	9,642,229	42,479,516	2,484,666
Nonferrous metal industries	326,038	--	--	76,002	*3,746	639,526	69,366,017	30,158,326	37,564,620	2,343,106
Fabricated metal products	367,010	3,920	42	20,174	11,249	1,583,047	130,918,457	53,976,254	65,250,972	4,968,734
Metal cans and shipping containers	27,310	1,469	42	*324	--	143,944	16,075,214	6,733,401	4,675,833	298,039
Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products	205,350	721	--	3,158	*4,218	249,064	19,489,767	10,075,241	7,782,419	547,311
Plumbing and heating, except electric and warm air	*29,373	--	--	*1,949	*649	126,074	11,883,391	5,301,890	4,029,697	304,192
Fabricated structural metal products	64,292	--	--	3,274	3,940	298,342	20,364,139	7,922,601	11,096,539	847,494
Metal forgings and stampings	*1,407	--	--	1,144	*804	137,781	15,821,789	5,806,587	9,522,825	717,302
Coating, engraving, and allied services	*22	--	--	*1,418	*32	52,311	3,011,487	1,465,059	2,494,061	191,908
Ordnance and accessories, except vehicles and guided missiles	16	--	--	105	*319	20,965	1,773,873	347,697	554,103	57,980
Miscellaneous fabricated metal products	39,239	1,730	--	8,802	1,286	554,567	42,498,797	16,323,778	25,095,495	2,004,508
Machinery, except electrical	4,167,438	117,622	254	131,393	18,258	2,085,396	303,380,772	114,078,636	131,606,182	10,270,810
Farm machinery	*18,831	--	--	48,660	7,521	149,243	14,598,612	4,172,642	5,047,810	342,088
Construction and related machinery	101,686	--	--	5,353	*332	204,791	34,620,087	15,088,822	13,751,887	998,242
Metalworking machinery	11,988	421	--	3,985	*60	142,728	20,663,590	6,045,943	9,179,258	739,413
Special industry machinery	15,707	--	254	5,675	*884	230,700	19,394,552	7,261,973	7,312,036	527,366
General industry machinery	148,403	11,071	--	10,807	*7,878	397,651	33,788,552	12,066,934	13,480,692	967,362
Office, computing, and accounting machines	3,665,035	106,129	--	46,361	499	752,932	138,264,917	56,865,965	68,467,801	5,697,663
Other machinery, except electrical	205,788	--	--	10,552	*1,085	207,351	42,050,462	12,576,357	14,366,700	998,677
Electrical and electronic equipment	1,208,468	268,700	417	230,840	16,253	3,738,063	383,301,771	102,972,399	136,744,306	14,435,620
Household appliances	48,801	5,766	--	1,178	--	159,378	14,935,022	5,064,647	4,752,352	523,066
Radio, television, and communication equipment	70,741	83,932	--	26,688	*203	399,852	34,162,886	13,387,614	13,620,357	1,712,632
Electronic components and accessories	448,597	58,617	342	124,813	13,928	1,361,986	104,777,705	40,827,487	42,139,479	4,237,479
Other electrical equipment	640,330	120,385	75	78,161	2,121	1,816,846	229,426,159	43,692,651	76,232,119	7,962,443
Motor vehicles and equipment	1,730,382	9,737	--	64,280	*549	1,302,681	405,409,142	90,293,687	125,430,266	15,743,188
Transportation equipment, except motor vehicles	351,871	993	--	41,982	92,389	2,300,111	138,113,145	42,234,638	61,267,375	4,086,890
Aircraft, guided missiles and parts	347,659	681	--	39,842	*87,259	2,161,517	122,552,237	37,096,661	54,658,642	3,622,526
Ship and boat building and repairing	*421	313	--	*270	*849	29,200	5,717,009	1,777,116	2,759,884	169,055
Other transportation equipment, except motor vehicles	3,791	--	--	*1,869	*4,281	109,394	9,843,899	3,360,861	3,848,848	295,309
Instruments and related products	825,366	346,759	--	44,152	33,986	987,033	98,625,483	37,784,887	42,443,365	2,723,417
Scientific instruments and measuring devices; watches and clocks	204,454	137,257	--	11,533	*1,166	223,436	34,277,427	14,765,688	13,332,878	1,267,348
Optical, medical, and ophthalmic goods	324,122	209,503	--	26,316	*609	476,422	38,473,705	16,599,302	12,200,713	1,172,503
Photographic equipment and supplies	296,790	--	--	*6,303	32,211	*287,175	25,874,351	6,419,897	16,909,773	283,566
Miscellaneous manufacturing and manufacturing not allocable	156,165	55,955	--	10,434	*3,427	717,469	80,076,980	28,896,212	23,250,136	2,093,189
Transportation and public utilities	**138,131**	**58,332**	**12,955**	**977,010**	**46,080**	**15,882,038**	**1,522,045,738**	**508,667,821**	**1,290,684,862**	**83,019,964**
Transportation	36,416	(1)	431	175,920	10,149	2,402,559	289,013,693	67,484,207	250,506,101	19,070,333
Railroad transportation	8,352	--	431	94,202	--	674,603	82,168,041	30,657,794	79,287,632	3,638,428
Local and interurban passenger transit	1	--	--	*941	*895	47,110	4,802,839	704,412	4,467,058	530,069
Trucking and warehousing	*570	--	--	21,262	3,794	624,434	55,749,101	16,851,869	53,920,737	6,157,060
Water transportation	5,323	--	--	10,802	*1,791	199,129	22,147,752	6,331,557	16,655,547	977,598
Transportation by air	13,202	--	--	29,628	*1,903	439,084	85,965,346	6,202,160	71,533,681	5,890,330
Pipelines, except natural gas	*5,504	--	--	1	--	216,051	2,893,583	396,224	4,503,105	95,091
Transportation services, not elsewhere classified	*3,464	(1)	--	19,083	*1,766	202,147	35,287,032	6,340,191	20,138,341	1,781,758
Communication	86,105	58,332	--	253,706	2,292	6,486,970	521,919,665	192,028,254	364,554,610	30,524,376
Telephone, telegraph, and other communication services	76,777	58,042	--	238,325	*2,141	5,678,022	434,051,387	178,933,407	334,653,205	27,847,677
Radio and television broadcasting	*9,328	290	--	15,381	*151	808,948	87,868,277	13,094,847	29,901,405	2,676,698
Electric, gas, and sanitary services	15,610	--	12,523	547,384	33,640	6,992,510	711,112,381	249,155,359	675,624,151	33,425,255
Electric services	1,845	--	1,116	299,546	17,764	3,321,918	349,794,615	120,599,221	342,167,066	17,440,866
Gas production and distribution	2,480	--	3,653	43,659	*12,309	796,926	118,494,853	39,336,079	91,199,502	3,947,338
Combination utility services	6,635	--	255	193,830	2,749	2,383,571	209,509,550	77,583,138	216,221,662	9,965,129
Water supply and other sanitary services	4,649	--	7,500	10,349	*818	490,095	33,313,363	11,636,921	26,035,921	2,071,922
Wholesale and retail trade	**934,596**	**30,713**	**547**	**214,024**	**43,439**	**12,615,991**	**1,447,296,828**	**354,827,439**	**456,266,937**	**42,253,547**
Wholesale trade	289,937	6,539	*521	58,024	15,153	5,154,491	690,452,421	173,203,594	158,540,577	16,532,299
Groceries and related products	*1,501	23	--	3,687	*1,679	569,693	51,256,243	15,033,812	19,288,569	1,737,929
Machinery, equipment, and supplies	12,536	70	*45	12,517	2,191	688,624	74,810,092	23,479,505	19,790,282	2,415,575
Miscellaneous wholesale trade	275,899	6,447	*476	41,820	11,284	3,896,174	564,386,086	134,690,276	119,461,726	12,378,795
Motor vehicles and automotive equipment	*2,574	--	*6	2,510	*1,909	686,237	75,113,417	23,275,925	20,224,987	3,678,397
Furniture and home furnishings	*142	--	2	*9	*2	64,253	5,523,595	1,699,954	1,326,149	118,068
Lumber and construction materials	*69	1,686	*450	627	*71	103,019	16,418,764	4,855,063	6,124,556	478,932
Sporting, recreational, photographic, and hobby goods, toys and supplies	254	--	--	*175	--	178,005	12,361,374	2,532,890	2,228,943	253,806
Metals and minerals, except petroleum and scrap	*2,686	141	--	*1,228	*1,101	166,216	133,514,192	8,270,590	6,719,577	480,568
Electrical goods	8,263	427	--	7,629	1,479	416,479	58,596,296	15,812,277	13,309,488	1,521,873
Hardware, plumbing, and heating equipment and supplies	*18	--	--	*1,031	*283	184,549	19,768,133	7,258,692	4,779,458	405,707
Other durable goods	9,518	147	--	6,307	*1,002	442,956	52,025,908	14,072,125	11,462,598	1,100,085
Paper and paper products	*1,724	--	--	623	*410	101,488	11,982,616	4,565,144	2,795,267	246,150
Drugs, drug proprietaries, and druggists' sundries	*1,451	436	--	1,938	580	184,760	17,040,994	5,297,252	2,590,715	257,415
Apparel, piece goods, and notions	*58,865	63	--	*705	--	284,232	25,669,021	6,645,373	3,320,107	275,973
Farm-product raw materials	*18,010	--	2	6,752	*104	253,412	39,025,807	10,612,430	11,043,264	771,070
Chemicals and allied products	*2,726	--	--	*1,146	*883	108,086	9,896,967	3,376,534	3,239,591	287,429
Petroleum and petroleum products	*137,888	--	*16	5,486	*2,546	218,856	35,232,789	10,078,626	14,465,133	1,155,677
Alcoholic beverages	6,562	3,463	--	*4,291	*301	154,766	15,693,072	6,424,720	5,531,961	402,849
Miscellaneous nondurable goods; wholesale trade not allocable	*25,149	84	--	1,363	*613	348,860	36,523,142	9,912,680	10,299,933	944,797

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, 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	Nonconventional source fuel credit	General business credit	Prior year minimum tax credit	Total income tax after credits [2]	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(11)	(12) [1]	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Wholesale and retail trade--Continued										
Retail trade	644,659	24,173	*25	155,956	28,285	7,452,810	754,713,651	180,986,757	297,011,340	25,618,648
Building materials, garden supplies, and mobile home dealers	*2	--	--	5,834	*7	359,802	37,022,670	13,384,751	14,557,493	1,131,861
Building material dealers	*2	--	--	4,693	--	273,402	24,973,081	9,622,973	10,263,907	794,467
Hardware stores	--	--	--	*459	--	37,042	6,167,170	2,540,338	2,017,922	156,705
Garden supplies and mobile home dealers	--	--	--	*682	*7	49,358	5,882,419	1,221,440	2,275,664	180,689
General merchandise stores	110,676	20,076	(*)	45,663	*8,000	2,596,045	244,993,615	56,253,575	62,573,702	4,848,067
Food stores	263,350	3,349	--	38,182	13,397	1,303,418	95,389,352	15,629,258	56,793,341	4,725,429
Grocery stores	263,350	3,349	--	36,930	13,393	1,263,630	88,451,956	14,407,357	51,574,384	4,259,732
Other food stores	--	--	--	*1,252	*4	39,789	6,937,396	1,221,902	5,218,957	465,697
Automotive dealers and service stations	*112	717	*24	8,795	1,083	388,227	106,202,489	19,071,449	34,038,957	3,616,597
Motor vehicle dealers	--	--	*24	4,101	891	207,727	79,879,390	11,470,402	20,834,079	2,386,111
Gasoline service stations	*110	--	--	2,198	--	59,729	9,873,331	3,182,609	6,787,366	588,518
Other automotive dealers	2	717	--	2,496	*192	120,771	16,449,768	4,418,437	8,417,511	641,969
Apparel and accessory stores	6,495	--	--	4,216	*226	789,013	44,851,101	17,445,769	17,241,826	1,484,963
Furniture and home furnishings stores	*1,028	--	--	2,507	*120	249,075	25,874,524	8,948,397	7,997,698	697,161
Eating and drinking places	249,768	32	1	33,303	*2,477	633,010	90,953,003	18,965,132	63,724,128	5,100,814
Miscellaneous retail stores	13,228	--	--	17,457	2,976	1,134,220	109,426,896	31,288,427	40,084,196	4,013,756
Drug stores and proprietary stores	*21	--	--	4,802	*202	244,240	17,775,809	4,908,326	6,617,644	638,470
Liquor stores	*9	--	--	*407	*531	34,535	3,536,138	1,251,692	1,443,884	105,471
Other retail stores	13,198	--	--	12,247	2,243	855,445	88,114,948	25,128,408	32,022,668	3,269,816
Wholesale and retail trade not allocable	--	--	--	*44	--	8,690	2,130,756	637,088	715,020	102,599
Finance, insurance, and real estate	**1,641,306**	**10,217**	**1,329**	**196,949**	**195,293**	**20,511,294**	**10,193,295,357**	**2,142,041,011**	**375,817,722**	**34,617,504**
Banking	526,445	--	5	72,381	56,824	6,844,390	4,017,714,771	344,209,078	92,447,984	16,277,539
Mutual savings banks	17	--	--	2,717	674	240,260	103,896,633	7,387,864	1,642,617	166,169
Bank holding companies	522,190	--	5	64,322	48,628	5,050,613	3,541,181,902	306,185,587	81,548,872	14,706,713
Banks, except mutual savings banks and bank holding companies	4,238	--	--	5,342	7,522	1,553,518	372,636,236	30,635,628	9,256,495	1,404,657
Credit agencies other than banks	194,600	8,558	--	49,890	38,433	4,509,000	1,763,467,405	83,245,867	35,517,915	4,203,833
Savings and loan associations	2,811	6,618	--	10,123	24,603	2,827,181	1,081,944,445	17,763,017	19,833,615	1,770,806
Personal credit institutions	19,696	865	--	*1,655	*8,935	261,957	122,051,278	21,275,868	6,640,477	967,739
Business credit institutions	2,583	873	--	20,673	58	100,468	97,035,460	3,606,940	1,649,684	730,416
Other credit agencies; finance not allocable	169,510	202	--	17,438	4,837	1,319,394	482,436,222	40,600,043	7,394,139	734,871
Security, commodity brokers and services	71,407	--	4	29,520	26,498	710,712	409,260,883	22,373,917	8,185,024	1,057,094
Security brokers, dealers, and flotation companies	64,888	--	2	21,434	25,587	587,215	373,330,264	18,020,194	5,321,525	792,463
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services	6,520	--	2	*8,087	*911	123,498	35,930,619	4,353,723	2,863,500	264,631
Insurance	619,009	979	*373	29,087	54,763	5,715,638	2,129,087,978	347,372,081	36,706,097	5,064,718
Life insurance	211,176	979	*33	16,411	41,889	2,328,672	1,335,135,541	143,135,144	13,491,035	2,519,875
Mutual property and casualty insurance companies	34,997	--	48	7,078	4,262	1,149,550	234,933,725	61,403,288	5,410,176	790,546
Stock property and casualty insurance companies and other insurance companies	372,835	--	292	5,599	8,612	2,237,416	559,018,712	142,833,648	17,804,886	1,754,297
Insurance agents, brokers, and service	*76,980	--	--	2,635	*47	461,241	39,514,972	11,713,851	7,662,449	771,105
Real estate	14,457	53	*767	7,715	5,415	1,053,687	358,293,806	71,728,824	164,844,832	5,519,154
Real estate operators and lessors of buildings	*547	1	--	3,800	755	548,927	134,514,752	27,501,067	89,803,913	2,782,546
Lessors of mining, oil, and similar property	7	--	*632	--	1,325	55,021	2,213,627	712,301	491,696	11,435
Lessors of railroad property, and of real property, not elsewhere classified	--	--	--	*448	*130	21,757	1,726,090	697,915	985,617	39,310
Condominium management and cooperative housing associations	12	--	--	*462	--	25,744	31,187,338	16,173,606	27,257,606	802,613
Subdividers and developers	591	52	135	725	*1,510	133,828	104,099,015	12,462,816	21,133,450	713,772
Other real estate	13,300	--	--	2,280	*1,695	268,411	84,552,984	14,181,119	25,172,550	1,169,477
Holding and other investment companies, except bank holding companies	138,408	627	*180	5,721	13,312	1,216,625	1,455,955,542	1,261,397,393	30,453,420	1,724,061
Regulated investment companies	--	--	--	--	--	40,306	1,233,866,042	1,189,328,762	19,600	1,007
Real estate investment trusts	--	--	--	6	--	*317	47,749,234	17,542,946	14,203,929	383,257
Small business investment companies	--	--	--	*5	*301	5,336	3,535,751	1,484,143	414,800	22,556
Other holding and investment companies, except bank holding companies	138,408	627	*180	5,710	13,012	1,170,666	170,804,516	53,041,542	15,815,090	1,317,242
Services	**602,469**	**15,845**	**576**	**123,628**	**28,452**	**4,597,561**	**572,842,266**	**143,154,346**	**306,907,591**	**33,670,443**
Hotels and other lodging places	*34,559	6,014	--	7,856	*897	221,560	59,664,534	11,643,705	39,781,734	2,226,740
Personal services	9,580	--	--	3,451	*625	295,233	19,598,680	6,779,710	14,370,589	1,220,898
Business services	372,965	5,316	--	66,477	11,584	1,585,762	196,350,137	47,115,692	87,413,420	12,071,191
Advertising	128,034	261	--	*803	*224	120,909	27,751,832	6,366,745	7,060,747	714,425
Business services, except advertising	244,930	5,055	--	65,674	11,360	1,464,852	168,598,305	40,748,947	80,352,673	11,356,766
Auto repair; miscellaneous repair services	*324	--	--	18,751	3,216	304,878	48,488,413	10,401,889	39,475,652	6,413,525
Auto repair and services	*99	--	--	18,197	3,216	219,024	40,428,777	7,336,897	35,011,820	6,021,876
Miscellaneous repair services	*226	--	--	*554	--	85,854	8,059,636	3,064,992	4,463,832	391,649
Amusement and recreation services	116,334	37	--	4,792	4,679	575,740	107,947,463	30,815,504	51,407,152	5,184,741
Motion picture production, distribution, and services	45,399	--	--	*1,064	*154	114,169	43,597,726	15,133,446	8,661,209	1,591,612
Motion picture theaters	*9,971	--	--	91	69	45,982	10,376,167	3,284,582	5,522,899	369,979
Amusement and recreation services, except motion pictures	*60,964	37	--	3,637	*4,456	415,589	53,973,570	12,397,476	37,223,044	3,223,150
Other services	68,708	4,477	576	22,302	7,451	1,614,389	140,793,039	36,397,846	74,459,044	6,553,349
Offices of physicians, including osteopathic physicians	--	--	--	*317	--	26,031	5,350,420	1,629,316	4,686,553	448,501
Offices of dentists	--	--	--	*151	--	5,343	1,690,225	750,077	2,370,178	179,411
Offices of other health practitioners	--	--	--	*17	--	7,470	1,246,513	389,503	1,062,696	110,654
Nursing and personal care facilities	6,408	--	--	*1,795	*324	54,854	18,000,600	2,082,508	12,609,630	705,782
Hospitals	16,529	160	--	4,780	*1,084	532,980	35,851,573	10,120,130	18,102,544	1,400,048
Medical laboratories	1,052	--	--	*950	*722	49,006	3,790,282	1,719,346	1,917,645	188,584
Other medical services	2,346	188	--	2,780	*1,734	297,626	16,322,027	4,471,183	6,765,466	823,862
Legal services	--	--	--	*898	--	14,152	2,899,880	1,108,752	1,892,957	164,464
Educational services	*13,560	303	--	*1,251	--	72,873	8,072,518	1,956,222	3,867,475	316,370
Social services	--	--	--	*295	--	14,906	1,691,565	241,811	1,389,687	100,871
Membership organizations	*18	--	--	*98	*85	21,467	3,496,432	1,465,284	1,930,655	127,593
Architectural and engineering services	20,617	187	--	6,315	*2,109	232,205	16,656,359	4,250,506	6,826,529	743,191
Accounting, auditing, and bookkeeping services	2,111	--	--	--	--	18,882	1,642,336	331,972	1,281,703	133,804
Miscellaneous services (including veterinarians), not elsewhere classified	*8,066	3,640	576	2,656	*1,393	266,594	23,882,310	5,881,235	9,755,326	1,110,213
Nature of business not allocable	--	(*)	-	-	-	**15,330**	**1,888,616**	**428,034**	**590,789**	**44,348**

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 1--Number of Returns, Selected Receipts, Cost of Sales and Operations, Net Income, Deficit, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry--Continued

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

Minor industry	Coefficient of variation (Percent)									
	Number of returns		Total receipts							
	Total	With net income	All returns	Returns with net income	Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Total returns of active corporations	**0.77**	**0.74**	**0.17**	**0.22**	**0.18**	**0.24**	**0.21**	**0.43**	**0.26**	**0.25**
Agriculture, forestry, and fishing	**3.17**	**4.46**	**3.07**	**3.76**	**3.25**	**4.26**	**3.21**	**3.00**	**3.75**	**3.79**
Agricultural production	3.12	4.76	3.22	3.87	3.45	4.70	3.52	5.34	4.03	4.07
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping	6.71	9.02	6.42	8.05	6.60	8.11	7.03	8.55	8.94	8.99
Mining	**6.38**	**9.25**	**1.37**	**1.49**	**1.52**	**1.65**	**1.56**	**3.35**	**1.13**	**0.98**
Metal mining	30.35	43.27	1.76	1.14	1.92	2.36	1.31	8.13	0.87	0.98
Iron ores	88.00	92.83	4.19	1.22	3.72	4.28	2.89	74.70	2.93	1.28
Copper, lead and zinc, gold and silver ores	38.23	50.08	1.76	1.24	1.95	2.62	1.20	8.86	0.71	0.94
Other metal mining	55.66	40.09	12.38	9.46	12.90	14.68	13.27	18.55	10.68	9.48
Coal mining	24.84	48.49	3.62	3.61	3.77	3.43	4.79	14.01	5.08	3.44
Oil and gas extraction	7.28	10.32	1.77	1.97	2.03	2.35	1.92	3.80	1.42	1.27
Crude petroleum, natural gas, and natural gas liquids	9.31	13.15	1.64	1.79	1.92	2.58	1.93	5.91	1.24	1.13
Oil and gas field services	11.56	16.65	4.69	5.91	5.06	5.25	5.60	4.68	7.18	6.46
Nonmetallic minerals, except fuels	17.53	17.41	4.71	5.51	4.87	5.34	7.56	15.61	6.38	5.41
Dimension, crushed, and broken stone; sand and gravel	19.03	18.50	4.93	5.60	5.10	5.52	7.87	20.07	7.35	6.66
Other nonmetallic minerals, except fuels	44.92	50.90	11.41	14.29	11.65	13.17	20.86	24.40	12.52	8.54
Construction	**1.60**	**2.57**	**1.19**	**1.45**	**1.21**	**1.26**	**1.78**	**2.41**	**2.21**	**2.19**
General building contractors and operative builders	1.68	3.77	1.61	2.00	1.65	1.73	2.60	3.00	3.42	3.27
Gereral building contractors	1.61	3.76	1.67	2.07	1.70	1.77	2.74	3.21	3.55	3.44
Operative builders	22.37	29.91	5.29	6.67	5.74	7.56	7.33	8.21	11.22	8.72
Heavy construction contractors	7.79	9.96	2.46	2.91	2.51	2.55	3.52	5.86	3.51	3.37
Special trade contractors	2.52	3.65	2.16	2.62	2.17	2.36	3.05	4.79	4.11	4.38
Plumbing, heating, and air conditioning	6.73	9.05	4.77	5.77	4.78	4.92	7.15	10.55	8.84	9.19
Electrical work	8.15	10.59	5.28	6.18	5.31	5.43	7.98	12.03	10.44	10.84
Other special trade contractors and contractors not allocable	2.75	4.28	2.73	3.34	2.75	3.09	3.72	6.01	5.17	5.56
Manufacturing	**2.17**	**2.76**	**0.25**	**0.28**	**0.27**	**0.32**	**0.20**	**0.83**	**0.14**	**0.13**
Food and kindred products	9.12	11.06	0.98	1.09	1.01	1.23	0.71	3.50	0.49	0.47
Meat products	18.37	23.86	3.81	4.60	3.85	4.01	3.55	7.80	2.51	2.30
Dairy products	30.69	32.89	4.61	5.04	4.65	5.26	5.07	11.23	4.58	4.46
Preserved fruits and vegetables	29.71	32.76	2.60	2.38	2.67	3.22	2.02	16.25	1.34	1.31
Grain mill products	29.07	36.21	1.55	1.78	1.60	2.02	1.22	6.50	0.77	0.74
Bakery products	23.76	29.30	5.08	5.34	5.11	5.46	6.09	21.27	5.62	5.39
Sugar and confectionery products	36.41	30.44	3.15	3.26	3.24	4.03	2.11	17.58	1.29	1.30
Malt liquors and malt	80.06	2.17	1.81	0.36	1.87	2.39	0.14	36.90	0.14	0.14
Alcoholic beverages, except malt liquors and malt	28.54	41.34	3.37	3.47	3.70	2.44	2.36	16.90	1.74	1.53
Bottled soft drinks and flavorings	14.81	16.30	1.93	2.31	2.07	2.78	1.23	6.19	0.87	0.86
Other food and kindred products	19.19	24.18	1.98	2.20	2.03	2.12	2.56	8.69	1.79	1.67
Tobacco manufactures	68.55	78.11	0.23	0.12	0.26	0.32	0.05	51.46	0.06	0.04
Textile mill products	14.69	17.23	2.38	3.23	2.41	2.52	3.85	4.63	3.40	3.18
Weaving mills and textile finishings	21.71	25.90	3.65	5.20	3.72	3.96	5.40	5.29	3.35	3.09
Knitting mills	21.90	22.76	11.09	12.10	11.12	12.06	11.83	37.88	11.52	11.07
Other textile mill products	20.47	24.93	2.92	4.00	2.96	3.02	5.58	6.24	5.72	5.28
Apparel and other textile products	10.19	12.47	2.99	3.63	3.05	3.22	2.82	6.76	2.13	1.97
Men's and boys' clothing	39.61	37.91	3.51	3.68	3.67	4.09	2.43	13.34	1.32	1.29
Women's and children's clothing	17.31	17.34	5.73	6.97	5.79	6.07	4.90	11.63	4.95	4.85
Other apparel and accessories	19.57	28.61	6.69	9.08	6.79	7.10	11.50	13.74	9.85	8.85
Miscellaneous fabricated textile products; textile products, not elsewhere classified	18.00	21.25	8.48	10.42	8.52	8.73	11.17	15.60	16.12	14.85
Lumber and wood products	9.07	11.68	2.23	2.52	2.30	2.40	2.83	5.84	2.13	1.82
Logging, sawmills, and planing mills	14.76	18.62	3.90	4.08	4.07	4.10	4.52	8.50	2.99	2.67
Millwork, plywood, and related products	17.67	25.47	2.64	2.90	2.70	2.91	3.35	10.38	2.52	2.17
Other wood products, including wood buildings and mobile homes	15.00	17.05	6.47	8.26	6.71	7.01	8.57	10.79	9.77	8.44
Furniture and fixtures	11.65	15.52	3.69	4.66	3.76	4.16	4.39	6.54	2.93	2.76
Paper and allied products	17.18	17.51	0.90	1.00	0.92	1.04	0.85	2.34	0.55	0.50
Pulp, paper, and board mills	23.50	21.26	0.62	0.66	0.64	0.74	0.91	2.40	0.39	0.36
Other paper products	18.82	19.13	1.78	2.13	1.83	2.02	1.35	3.14	0.98	0.91
Printing and publishing	5.63	7.94	1.23	1.47	1.30	1.55	1.27	3.48	0.93	0.89
Newspapers	18.98	26.93	1.30	1.28	1.39	1.85	1.37	7.64	1.00	1.02
Periodicals	19.75	28.65	3.59	6.57	3.89	3.77	4.10	5.34	2.88	2.60
Books, greeting cards, and miscellaneous publishing	16.95	21.71	3.20	3.57	3.41	4.91	2.93	9.14	1.98	1.88
Commercial and other printing, and printing trade services	6.37	9.23	2.27	2.98	2.30	2.46	3.20	7.03	3.00	2.81
Chemical and allied products	11.32	13.65	0.38	0.40	0.41	0.46	0.29	1.74	0.18	0.17
Industrial chemicals, plastics materials and synthetics	16.47	20.99	0.50	0.52	0.53	0.57	0.55	3.64	0.30	0.27
Drugs	36.76	45.34	0.44	0.42	0.47	0.64	0.27	5.64	0.19	0.18
Soaps, cleaners, and toilet goods	29.77	36.12	0.80	0.77	0.84	0.80	0.83	1.27	0.64	0.58
Paints and allied products	37.35	19.95	5.53	5.82	5.62	6.34	5.09	20.45	4.05	4.01
Agriculture and other chemical products	23.17	27.76	2.47	3.20	2.73	2.97	1.60	5.79	1.05	0.95
Petroleum (including integrated) and coal products	26.62	32.23	0.16	0.13	0.17	0.18	0.09	6.64	0.05	0.05
Petroleum refining (including integrated)	43.07	60.16	0.10	0.06	0.11	0.13	0.05	2.85	0.02	0.02
Petroleum and coal products, not elsewhere classified	33.67	38.16	12.11	14.98	12.24	12.85	13.67	23.54	18.25	17.72
Rubber and miscellaneous plastics products	9.99	13.76	1.99	2.94	2.03	2.11	3.10	4.45	3.33	3.22
Rubber products; plastics footwear, hose and belting	27.02	30.77	2.40	5.41	2.49	2.56	4.31	3.48	3.72	3.52
Miscellaneous plastics products	10.75	15.36	2.89	3.48	2.92	3.03	4.07	7.53	4.95	4.86
Leather and leather products	32.45	32.23	4.24	4.46	4.35	4.81	4.85	22.17	4.27	4.17
Footwear, except rubber	26.05	32.73	3.23	3.28	3.33	3.78	4.43	17.48	3.51	3.49
Leather and leather products, not elsewhere classified	37.28	37.75	14.21	17.20	14.37	14.68	15.91	39.88	16.30	16.30

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry--Continued

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

Minor industry	Coefficient of variation (Percent)									
	Number of returns		Total receipts							
	Total	With net income	All returns	Returns with net income	Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Manufacturing--Continued										
Stone, clay, and glass products	11.79	15.76	1.84	2.51	1.94	2.06	1.99	5.03	1.60	1.52
Glass products	31.33	37.56	1.95	2.44	2.11	2.30	2.05	8.92	1.41	1.33
Cement, hydraulic	46.45	45.40	2.89	6.12	3.09	3.26	7.29	4.82	3.98	3.32
Concrete, gypsum, and plaster products	16.17	21.73	3.91	6.02	3.99	4.02	7.95	7.83	9.07	8.30
Other nonmetallic mineral products	20.28	27.69	4.93	5.66	5.18	5.48	3.45	15.46	2.93	2.86
Primary metal industries	14.27	18.14	1.35	1.83	1.40	1.62	1.09	2.01	1.05	0.95
Ferrous metal industries, miscellaneous primary mineral products	17.91	24.57	1.32	2.22	1.35	1.42	2.19	2.01	2.64	2.35
Nonferrous metal industries	22.00	26.33	2.29	2.59	2.39	2.79	1.14	6.40	0.99	0.91
Fabricated metal products	4.59	5.80	1.46	1.78	1.49	1.52	1.76	3.81	1.68	1.60
Metal cans and shipping containers	40.51	49.96	3.14	2.45	3.45	3.37	2.05	25.58	2.14	2.06
Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products	16.42	19.26	3.95	4.39	4.13	4.50	3.10	12.05	2.35	2.13
Plumbing and heating, except electric and warm air	34.46	40.73	3.98	5.00	4.04	4.12	4.11	15.91	2.88	2.84
Fabricated structural metal products	10.87	12.50	3.83	4.56	3.88	3.79	4.49	8.61	4.56	4.48
Metal forgings and stampings	17.33	20.27	4.31	6.57	4.36	4.38	7.27	7.90	9.34	8.65
Coating, engraving, and allied services	19.66	22.27	10.87	12.32	10.91	11.89	10.30	26.39	6.69	6.25
Ordnance and accessories, except vehicles and guided missiles	43.66	48.26	16.55	27.50	16.91	18.10	18.71	14.60	15.27	14.94
Miscellaneous fabricated metal products	5.89	7.82	2.24	2.72	2.27	2.33	3.25	6.16	3.57	3.42
Machinery, except electrical	7.13	8.51	0.66	0.78	0.76	0.79	0.65	2.17	0.50	0.47
Farm machinery	25.72	29.37	3.20	3.50	3.41	3.65	5.30	15.10	4.03	3.90
Construction and related machinery	21.89	20.44	1.88	1.98	1.93	2.00	3.65	9.96	3.05	2.91
Metalworking machinery	14.30	16.33	3.52	5.14	3.72	3.93	6.79	6.98	6.68	6.33
Special industry machinery	16.08	20.28	3.68	4.38	3.74	3.75	5.19	9.44	6.00	5.82
General industry machinery	19.08	20.26	2.50	2.68	2.53	2.55	2.89	10.83	2.48	2.36
Office, computing, and accounting machines	31.25	47.93	0.48	0.54	0.64	0.66	0.22	2.17	0.21	0.19
Other machinery, except electrical	15.39	18.90	2.20	2.50	2.30	2.22	3.55	6.41	3.35	3.17
Electrical and electronic equipment	7.77	9.16	0.63	0.67	0.68	0.76	0.73	2.40	0.56	0.53
Household appliances	49.74	63.00	2.28	2.65	2.38	2.31	4.08	7.70	3.12	3.06
Radio, television, and communication equipment	15.53	17.18	1.71	2.09	1.79	1.90	2.31	6.43	1.83	1.77
Electronic components and accessories	10.54	12.43	1.08	1.25	1.12	1.18	1.26	3.31	1.05	1.01
Other electrical equipment	12.91	14.30	0.94	0.89	1.05	1.29	0.96	4.61	0.68	0.64
Motor vehicles and equipment	18.99	26.04	0.40	0.44	0.45	0.47	0.76	1.50	0.48	0.33
Transportation equipment, except motor vehicles	16.83	24.26	0.58	0.53	0.60	0.62	0.58	6.73	0.47	0.46
Aircraft, guided missiles and parts	27.94	37.27	0.29	0.28	0.30	0.28	0.45	8.79	0.36	0.36
Ship and boat building and repairing	27.34	41.51	7.32	12.73	7.40	7.43	10.92	11.83	19.14	18.19
Other transportation equipment, except motor vehicles	28.05	38.30	4.52	4.98	4.64	4.74	6.54	18.62	5.63	5.39
Instruments and related products	14.07	18.06	1.33	1.27	1.40	1.67	1.17	4.93	0.95	0.91
Scientific instruments and measuring devices; watches and clocks	22.92	26.98	2.56	2.20	2.65	3.39	2.86	11.17	2.78	2.64
Optical, medical, and ophthalmic goods	19.18	25.65	2.08	2.47	2.21	2.28	1.78	5.66	1.31	1.26
Photographic equipment and supplies	44.04	65.26	1.27	1.11	1.36	1.58	0.99	14.84	0.56	0.55
Miscellaneous manufacturing and manufacturing not allocable	8.83	10.94	5.56	7.24	5.82	8.51	2.41	5.48	2.29	2.17
Transportation and public utilities	**3.28**	**4.72**	**0.56**	**0.59**	**0.59**	**0.96**	**0.38**	**1.28**	**0.25**	**0.25**
Transportation	3.66	5.37	1.35	1.71	1.42	2.29	1.66	2.08	1.40	1.10
Railroad transportation	42.64	55.65	0.32	0.36	0.32	0.50	0.95	2.24	0.83	0.62
Local and interurban passenger transit	14.02	19.77	9.90	13.23	10.03	14.94	14.77	10.86	18.76	18.27
Trucking and warehousing	4.55	6.90	2.42	2.94	2.46	4.01	3.28	6.07	2.77	2.43
Water transportation	15.45	22.82	4.35	3.87	4.63	4.20	5.47	12.81	4.63	4.22
Transportation by air	16.50	30.98	0.95	1.71	1.01	1.51	3.62	2.41	2.55	1.49
Pipelines, except natural gas	39.78	44.67	10.51	10.80	10.98	30.45	5.21	8.20	5.28	5.31
Transportation services, not elsewhere classified	7.48	10.84	5.94	6.92	6.23	7.81	6.40	7.47	7.91	6.34
Communication	9.88	13.39	0.38	0.34	0.41	0.63	0.42	2.28	0.29	0.41
Telephone, telegraph, and other communication services	12.93	16.52	0.40	0.31	0.42	0.70	0.37	4.94	0.30	0.45
Radio and television broadcasting	12.93	16.52	0.40	0.31	0.42	0.70	0.37	4.94	0.30	0.45
Electric, gas, and sanitary services	15.32	22.78	1.16	1.89	1.27	1.30	1.90	2.47	1.02	0.89
Electric services	11.20	14.52	0.62	0.68	0.65	1.10	0.34	1.61	0.21	0.18
Gas production and distribution	29.53	36.40	0.12	0.09	0.13	0.26	0.05	0.84	0.04	0.04
Combination utility services	26.80	33.66	0.84	0.81	0.89	1.09	0.87	4.65	0.83	0.65
Water supply and other sanitary services	19.65	22.14	0.16	0.19	0.16	0.26	0.22	0.15	0.15	0.14
Wholesale and retail trade	12.56	16.37	6.93	7.88	7.30	13.97	3.64	12.43	2.47	2.26
Wholesale trade	**1.07**	**1.64**	**0.48**	**0.61**	**0.49**	**0.54**	**0.69**	**1.11**	**0.67**	**0.53**
Groceries and related products	2.18	2.79	0.78	0.96	0.79	0.83	1.11	1.71	1.15	1.10
Machinery, equipment, and supplies	7.87	9.71	2.28	2.72	2.30	2.44	3.11	7.02	2.69	2.44
Miscellaneous wholesale trade	4.68	6.11	2.01	2.40	2.05	2.15	2.96	5.05	3.33	3.15
Motor vehicles and automotive equipment	2.57	3.29	0.88	1.11	0.90	0.95	1.29	1.89	1.34	1.28
Furniture and home furnishings	8.10	10.22	1.69	2.24	1.73	1.72	2.77	3.72	2.10	1.85
Lumber and construction materials	15.60	20.39	8.82	10.98	8.86	9.42	11.00	11.46	9.98	9.98
Sporting, recreational, photographic, and hobby goods, toys and supplies	10.82	12.00	5.55	7.06	5.60	5.92	8.68	10.73	10.56	11.32
Metals and minerals, except petroleum and scrap	15.13	22.18	4.69	5.42	4.71	4.81	6.64	10.73	7.06	7.07
Electrical goods	14.58	18.69	1.99	3.06	2.16	2.11	6.71	3.99	7.32	6.90
Hardware, plumbing, and heating equipment and supplies	8.43	10.59	2.25	3.32	2.29	2.34	4.44	3.82	4.64	4.47
Other durable goods	9.98	12.10	4.80	5.30	4.83	5.30	6.83	13.28	7.89	8.26
Paper and paper products	5.53	7.80	2.31	2.77	2.33	2.42	4.09	6.05	4.66	4.78
Drugs, drug proprietaries, and druggists' sundries	14.88	17.45	5.55	6.41	5.56	5.76	8.48	16.17	10.55	10.63
Apparel, piece goods, and notions	22.61	28.40	3.00	3.71	3.01	3.06	5.60	8.81	4.86	4.53
Farm-product raw materials	10.37	13.16	3.52	3.90	3.56	3.63	3.98	9.24	3.56	3.40
Chemicals and allied products	13.11	15.20	3.65	3.93	3.71	3.86	3.49	11.84	3.64	3.35
Petroleum and petroleum products	15.51	16.41	6.69	8.73	6.72	7.19	8.73	11.23	10.17	10.07
Alcoholic beverages	9.45	11.57	3.37	4.30	3.40	3.45	3.84	7.37	4.16	3.78
Miscellaneous nondurable goods; wholesale trade not allocable	16.39	12.86	4.85	5.25	4.88	5.06	5.66	19.74	6.66	6.38
	6.91	9.31	3.55	4.33	3.58	3.88	4.26	6.70	5.11	5.01

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry--Continued

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

Minor industry	Coefficient of variation (Percent)									
	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						
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Wholesale and retail trade--Continued										
Retail trade	1.19	2.04	0.56	0.74	0.58	0.65	0.87	1.45	0.82	0.49
Building materials, garden supplies, and mobile home dealers	5.69	7.07	2.68	3.43	2.70	2.78	4.01	7.04	3.93	3.76
Building material dealers	8.09	9.32	3.02	3.87	3.05	3.14	4.64	8.46	4.33	4.24
Hardware stores	10.26	13.54	7.51	9.67	7.55	7.75	11.60	18.03	15.55	15.67
Garden supplies and mobile home dealers	12.69	16.44	7.98	10.26	8.14	8.73	10.01	17.59	8.60	7.68
General merchandise stores	11.90	14.80	0.42	0.47	0.44	0.48	0.60	1.50	0.36	0.30
Food stores	4.54	7.17	1.23	1.45	1.25	1.32	1.46	4.45	0.99	0.86
Grocery stores	5.79	8.57	1.18	1.39	1.19	1.26	1.31	4.39	0.94	0.83
Other food stores	7.15	12.51	7.78	10.19	7.82	9.17	11.33	12.37	12.49	12.01
Automotive dealers and service stations	3.49	4.97	1.51	2.44	1.52	1.57	3.95	3.85	6.60	4.16
Motor vehicle dealers	4.42	6.59	1.53	2.83	1.55	1.61	4.15	4.30	6.05	6.03
Gasoline service stations	8.27	11.89	6.32	7.83	6.34	6.45	15.79	12.26	26.21	9.67
Other automotive dealers	6.69	8.79	4.37	5.20	4.39	4.62	7.02	10.85	7.29	6.97
Apparel and accessory stores	4.82	8.05	1.68	2.09	1.71	1.83	2.04	4.73	1.68	1.28
Furniture and home furnishings stores	6.00	8.65	3.30	4.22	3.37	3.68	4.69	7.79	4.73	4.65
Eating and drinking places	1.72	4.54	1.52	2.59	1.60	1.76	2.62	4.04	1.63	1.16
Miscellaneous retail stores	2.04	3.51	1.47	1.90	1.48	1.66	2.72	3.17	3.71	2.08
Drug stores and proprietary stores	7.87	9.40	3.24	3.67	3.27	3.36	4.37	9.24	3.42	2.55
Liquor stores	11.18	14.74	10.28	12.94	10.36	10.70	33.87	17.74	45.64	23.69
Other retail stores	2.06	3.91	1.62	2.18	1.64	1.86	2.44	3.40	2.64	2.48
Wholesale and retail trade not allocable	22.04	31.73	11.26	19.42	11.28	11.30	23.84	22.13	28.69	25.32
Finance, insurance, and real estate	**1.48**	**2.44**	**0.36**	**0.46**	**0.41**	**0.43**	**0.55**	**0.84**	**1.22**	**1.30**
Banking	4.47	5.56	1.11	1.54	0.71	0.70	3.64	0.92	3.96	3.86
Mutual savings banks	1.49	1.74	0.23	0.27	0.24	0.13	0.29	0.30	0.27	0.26
Bank holding companies	1.28	1.23	0.04	0.05	0.04	0.70	0.11	0.46	0.10	0.09
Banks, except mutual savings banks and bank holding companies	8.62	11.08	5.32	8.59	3.99	3.29	16.24	2.40	18.52	18.44
Credit agencies other than banks	8.73	10.81	0.25	0.27	0.79	1.01	0.30	0.49	0.23	0.29
Savings and loan associations	1.60	1.36	0.10	0.13	0.11	0.28	0.28	0.25	0.23	0.35
Personal credit institutions	17.46	18.99	0.89	0.55	2.69	0.21	2.27	28.04	1.46	1.28
Business credit institutions	30.34	36.02	0.89	0.63	10.26	33.32	4.29	20.60	3.17	2.23
Other credit agencies; finance not allocable	11.97	17.29	0.63	0.61	0.98	1.09	0.87	8.65	0.60	0.54
Security, commodity brokers and services	11.46	16.37	1.69	2.17	2.70	5.33	2.21	4.59	1.62	1.33
Security brokers, dealers, and flotation companies	15.90	24.34	1.63	2.35	3.22	20.21	1.69	5.03	1.60	1.32
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services	16.51	22.12	4.25	4.53	4.57	4.87	7.16	9.33	5.05	4.55
Insurance	11.15	12.21	0.16	0.17	0.22	0.16	0.29	2.49	0.29	0.23
Life insurance	0.76	1.40	0.21	0.11	0.31	0.12	0.33	4.85	0.28	0.29
Mutual property and casualty insurance companies	3.35	4.50	0.31	0.36	0.33	0.32	1.15	2.58	1.41	0.82
Stock property and casualty insurance companies and other insurance companies	18.57	22.26	0.43	0.49	0.49	0.49	0.57	1.84	0.51	0.43
Insurance agents, brokers, and service	2.79	5.50	3.92	4.67	4.13	14.07	3.31	8.33	2.82	2.52
Real estate	1.86	3.35	2.00	2.89	2.43	3.24	2.53	1.96	3.29	3.37
Real estate operators and lessors of buildings	2.75	5.40	3.25	4.89	4.39	6.25	4.07	4.29	4.60	4.70
Lessors of mining, oil, and similar property	33.24	37.34	15.50	17.79	44.66	56.80	20.01	37.80	20.38	20.37
Lessors of railroad property, and of real property, not elsewhere classified	21.87	28.72	10.19	10.54	13.09	0.04	25.57	30.22	26.23	27.29
Condominium management and cooperative housing associations	7.10	9.59	6.07	10.42	6.94	9.80	9.48	5.55	9.54	9.59
Subdividers and developers	4.86	8.26	3.24	4.98	3.92	4.68	4.72	3.02	8.47	7.96
Other real estate	3.21	5.84	4.12	5.50	4.76	7.05	4.79	3.56	6.52	6.59
Holding and other investment companies, except bank holding companies	4.60	6.82	1.17	1.32	3.54	4.71	0.19	4.92	1.79	1.67
Regulated investment companies	6.67	4.95	0.73	0.13	--	--	0.12	3.78	50.41	8.85
Real estate investment trusts	10.71	13.33	1.65	1.72	--	--	1.77	5.15	50.14	43.81
Small business investment companies	15.77	27.31	13.02	19.41	20.89	61.96	23.74	17.31	42.23	42.73
Other holding and investment companies, except bank holding companies	5.26	8.25	3.25	5.20	3.55	4.72	1.92	5.71	1.78	1.70
Services	**1.38**	**2.02**	**1.16**	**1.31**	**1.20**	**1.89**	**1.20**	**1.50**	**1.19**	**1.08**
Hotels and other lodging places	7.11	11.26	4.40	2.90	4.78	3.09	3.97	3.03	3.85	3.34
Personal services	4.82	7.22	4.34	4.65	4.48	6.01	4.28	9.61	4.22	3.89
Business services	2.23	3.40	1.89	2.33	1.95	2.79	1.98	2.66	2.11	1.95
Advertising	8.34	10.87	5.29	7.36	5.44	6.89	5.87	6.59	4.08	3.14
Business services, except advertising	2.29	3.57	2.02	2.45	2.08	3.05	2.11	2.91	2.36	2.18
Auto repair; miscellaneous repair services	3.71	5.39	2.82	3.71	2.93	4.00	4.37	6.28	5.34	4.25
Auto repair and services	4.42	6.87	3.13	4.20	3.27	4.92	4.77	7.11	4.92	2.95
Miscellaneous repair services	6.54	8.62	6.16	7.57	6.23	6.86	8.77	13.34	12.11	13.82
Amusement and recreation services	4.32	7.08	2.99	3.32	2.60	3.76	2.77	3.24	2.55	2.24
Motion picture production, distribution, and services	11.53	17.03	7.10	7.11	5.18	3.83	5.08	5.37	4.92	4.04
Motion picture theaters	29.37	40.17	5.07	10.74	5.61	9.53	9.32	5.80	4.60	4.52
Amusement and recreation services, except motion pictures	4.67	7.93	2.94	3.77	3.20	6.45	3.45	4.60	3.27	2.91
Other services	2.52	3.50	2.31	2.35	2.40	4.83	2.27	3.15	2.09	1.92
Offices of physicians, including osteopathic physicians	7.63	10.57	13.45	11.58	13.91	53.80	10.65	12.67	24.36	23.98
Offices of dentists	11.47	14.82	12.56	16.04	12.62	15.49	18.03	25.91	41.43	45.90
Offices of other health practitioners	12.58	15.24	15.33	18.46	15.39	23.94	17.48	29.35	48.53	53.18
Nursing and personal care facilities	11.04	14.98	5.18	7.34	5.30	8.88	9.76	8.72	12.46	9.51
Hospitals	16.62	19.82	1.59	1.57	1.59	2.35	1.85	6.00	0.86	0.84
Medical laboratories	20.57	28.12	11.20	13.74	11.56	13.23	14.60	14.49	18.16	18.30
Other medical services	9.01	12.10	6.13	5.73	6.31	6.12	6.09	9.33	5.77	5.57
Legal services	9.32	12.50	11.07	13.74	11.33	15.76	12.11	17.66	35.70	34.46
Educational services	11.28	14.58	9.65	11.55	9.89	17.51	9.17	13.62	6.23	5.28
Social services	17.92	28.55	16.20	24.31	18.43	22.32	23.53	23.05	34.51	37.24
Membership organizations	13.40	17.70	13.84	15.21	15.63	22.63	18.92	21.93	20.50	21.02
Architectural and engineering services	7.50	9.87	5.02	6.09	5.09	5.95	6.38	9.58	6.91	6.60
Accounting, auditing, and bookkeeping services	10.71	12.76	15.40	17.16	15.77	38.21	13.12	28.02	16.64	9.31
Miscellaneous services (including veterinarians), not elsewhere classified	4.44	7.03	4.74	5.54	4.92	6.30	5.14	5.69	5.47	4.90
Nature of business not allocable	**11.20**	**21.17**	**70.94**	**82.28**	**70.68**	**80.80**	**26.95**	**19.24**	**36.30**	**45.01**

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry--Continued

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

Minor industry	Coefficient of variation (Percent)									
	Foreign tax credit	U.S. possessions tax credit	Nonconventional source fuel credit	General business credit	Prior year minimum tax credit	Total income tax after credits [2]	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total returns of active corporations	**7.89**	**0.14**	**1.64**	**0.38**	**1.11**	**0.33**	**0.02**	**0.09**	**0.09**	**0.12**
Agriculture, forestry, and fishing	**9.11**	**7.71**	--	**14.07**	**11.49**	**3.96**	**1.34**	**1.99**	**2.15**	**2.63**
Agricultural production	9.12	(4)	--	14.64	6.58	([3])	1.38	2.17	2.34	2.89
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping	15.34	--	--	46.98	58.84	8.96	3.54	4.82	4.96	5.61
Mining	**0.50**	--	**7.38**	**4.60**	**2.48**	**1.54**	**0.46**	**1.50**	**0.97**	**1.35**
Metal mining	1.88	(4)	(4)	(4)	1.16	1.39	1.89	(4)	1.46	2.24
Iron ores	(4)	--	--	(4)	--	7.11	1.04	1.44	1.73	1.19
Copper, lead and zinc, gold and silver ores	(3)	--	--	(4)	(4)	1.14	1.42	1.88	1.34	1.73
Other metal mining	9.92	--	--	--	--	17.70	12.02	12.43	12.19	26.59
Coal mining	9.76	(4)	5.96	49.23	3.66	1.67	2.22	(4)	3.48	6.09
Oil and gas extraction	0.50	(4)	5.68	3.80	2.41	0.49	1.93	(4)	1.17	1.53
Crude petroleum, natural gas, and natural gas liquids	0.33	--	3.36	5.62	3.95	2.29	0.49	2.36	1.03	1.50
Oil and gas field services	7.07	--	56.70	15.47	11.55	8.28	1.54	2.30	3.24	3.17
Nonmetallic minerals, except fuels	0.15	(4)	33.02	(4)	5.52	2.53	3.28	(4)	3.65	4.49
Dimension, crushed, and broken stone; sand and gravel	67.38	--	--	33.48	(4)	6.50	2.94	3.89	4.58	5.18
Other nonmetallic minerals, except fuels	0.09	--	--	(4)	--	10.10	4.92	6.04	5.34	8.96
Construction	**1.23**	**5.77**	**82.41**	**8.68**	**12.91**	**2.32**	**0.74**	**2.25**	**1.48**	**1.75**
General building contractors and operative builders	1.08	(4)	19.05	20.17	3.45	0.79	1.65	(4)	2.16	2.76
Gereral building contractors	2.78	--	96.47	20.70	20.33	3.53	0.85	1.78	2.28	2.86
Operative builders	(4)	--	--	11.14	95.45	15.45	2.02	3.78	6.60	10.58
Heavy construction contractors	1.78	5.77	11.75	32.41	3.75	1.81	7.99	(4)	2.90	3.56
Special trade contractors	52.21	7.71	17.43	18.70	4.43	1.78	2.20	(4)	2.44	2.68
Plumbing, heating, and air conditioning	--	--	--	43.75	32.23	9.36	4.45	5.37	5.43	5.91
Electrical work	--	(4)	93.23	37.82	32.24	11.01	4.35	5.61	5.82	6.21
Other special trade contractors and contractors not allocable	52.21	--	--	20.42	27.96	5.61	2.15	2.65	3.01	3.30
Manufacturing	**0.03**	**0.16**	**0.06**	**0.60**	**0.83**	**0.21**	**0.08**	**0.13**	**0.14**	**0.17**
Food and kindred products	0.04	0.26	2.39	2.68	0.64	0.33	0.47	(4)	0.75	0.81
Meat products	(4)	(4)	--	6.73	(4)	2.60	2.03	2.44	2.94	3.63
Dairy products	0.02	(4)	--	13.14	17.22	4.81	2.65	3.86	4.36	4.75
Preserved fruits and vegetables	(4)	(4)	--	0.45	(4)	1.54	1.24	1.29	2.01	2.32
Grain mill products	(4)	(4)	--	15.47	10.72	0.91	0.42	0.70	1.28	1.28
Bakery products	7.78	(4)	--	30.99	10.11	5.41	3.79	4.25	5.63	5.59
Sugar and confectionery products	(4)	(4)	(4)	(4)	6.83	1.65	1.46	1.95	2.71	3.20
Malt liquors and malt	--	--	--	(4)	(4)	(4)	0.26	0.14	0.29	0.32
Alcoholic beverages, except malt liquors and malt	(3)	(4)	--	0.96	(4)	2.68	0.84	0.87	4.25	5.59
Bottled soft drinks and flavorings	0.09	(4)	--	4.99	11.97	2.29	0.52	1.33	1.71	1.61
Other food and kindred products	0.24	(4)	--	3.46	20.09	2.02	1.12	1.51	1.96	2.04
Tobacco manufactures	(4)	0.52	0.01	(4)	0.05	0.03	0.02	(4)	0.21	0.14
Textile mill products	2.95	4.06	14.30	13.40	3.50	1.42	2.22	(4)	1.76	2.06
Weaving mills and textile finishings	5.38	--	--	18.28	19.70	3.34	1.96	2.61	2.17	3.06
Knitting mills	(4)	(4)	--	43.70	62.13	10.68	7.69	8.94	8.20	9.45
Other textile mill products	0.25	(4)	--	9.27	11.73	6.15	1.86	3.28	2.52	2.52
Apparel and other textile products	0.06	1.36	5.36	1.24	2.57	1.73	2.24	(4)	3.31	3.64
Men's and boys' clothing	(4)	(4)	--	1.10	(4)	1.94	1.64	2.10	3.59	3.92
Women's and children's clothing	0.67	(4)	--	26.39	(4)	5.37	3.97	4.43	8.20	6.79
Other apparel and accessories	3.08	(4)	--	6.73	19.27	10.20	4.87	8.28	7.38	10.13
Miscellaneous fabricated textile products; textile products, not elsewhere classified	(4)	(4)	--	34.93	19.69	15.21	6.95	8.33	9.90	11.45
Lumber and wood products	0.02	(4)	8.78	12.18	1.95	0.87	1.12	(4)	1.23	1.82
Logging, sawmills, and planing mills	0.06	--	--	14.67	31.80	2.79	1.32	1.45	2.25	4.36
Millwork, plywood, and related products	(4)	--	(4)	2.95	(4)	2.38	1.02	1.37	1.08	1.27
Other wood products, including wood buildings and mobile homes	(4)	--	--	52.99	60.84	9.15	3.46	6.79	5.51	6.25
Furniture and fixtures	0.66	7.71	19.40	49.85	2.78	2.12	2.85	(4)	2.86	3.03
Paper and allied products	0.29	4.25	1.31	41.80	0.62	0.35	0.50	(4)	0.45	0.49
Pulp, paper, and board mills	(4)	(4)	(4)	1.43	66.43	0.40	0.26	0.37	0.36	0.31
Other paper products	0.37	(4)	--	1.92	50.57	1.29	0.85	1.38	1.16	1.24
Printing and publishing	0.62	4.57	5.47	4.08	0.97	0.45	0.64	(4)	1.08	1.09
Newspapers	(4)	(4)	72.44	3.49	(4)	1.12	0.53	0.74	1.31	0.98
Periodicals	(4)	--	--	91.63	(4)	3.33	0.90	1.78	2.61	3.30
Books, greeting cards, and miscellaneous publishing	1.01	--	--	19.94	17.27	2.10	0.99	1.34	2.76	2.31
Commercial and other printing, and printing trade services	37.52	(4)	--	16.35	10.44	2.82	1.40	2.01	2.13	2.34
Chemical and allied products	0.08	0.11	0.77	2.25	0.31	0.15	0.19	(4)	0.24	0.32
Industrial chemicals, plastics materials and synthetics	0.14	(4)	(4)	2.45	2.01	0.43	0.20	0.25	0.29	0.41
Drugs	0.02	(4)	69.46	0.83	(4)	0.38	0.24	0.29	0.41	0.45
Soaps, cleaners, and toilet goods	0.10	(4)	--	2.71	(4)	1.02	0.29	0.49	0.71	0.92
Paints and allied products	5.12	(4)	--	9.65	26.80	4.14	4.30	4.67	5.04	5.07
Agriculture and other chemical products	0.87	(4)	(4)	1.81	5.57	1.27	1.07	1.35	1.28	1.71
Petroleum (including integrated) and coal products	0.01	1.54	0.17	0.27	0.10	0.06	0.07	(4)	0.07	0.17
Petroleum refining (including integrated)	(4)	(4)	(4)	0.06	(4)	0.03	0.03	0.04	0.02	0.05
Petroleum and coal products, not elsewhere classified	82.14	--	--	56.24	79.95	17.53	8.96	10.97	10.99	12.85
Rubber and miscellaneous plastics products	1.15	3.34	5.63	26.31	3.91	1.35	2.11	(4)	1.60	2.00
Rubber products; plastics footwear, hose and belting	3.20	(4)	(4)	19.11	82.14	3.92	1.38	2.14	1.35	2.05
Miscellaneous plastics products	0.84	(4)	--	5.82	27.20	6.27	2.22	3.41	2.83	3.09
Leather and leather products	3.48	3.83	2.90	(4)	5.34	1.81	5.33	4.00	2.68	3.31
Footwear, except rubber	2.55	(4)	--	2.71	(4)	4.55	1.39	5.03	1.42	2.23
Leather and leather products, not elsewhere classified	87.92	(4)	--	55.69	--	18.47	10.86	12.89	14.37	14.25

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry--Continued

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

Minor industry	Coefficient of variation (Percent)									
	Foreign tax credit	U.S. possessions tax credit	Nonconventional source fuel credit	General business credit	Prior year minimum tax credit	Total income tax after credits [2]	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Manufacturing--Continued										
Stone, clay, and glass products	0.04	8.03	8.57	9.00	2.19	0.67	0.87	4.00	1.35	1.80
Glass products	(4)	(4)	(4)	0.73	14.22	2.01	0.51	0.73	0.94	1.83
Cement, hydraulic	(4)	--	--	7.57	(4)	3.43	1.26	1.60	2.13	2.00
Concrete, gypsum, and plaster products	(4)	(4)	--	26.02	59.66	8.66	2.04	2.80	3.77	3.95
Other nonmetallic mineral products	0.09	(4)	--	41.60	16.26	4.56	2.18	2.05	3.61	5.07
Primary metal industries	0.18	7.71	0.53	2.06	1.35	0.43	0.62	4.00	0.60	0.73
Ferrous metal industries, miscellaneous primary mineral products	(4)	(4)	--	2.06	(4)	2.56	0.67	1.02	0.88	1.07
Nonferrous metal industries	(4)	--	--	0.54	2.92	1.47	0.57	0.74	0.82	0.99
Fabricated metal products	0.27	3.66	9.21	11.22	1.97	0.90	1.14	4.00	1.47	1.62
Metal cans and shipping containers	(4)	(4)	(4)	--	80.63	2.46	0.77	0.58	2.01	2.60
Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products	0.05	(4)	--	13.76	2.58	3.93	1.94	2.05	4.66	4.80
Plumbing and heating, except electric and warm air	0.88	--	--	25.01	60.38	3.23	2.09	2.54	4.15	4.22
Fabricated structural metal products	0.48	--	--	36.59	29.13	5.43	2.80	3.35	3.31	3.27
Metal forgings and stampings	11.05	--	--	17.75	11.23	8.81	2.88	3.34	4.35	4.67
Coating, engraving, and allied services	78.66	--	--	26.47	52.16	6.06	9.01	9.61	10.94	10.70
Ordnance and accessories, except vehicles and guided missiles	(4)	--	--	(4)	67.38	14.95	7.06	9.40	13.02	12.02
Miscellaneous fabricated metal products	2.24	(4)	--	13.16	18.27	3.68	1.74	2.49	2.43	2.81
Machinery, except electrical	0.04	1.26	1.31	2.39	1.42	0.35	0.51	(4)	0.56	0.63
Farm machinery	0.78	--	--	0.62	(4)	5.72	2.03	3.61	2.23	2.96
Construction and related machinery	0.81	--	--	20.49	45.36	4.17	0.97	1.07	1.35	2.11
Metalworking machinery	4.72	(4)	--	12.91	54.24	6.96	2.19	4.06	4.32	4.71
Special industry machinery	5.66	--	(4)	11.47	10.35	6.24	2.48	3.03	3.99	4.20
General industry machinery	0.39	(4)	--	5.02	2.87	3.35	1.21	1.89	2.10	2.49
Office, computing, and accounting machines	(4)	(4)	--	1.70	(4)	1.11	0.23	0.42	0.31	0.42
Other machinery, except electrical	0.26	--	--	2.73	29.94	6.42	1.12	1.93	2.44	2.88
Electrical and electronic equipment	0.35	0.86	1.66	8.01	0.71	0.26	0.57	(4)	0.40	0.38
Household appliances	(4)	(4)	--	16.21	--	4.06	1.40	4.64	1.82	1.36
Radio, television, and communication equipment	1.23	(4)	--	2.80	12.17	2.40	1.13	1.51	1.26	0.97
Electronic components and accessories	0.40	(4)	(4)	2.39	9.23	1.35	0.63	0.86	0.97	0.96
Other electrical equipment	0.59	(4)	(4)	2.91	9.35	0.83	0.26	0.79	0.41	0.40
Motor vehicles and equipment	0.02	14.88	0.82	22.57	0.77	0.11	0.28	(4)	0.21	0.20
Transportation equipment, except motor vehicles	0.14	4.47	7.60	0.85	0.50	0.36	0.79	(4)	0.56	0.73
Aircraft, guided missiles and parts	0.12	(4)	--	7.99	0.06	0.38	0.24	0.75	0.31	0.54
Ship and boat building and repairing	69.78	(4)	--	46.06	72.52	18.05	5.62	7.09	9.61	9.72
Other transportation equipment, except motor vehicles	(4)	--	--	11.59	11.43	5.55	2.48	2.67	3.65	5.31
Instruments and related products	0.13	0.70	4.54	1.00	1.94	0.68	0.99	(4)	0.78	1.15
Scientific instruments and measuring devices; watches and clocks	0.32	(4)	--	13.31	25.23	6.51	1.40	1.79	1.84	1.79
Optical, medical, and ophthalmic goods	0.25	(4)	--	4.89	27.58	2.50	1.16	1.53	1.76	1.80
Photographic equipment and supplies	(4)	1.36	(4)	1.17	0.51	1.24	0.39	1.87		
Miscellaneous manufacturing and manufacturing not allocable	1.35	2.13	8.24	5.53	2.76	0.95	1.45	(4)	2.01	1.95
Transportation and public utilities	**3.70**	**0.10**	**0.44**	**0.29**	**3.04**	**0.26**	**0.13**	**0.19**	**0.17**	**0.24**
Transportation	14.02	18.17	1.12	12.92	1.16	0.44	0.73	(4)	0.60	0.95
Railroad transportation	(4)	([1])	(4)	0.37	--	0.71	0.28	0.45	0.34	0.46
Local and interurban passenger transit	(4)	--	--	53.68	95.74	18.19	7.56	12.06	10.06	11.37
Trucking and warehousing	1.29	--	--	7.23	9.45	2.48	1.49	2.01	2.05	2.30
Water transportation	(4)	--	--	5.00	18.88	4.52	2.03	3.40	3.03	3.62
Transportation by air	(4)	--	--	2.31	16.26	1.58	0.47	1.19	0.51	0.93
Pipelines, except natural gas	92.03	--	--	(4)	--	4.84	5.23	10.36	5.61	3.97
Transportation services, not elsewhere classified	15.47	(4)	--	3.32	45.49	7.00	1.73	3.17	2.78	3.67
Communication	0.22	0.10	0.66	20.16	0.43	0.14	0.28	(4)	0.18	0.21
Telephone, telegraph, and other communication services	0.04	(4)	--	0.40	21.58	0.48	0.13	0.17	0.16	0.18
Radio and television broadcasting	2.05	(4)	--	8.88	7.36	0.86	0.57	1.56	1.26	1.45
Electric, gas, and sanitary services	0.44	(4)	0.20	0.53	0.19	0.20	0.22	(4)	0.20	0.18
Electric services	(4)	--	(4)	(4)	(4)	0.04	0.05	0.06	0.05	0.06
Gas production and distribution	(4)	--	(4)	0.08	0.91	0.70	0.24	0.42	0.34	0.41
Combination utility services	(4)	--	(4)	0.07	(4)	0.15	0.06	0.09	0.06	0.08
Water supply and other sanitary services	(4)	--	(4)	10.37	16.57	2.33	4.09	4.11	5.05	2.71
Wholesale and retail trade	**0.66**	**0.98**	**78.57**	**1.85**	**3.38**	**0.57**	**(4)**	**(4)**	**0.43**	**0.48**
Wholesale trade	2.11	4.51	82.29	5.09	6.98	1.16	0.44	0.79	0.82	0.78
Groceries and related products	76.92	7.71	9.35	26.61	2.45	1.41	2.25	(4)	2.06	2.17
Machinery, equipment, and supplies	2.43	6.99	12.52	23.89	3.24	1.34	1.99	(4)	2.29	2.67
Miscellaneous wholesale trade	2.18	4.57	5.93	7.12	1.37	0.49	0.92	(4)	0.97	0.85
Motor vehicles and automotive equipment	1.60	--	72.82	30.93	3.65	1.85	0.95	1.46	1.32	0.76
Furniture and home furnishings	82.43	--	(4)	98.56	72.67	10.00	7.48	9.04	10.81	11.94
Lumber and construction materials	16.22	(4)	95.22	41.41	80.38	11.56	4.08	5.88	4.82	5.34
Sporting, recreational, photographic, and hobby goods, toys and supplies	(4)	--	--	44.29	--	7.08	3.83	5.86	5.98	5.53
Metals and minerals, except petroleum and scrap	2.24	(4)	--	44.12	24.85	7.05	0.50	3.45	4.27	4.78
Electrical goods	46.35	(4)	--	16.15	8.99	4.46	1.39	2.39	1.92	1.71
Hardware, plumbing, and heating equipment and supplies	80.66	--	--	49.59	57.45	8.30	3.59	4.81	4.55	5.25
Other durable goods	29.28	(4)	--	16.46	38.56	4.86	1.96	2.83	3.68	3.95
Paper and paper products	9.88	--	--	56.04	9.88	10.89	4.05	4.48	6.99	7.93
Drugs, drug proprietaries, and druggists' sundries	0.36	(4)	--	6.41	(4)	4.62	2.41	3.30	3.73	3.81
Apparel, piece goods, and notions	5.76	(4)	--	15.72	--	3.91	2.66	3.59	4.75	6.09
Farm-product raw materials	1.30	--	(4)	11.85	72.86	3.60	1.40	1.96	3.15	3.38
Chemicals and allied products	20.71	--	--	44.69	51.61	10.20	4.93	5.94	6.87	6.22
Petroleum and petroleum products	0.12	--	81.10	19.03	3.93	6.23	3.01	5.45	3.69	3.97
Alcoholic beverages	(4)	(4)	--	8.18	29.56	6.89	3.83	4.58	5.63	5.94
Miscellaneous nondurable goods; wholesale trade not allocable	5.10	(4)	--	16.58	60.06	5.38	2.42	3.31	3.68	3.84

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, Income Subject to Tax, Total Income Tax, Selected Credits, Total Assets, Net Worth, Depreciable Assets, Depreciation Deduction, and Coefficients of Variation, by Minor Industry--Continued

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

Minor industry	Coefficient of variation (Percent)									
	Foreign tax credit	U.S. possessions tax credit	Nonconventional source fuel credit	General business credit	Prior year minimum tax credit	Total income tax after credits [2]	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Wholesale and retail trade--Continued										
Retail trade	0.07	0.23	67.09	1.68	3.59	0.54	0.29	0.54	0.50	0.61
Building materials, garden supplies, and mobile home dealers	57.52	[4]	10.32	96.62	3.80	2.13	2.97	[4]	2.72	3.26
Building material dealers	57.52	--	--	7.41	--	4.30	2.39	3.22	2.95	3.72
Hardware stores	--	--	--	77.98	--	15.84	6.33	7.74	7.52	7.57
Garden supplies and mobile home dealers	--	--	--	49.36	96.62	7.71	5.65	10.70	9.00	10.31
General merchandise stores	[3]	[4]	[1]	2.14	0.32	0.17	0.36	[4]	0.32	0.33
Food stores	0.08	[4]	4.17	5.92	1.04	0.67	1.24	[4]	1.00	1.14
Grocery stores	[4]	[4]	--	3.66	5.92	1.00	0.60	1.12	0.90	0.98
Other food stores	--	--	--	67.14	90.27	12.14	5.13	7.96	6.23	7.33
Automotive dealers and service stations	52.43	7.65	10.57	34.91	4.24	1.11	2.15	[4]	1.85	2.30
Motor vehicle dealers	--	--	70.14	20.45	41.21	6.11	1.12	2.53	1.92	2.73
Gasoline service stations	53.52	--	--	10.10	--	10.01	4.98	6.22	5.66	6.46
Other automotive dealers	[4]	[4]	--	13.42	47.14	7.11	3.61	4.99	4.60	5.51
Apparel and accessory stores	0.08	[4]	5.32	18.54	1.29	1.08	1.87	[4]	1.29	1.28
Furniture and home furnishings stores	0.55	[4]	7.88	45.91	4.72	2.35	2.89	[4]	3.11	4.77
Eating and drinking places	0.08	7.71	3.83	3.31	1.64	0.69	1.71	[4]	1.27	1.47
Miscellaneous retail stores	2.66	[4]	6.81	15.69	2.13	1.03	1.52	[4]	1.75	1.93
Drug stores and proprietary stores	58.70	--	--	12.31	91.20	2.57	2.36	3.55	2.72	2.44
Liquor stores	69.56	--	--	56.59	69.24	24.25	8.65	10.47	11.29	12.59
Other retail stores	2.66	--	--	8.20	9.86	2.54	1.13	1.68	2.05	2.29
Wholesale and retail trade not allocable	--	--	--	57.28	--	25.42	10.27	13.49	16.37	14.53
Finance, insurance, and real estate	**0.35**	**1.82**	**14.78**	**0.95**	**0.71**	**1.43**	**0.04**	**0.16**	**0.52**	**0.34**
Banking	0.01	[4]	0.39	0.51	4.23	0.04	0.12	[4]	0.08	0.16
Mutual savings banks	[4]	--	--	1.83	[4]	0.26	0.18	0.22	0.24	0.20
Bank holding companies	[4]	--	[4]	0.24	0.36	0.10	0.04	0.11	0.06	0.07
Banks, except mutual savings banks and bank holding companies	1.41	--	--	4.34	3.02	18.64	0.32	0.67	0.62	1.66
Credit agencies other than banks	[3]	2.09	2.68	0.55	0.30	0.06	1.07	[4]	0.44	0.72
Savings and loan associations	[4]	[4]	--	0.73	0.33	0.35	0.06	0.33	0.09	0.11
Personal credit institutions	[4]	[4]	--	80.36	0.76	1.17	0.27	0.54	0.75	0.61
Business credit institutions	[4]	[4]	--	[4]	[4]	2.76	0.33	3.03	4.43	2.40
Other credit agencies; finance not allocable	[4]	[4]	--	0.55	3.80	0.62	0.13	3.67	1.73	3.21
Security, commodity brokers and services	0.65	[4]	0.43	0.43	1.56	0.17	1.42	[4]	2.56	2.14
Security brokers, dealers, and flotation companies	[3]	--	[4]	[4]	0.44	1.56	0.11	1.05	1.58	1.37
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services	7.12	--	[4]	1.57	2.80	5.09	1.50	5.05	6.68	7.49
Insurance	0.01	[4]	1.23	0.78	0.29	0.04	0.13	[4]	0.24	0.19
Life insurance	0.03	[4]	0.05	0.18	0.69	0.32	0.03	0.13	0.12	0.07
Mutual property and casualty insurance companies	0.01	--	[4]	4.96	2.67	0.85	0.24	0.41	0.53	0.41
Stock property and casualty insurance companies and other insurance companies	[3]	--	[4]	1.16	3.38	0.51	0.11	0.22	0.46	0.51
Insurance agents, brokers, and service	0.02	[4]	16.64	95.51	2.95	1.40	2.01	[4]	3.51	4.37
Real estate	22.16	7.57	14.14	9.99	3.42	0.71	1.39	[4]	1.13	1.73
Real estate operators and lessors of buildings	5.04	[4]	--	25.63	23.90	4.73	1.12	1.82	1.51	2.62
Lessors of mining, oil, and similar property	[4]	--	20.40	--	[4]	21.05	7.02	15.72	8.12	21.84
Lessors of railroad property, and of real property, not elsewhere classified	--	--	--	12.28	91.98	27.87	11.48	15.87	20.23	17.23
Condominium management and cooperative housing associations	[4]	--	--	74.98	--	9.67	3.06	3.33	3.37	3.87
Subdividers and developers	[4]	[4]	[4]	21.79	29.11	8.08	1.25	2.74	2.49	4.05
Other real estate	24.07	--	--	13.45	11.06	6.79	1.45	3.56	2.66	3.73
Holding and other investment companies, except bank holding companies	3.38	7.71	5.33	8.59	1.81	0.11	0.21	[4]	1.42	2.07
Regulated investment companies	--	--	--	--	--	8.85	0.09	0.09	39.62	19.85
Real estate investment trusts	--	--	--	[4]	--	44.64	0.69	1.48	1.39	2.00
Small business investment companies	--	--	--	98.10	96.73	44.10	7.96	10.13	22.48	38.89
Other holding and investment companies, except bank holding companies	3.38	[4]	82.14	5.34	8.50	1.85	0.65	3.34	2.37	2.56
Services	**1.28**	**5.01**	**9.95**	**3.69**	**6.50**	**1.21**	**0.43**	**0.72**	**0.75**	**0.78**
Hotels and other lodging places	3.15	4.98	15.05	15.60	3.89	0.89	1.85	[4]	1.63	1.89
Personal services	23.53	[4]	20.14	49.62	3.79	2.76	3.41	[4]	4.09	4.25
Business services	1.23	13.30	5.21	7.64	2.42	0.73	1.28	[4]	1.41	1.35
Advertising	1.63	[4]	--	46.12	54.96	6.10	1.96	2.44	4.28	4.37
Business services, except advertising	1.67	[4]	--	5.24	7.72	2.58	0.78	1.43	1.49	1.41
Auto repair; miscellaneous repair services	25.73	[4]	7.26	9.38	4.49	1.51	2.83	[4]	1.80	1.81
Auto repair and services	23.20	--	--	7.39	9.38	3.05	1.52	3.20	1.85	1.87
Miscellaneous repair services	35.54	--	--	39.82	--	13.93	4.88	5.99	6.43	7.02
Amusement and recreation services	3.07	6.18	17.37	13.38	2.60	0.74	1.48	[4]	2.02	2.04
Motion picture production, distribution, and services	5.09	--	--	32.51	82.22	5.09	0.88	1.32	5.96	4.08
Motion picture theaters	0.04	--	--	[4]	[4]	5.51	2.08	3.39	4.57	3.80
Amusement and recreation services, except motion pictures	4.47	[4]	--	20.81	13.76	3.27	1.24	2.71	2.33	2.56
Other services	6.43	4.53	9.36	19.15	1.98	1.04	1.53	[4]	1.59	1.78
Offices of physicians, including osteopathic physicians	--	--	--	69.70	--	24.21	6.77	7.44	8.69	9.40
Offices of dentists	--	--	--	95.96	--	47.11	11.93	14.17	13.47	15.78
Offices of other health practitioners	--	--	--	99.78	--	53.29	14.07	15.27	15.86	18.38
Nursing and personal care facilities	[4]	--	--	43.42	36.63	10.54	3.36	4.85	4.27	4.24
Hospitals	[4]	[4]	--	[4]	5.78	0.87	0.70	0.73	1.05	0.84
Medical laboratories	[4]	--	--	43.63	64.93	18.91	7.46	8.23	11.20	10.35
Other medical services	[4]	[4]	--	7.29	42.00	5.64	3.36	4.29	5.83	6.43
Legal services	--	--	--	98.49	--	35.74	9.29	10.86	10.91	11.84
Educational services	8.86	[4]	--	63.34	--	5.55	4.96	6.25	7.55	7.34
Social services	--	--	--	97.18	--	37.93	9.46	13.99	11.15	12.79
Membership organizations	55.92	--	--	74.36	38.58	21.12	8.60	12.15	12.42	13.05
Architectural and engineering services	19.61	[4]	--	17.27	47.52	6.90	3.37	5.10	5.44	5.58
Accounting, auditing, and bookkeeping services	[4]	--	--	--	--	10.35	10.87	12.71	12.71	13.62
Miscellaneous services (including veterinarians), not elsewhere classified	21.11	[4]	[4]	33.29	36.74	5.03	2.81	3.82	4.72	4.87
Nature of business not allocable	**--**	**[1]**	**--**	**--**	**--**	**45.01**	**11.60**	**15.96**	**19.38**	**23.90**

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

[1] Less than $500 per return.

[2] Credits include foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, and prior year minimum tax.

[3] Coefficient of variation is less than .005 but greater than zero.

[4] Estimate is based on returns sampled at a 100 percent rate and coefficient of variation is zero.

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, and Selected Other Items, by Size of Total Assets

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole 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, total	**3,716,650**	**205,294**	**1,906,248**	**614,940**	**375,972**	**255,374**
Total assets	**18,190,057,609**	--	**59,610,230**	**99,661,769**	**133,500,029**	**180,874,426**
Cash	771,086,440	--	12,628,235	16,748,796	19,233,362	22,752,430
Notes and accounts receivable	4,198,016,230	--	6,984,031	14,790,381	22,371,291	34,669,521
Less:Allowance for bad debts	110,059,993	--	80,397	158,489	246,664	986,376
Inventories	893,586,141	--	7,498,636	15,310,649	22,049,139	31,934,560
Investments in Government obligations	921,193,216	--	16,266	111,316	328,584	617,774
Tax-exempt securities	380,320,504	--	52,072	110,513	148,238	283,161
Other current assets	1,164,582,476	--	2,483,298	4,405,380	6,368,818	8,233,839
Loans to stockholders	94,866,044	--	3,855,431	5,106,160	4,730,625	4,291,800
Mortgage and real estate loans	1,537,899,636	--	409,715	1,197,948	1,979,773	2,342,282
Other investments	4,136,891,162	--	1,880,147	4,081,729	6,857,206	10,935,823
Depreciable assets	4,317,781,452	--	57,488,024	71,711,026	86,756,817	104,932,319
Less:Accumulated depreciation	1,848,022,862	--	39,361,314	44,734,696	52,044,445	60,338,142
Depletable assets	129,370,543	--	266,563	441,444	320,042	632,864
Less:Accumulated depletion	55,075,300	--	156,851	134,138	111,472	248,542
Land	209,579,296	--	1,669,690	4,621,894	8,036,946	12,680,598
Intangible assets (amortizable)	491,252,807	--	2,387,347	3,208,032	3,136,608	4,255,284
Less:Accumulated amortization	95,754,475	--	1,249,010	1,525,764	1,335,814	1,555,132
Other assets	1,052,544,294	--	2,838,347	4,369,590	4,920,975	5,440,365
Total liabilities	**18,190,057,609**	--	**59,610,230**	**99,661,769**	**133,500,029**	**180,874,426**
Accounts payable	1,094,001,051	--	9,156,370	14,160,681	18,056,376	25,973,713
Mortgages, notes, and bonds payable in less than one year	1,802,732,358	--	8,684,769	10,364,647	16,077,191	20,885,050
Other current liabilities	5,197,682,027	--	7,334,932	8,276,201	9,834,997	13,035,987
Loans from stockholders	268,559,197	--	26,139,079	19,070,634	17,117,898	17,581,219
Mortgages, notes, and bonds payable in one year or more	2,665,098,250	--	14,238,504	22,171,116	29,323,779	40,535,378
Other liabilities	2,423,067,175	--	3,823,489	2,927,618	3,794,695	5,214,364
Capital stock	1,584,840,863	--	13,898,628	12,820,039	12,976,544	15,849,794
Paid-in or capital surplus	2,814,210,083	--	15,081,533	9,202,472	13,086,709	15,926,442
Retained earnings, appropriated	60,978,729	--	126,718	285,561	640,481	636,994
Retained earnings, unappropriated	1,349,027,584	--	-36,040,429	4,123,210	16,718,613	30,443,735
Less:Cost of treasury stock	1,070,139,706	--	2,833,363	3,740,412	4,127,253	5,208,249
Total receipts	**11,409,520,074**	**195,344,348**	**335,737,079**	**309,499,710**	**330,712,024**	**410,471,695**
Business receipts	9,860,441,633	111,644,007	328,529,098	301,752,196	321,104,397	398,079,616
Interest	942,237,940	71,636,052	617,916	1,045,949	1,290,022	1,783,089
Interest on Government obligations: State and local	35,164,734	830,442	56,847	16,184	27,364	52,580
Rents	100,642,848	710,653	528,793	733,936	982,371	1,280,654
Royalties	32,142,258	84,706	118,971	139,451	42,184	730,228
Net short-term capital gain reduced by net long-term capital loss	4,110,745	70,956	*21,455	30,339	46,385	95,986
Net long-term capital gain reduced by net short-term capital loss	50,935,859	1,703,522	514,355	377,071	533,556	743,659
Net gain, noncapital assets	32,275,111	1,235,414	560,449	569,910	503,672	779,171
Dividends received from domestic corporations	13,413,839	147,387	15,970	52,581	86,951	101,278
Dividends received from foreign corporations	33,261,669	105,718	*1,313	*12,896	*12	*3,232
Other receipts	304,893,438	7,175,489	4,771,912	4,769,197	6,095,111	6,822,202
Total deductions	**11,032,574,630**	**195,731,091**	**336,203,338**	**308,109,561**	**328,176,360**	**407,143,747**
Cost of sales and operations	6,610,769,883	80,217,046	157,030,604	169,261,952	195,269,268	257,719,532
Compensation of officers	205,403,164	2,339,800	33,337,945	24,541,894	20,285,671	21,003,452
Repairs	95,887,821	593,930	2,969,680	2,748,968	2,760,603	3,015,093
Bad debts	83,690,549	3,544,551	784,641	863,855	1,030,107	1,900,461
Rent paid on business property	184,771,540	2,451,163	15,276,714	10,658,801	9,189,699	9,261,922
Taxes paid	250,928,813	2,403,881	10,494,508	9,005,921	9,181,188	10,553,848
Interest paid	825,372,164	67,028,392	3,015,657	3,765,375	4,532,824	6,163,515
Contributions or gifts	4,752,406	20,994	32,945	52,245	71,600	85,091
Amortization	31,503,958	664,184	425,753	430,781	409,749	522,296
Depreciation	332,781,754	2,304,303	5,766,166	6,665,974	7,147,377	8,461,672
Depletion	9,646,712	45,101	41,184	21,014	46,753	80,008
Advertising	126,417,097	805,845	5,025,586	3,147,441	2,957,384	3,823,733
Pension, profit-sharing, stock bonus, and annuity plans	42,233,693	325,192	1,280,067	1,199,545	1,089,591	1,525,027
Employee benefit programs	113,320,117	938,160	1,725,479	1,816,840	2,294,660	2,864,004
Net loss, noncapital assets	22,330,746	2,698,498	403,489	141,938	164,617	213,788
Other deductions	2,092,764,214	29,350,053	98,592,917	73,787,016	71,745,269	79,950,307
Total receipts less total deductions	376,945,444	-386,744	-466,260	1,390,148	2,535,664	3,327,947
Constructive taxable income from related foreign corporations	36,776,886	207,951	--	*1,523	--	*6
Net income	370,632,632	-1,092,983	-586,996	1,372,127	2,475,995	3,167,931
Income subject to tax	366,352,857	4,324,204	2,165,790	3,484,111	4,148,269	5,051,769
Income tax, total	128,185,666	1,499,310	355,274	606,306	810,778	1,155,722
Regular tax	119,434,430	1,426,306	348,066	600,295	797,909	1,119,628
Personal holding company tax	12,126	*28	*2,018	*701	*2,261	*556
Recapture of investment credit	126,600	145	*168	*14	*165	*174
Alternative minimum tax	8,104,269	33,321	1,650	3,027	9,565	33,272
Environmental tax	520,167	4,596	*39	*34	*62	*56
Foreign tax credit	24,989,922	164,229	*154	*1,518	*495	3,191
U.S. possessions tax credit	3,194,481	68,477	473	43	55	683
Orphan drug credit	15,637	--	--	--	--	--
Nonconventional source fuel credit	81,790	*1	--	*1,159	--	*11
General business credit	2,833,701	10,011	10,831	14,698	21,210	26,708
Prior year minimum tax credit	667,036	10,096	--	*1,125	549	8,023
Total income tax after credits	96,403,099	1,246,496	343,816	587,763	788,469	1,117,105

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

RETURNS OF ACTIVE CORPORATIONS

Table 2.--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 and size of total assets is in whole dollars]

Item	Size of total assets						
	$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, total	**265,263**	**38,529**	**25,177**	**11,020**	**7,408**	**5,837**	**5,589**
Total assets	**554,075,412**	**267,304,762**	**392,362,945**	**388,697,785**	**528,371,036**	**938,882,728**	**14,646,716,487**
Cash	52,127,579	21,858,451	28,539,159	25,614,135	29,124,632	42,987,458	499,472,203
Notes and accounts receivable	118,301,157	60,627,340	92,765,977	104,573,698	146,492,333	229,725,587	3,366,714,914
Less:Allowance for bad debts	1,834,965	1,192,287	2,165,373	2,495,553	3,658,021	7,054,633	90,187,233
Inventories	119,155,310	51,888,967	60,360,340	40,529,242	39,282,337	58,227,043	447,349,918
Investments in Government obligations	3,513,291	3,459,057	15,604,450	27,096,913	45,825,479	69,919,578	754,700,507
Tax-exempt securities	1,258,394	1,036,105	4,222,001	7,124,458	13,429,538	30,704,048	321,951,976
Other current assets	28,822,877	15,294,774	21,471,508	19,190,542	25,348,376	46,057,256	986,905,810
Loans to stockholders	7,956,671	2,767,494	2,487,748	1,718,290	1,763,195	3,969,123	56,219,507
Mortgage and real estate loans	6,222,647	3,028,912	6,684,774	15,088,698	37,053,635	86,921,885	1,376,969,368
Other investments	34,888,521	22,555,925	43,714,317	53,496,760	82,265,760	178,401,169	3,697,813,805
Depreciable assets	270,392,936	117,747,270	154,156,305	113,284,859	121,061,911	197,324,542	3,022,925,441
Less:Accumulated depreciation	140,442,571	57,036,797	70,368,266	48,141,051	50,303,032	77,664,467	1,207,588,082
Depletable assets	2,458,926	1,875,231	2,614,274	3,461,978	4,513,302	6,086,643	106,699,276
Less:Accumulated depletion	1,070,866	854,219	1,298,701	1,499,296	1,811,058	2,118,739	45,771,417
Land	31,890,676	12,542,620	14,293,355	10,264,555	9,793,241	13,481,439	90,304,283
Intangible assets (amortizable)	10,615,600	6,468,586	10,626,169	11,265,001	16,160,216	31,433,671	391,696,292
Less:Accumulated amortization	4,078,170	2,200,249	3,289,340	3,015,751	4,006,817	6,008,335	67,490,093
Other assets	13,897,399	7,437,581	11,944,249	11,140,307	16,036,010	36,489,460	938,030,013
Total liabilities	**554,075,412**	**267,304,762**	**392,362,945**	**388,697,785**	**528,371,036**	**938,882,728**	**14,646,716,487**
Accounts payable	84,991,075	39,094,370	45,857,904	35,908,875	38,067,085	57,451,670	725,282,932
Mortgages, notes, and bonds payable in less than one year	91,246,124	44,391,905	54,220,309	37,683,403	38,753,368	63,858,464	1,416,567,130
Other current liabilities	48,085,860	27,108,547	68,147,179	114,512,967	197,963,117	332,936,962	4,370,445,277
Loans from stockholders	38,966,498	11,557,521	11,411,915	6,555,711	6,414,523	9,349,108	104,395,091
Mortgages, notes, and bonds payable in one year or more	119,712,884	55,575,302	77,372,632	66,582,700	78,234,269	141,017,602	2,020,334,085
Other liabilities	20,015,795	11,382,094	19,108,993	20,647,923	26,188,982	56,287,243	2,253,675,976
Capital stock	40,538,238	17,325,886	24,733,373	22,810,936	30,703,682	67,285,864	1,325,897,881
Paid-in or capital surplus	54,345,443	29,995,930	53,500,931	59,323,468	87,661,163	174,469,464	2,301,616,528
Retained earnings, appropriated	1,466,330	670,557	936,051	784,110	1,581,682	3,399,198	50,451,046
Retained earnings, unappropriated	68,672,226	34,673,518	42,599,918	28,048,616	29,371,533	52,926,315	1,077,490,328
Less:Cost of treasury stock	13,965,061	4,470,868	5,526,259	4,160,924	6,568,368	20,099,161	999,439,787
Total receipts	**1,174,417,185**	**511,686,103**	**574,752,460**	**403,355,318**	**389,340,341**	**599,641,872**	**6,174,561,939**
Business receipts	1,142,302,457	495,405,593	550,320,387	375,731,618	347,523,723	522,568,050	4,965,480,492
Interest	5,004,357	3,039,151	7,572,242	13,148,889	23,943,679	43,070,400	770,086,194
Interest on Government obligations:							
State and local	177,601	158,896	409,670	722,503	1,290,426	2,968,006	28,454,216
Rents	3,789,461	1,692,646	2,336,614	1,866,360	2,184,796	4,956,485	79,580,080
Royalties	359,147	338,389	363,721	325,242	751,583	1,420,031	27,468,606
Net short-term capital gain reduced by net long-term capital loss	107,512	52,765	87,403	163,500	149,641	283,543	3,001,259
Net long-term capital gain reduced by net short-term capital loss	1,899,215	790,294	1,584,215	1,217,346	1,570,110	3,819,412	36,183,102
Net gain, noncapital assets	2,167,888	865,828	1,091,084	939,960	1,038,539	1,383,935	21,139,261
Dividends received from domestic corporations	349,527	191,043	317,261	357,062	302,582	647,572	10,844,625
Dividends received from foreign corporations	77,614	87,908	138,981	180,827	298,704	1,332,697	31,021,767
Other receipts	18,182,408	9,063,592	10,530,883	8,702,010	10,286,557	17,191,740	201,302,337
Total deductions	**1,163,492,387**	**505,056,724**	**564,668,991**	**394,881,532**	**378,014,348**	**576,635,931**	**5,874,460,618**
Cost of sales and operations	822,540,592	370,635,249	405,919,553	275,260,795	249,020,790	365,462,761	3,262,431,742
Compensation of officers	37,637,815	11,587,662	10,540,860	5,888,220	4,761,305	5,641,336	27,837,205
Repairs	6,305,051	2,181,442	2,510,447	1,722,374	1,821,681	2,865,902	66,392,649
Bad debts	4,788,040	1,706,622	2,370,769	2,199,635	3,245,194	3,739,842	57,516,831
Rent paid on business property	18,245,836	6,114,186	6,961,438	5,402,410	5,473,084	7,832,324	87,903,963
Taxes paid	24,302,342	9,258,410	10,901,079	7,158,239	7,332,768	11,023,621	139,313,007
Interest paid	19,844,530	9,325,134	14,077,651	15,172,830	22,127,007	38,723,084	621,596,166
Contributions or gifts	197,103	81,013	133,520	113,117	142,574	287,072	3,535,132
Amortization	1,451,678	924,401	1,418,581	1,517,491	1,639,998	2,782,051	19,316,995
Depreciation	21,036,512	8,926,309	12,327,219	8,993,024	9,746,853	14,946,522	226,459,823
Depletion	202,581	127,807	229,495	241,749	332,514	433,606	7,844,901
Advertising	9,464,804	4,057,743	5,397,998	3,693,603	4,032,985	7,799,666	76,210,308
Pension, profit-sharing, stock bonus, and annuity plans	3,601,113	1,351,778	1,644,585	1,123,377	1,056,423	2,072,524	25,964,472
Employee benefit programs	7,677,367	3,747,180	4,501,441	3,444,675	3,657,546	6,577,653	74,075,111
Net loss, noncapital assets	702,685	445,830	500,164	625,132	565,734	1,228,349	14,640,523
Other deductions	185,494,339	74,585,959	85,234,193	62,324,861	63,057,894	105,219,618	1,163,421,788
Total receipts less total deductions	10,924,798	6,629,380	10,083,469	8,473,786	11,325,993	23,005,941	300,101,321
Constructive taxable income from related foreign corporations	*16,861	49,363	60,916	154,677	172,452	962,365	35,150,771
Net income	10,685,922	6,435,784	9,633,779	7,750,683	9,909,493	20,017,789	300,863,108
Income subject to tax	13,279,326	6,457,924	9,636,177	8,862,046	11,209,116	21,371,163	276,362,960
Income tax, total	4,018,782	2,242,359	3,427,279	3,131,359	4,028,319	7,466,907	99,443,272
Regular tax	3,868,822	2,159,152	3,278,132	2,984,483	3,806,711	7,164,318	91,880,609
Personal holding company tax	3,462	*1,142	413	*316	256	2	970
Recapture of investment credit	1,857	1,333	1,567	2,723	1,237	3,247	113,969
Alternative minimum tax	141,755	82,090	138,962	132,141	184,538	274,103	7,069,844
Environmental tax	609	860	4,016	7,268	11,276	25,855	465,495
Foreign tax credit	27,092	47,921	48,831	82,213	177,282	684,495	23,752,500
U.S. possessions tax credit	16,866	21,722	113,401	141,938	221,821	410,336	2,198,668
Orphan drug credit	*86	--	--	--	--	20	15,531
Nonconventional source fuel credit	*451	*133	*378	*783	1,049	1,986	75,841
General business credit	77,435	54,061	66,200	54,554	72,411	151,654	2,273,928
Prior year minimum tax credit	39,407	19,012	19,698	20,595	27,888	85,850	434,792
Total income tax after credits	3,857,446	2,099,511	3,178,770	2,831,276	3,527,868	6,132,567	70,692,012

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

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, and Selected Other Items, by Size of Total Assets

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole 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, total	**1,910,670**	**61,498**	**910,721**	**339,461**	**220,051**	**154,359**
Total assets	**13,636,523,582**	**--**	**30,837,094**	**55,465,625**	**78,302,226**	**109,562,237**
Cash	573,263,758	--	7,944,486	11,725,216	14,032,005	16,834,265
Notes and accounts receivable	3,224,189,581	--	3,799,210	9,022,509	14,548,699	23,737,055
Less:Allowance for bad debts	72,647,254	--	17,280	115,361	127,040	207,379
Inventories	618,158,592	--	3,561,228	8,123,978	13,531,299	19,991,180
Investments in Government obligations	718,793,418	--	15,162	60,660	267,758	496,072
Tax-exempt securities	236,460,930	--	25,001	26,764	99,064	199,771
Other current assets	910,043,092	--	1,188,716	2,287,377	3,556,324	4,908,549
Loans to stockholders	64,821,047	--	2,432,106	3,286,296	2,860,544	2,705,854
Mortgage and real estate loans	1,077,506,281	--	139,993	615,370	1,010,431	1,362,603
Other investments	3,282,801,781	--	949,568	2,385,466	3,840,697	6,058,860
Depreciable assets	3,264,116,055	--	29,360,882	38,114,487	48,837,541	61,340,030
Less:Accumulated depreciation	1,446,700,415	--	20,991,820	25,084,582	31,395,889	38,311,764
Depletable assets	103,459,031	--	182,391	302,734	222,322	367,054
Less:Accumulated depletion	44,430,421	--	115,573	102,914	84,141	165,329
Land	120,397,102	--	688,211	1,960,260	3,737,964	6,182,835
Intangible assets (amortizable)	286,631,516	--	816,430	1,282,282	1,281,576	1,941,941
Less:Accumulated amortization	62,127,830	--	430,271	613,390	609,038	814,244
Other assets	781,787,319	--	1,288,654	2,188,475	2,692,111	2,934,887
Total liabilities	**13,636,523,582**	**--**	**30,837,094**	**55,465,625**	**78,302,226**	**109,562,237**
Accounts payable	829,697,043	--	3,609,396	6,973,810	9,945,378	15,546,359
Mortgages, notes, and bonds payable in less than one year	1,306,890,581	--	3,280,395	4,236,473	6,875,690	10,262,818
Other current liabilities	3,718,707,867	--	3,063,447	4,174,877	5,521,093	8,053,464
Loans from stockholders	116,128,571	--	6,669,585	6,184,601	5,898,672	6,556,567
Mortgages, notes, and bonds payable in one year or more	1,757,621,387	--	5,575,453	9,073,184	11,890,152	17,565,827
Other liabilities	1,776,308,605	--	1,326,297	1,034,597	1,859,746	2,202,108
Capital stock	1,234,654,608	--	4,867,422	5,690,014	6,142,578	8,020,214
Paid-in or capital surplus	2,176,249,746	--	3,394,829	3,382,033	4,172,884	5,834,113
Retained earnings, appropriated	50,936,738	--	106,781	194,438	565,766	381,949
Retained earnings, unappropriated	1,600,491,449	--	496,167	16,668,030	28,211,768	38,799,676
Less:Cost of treasury stock	931,163,011	--	1,552,676	2,146,431	2,781,501	3,660,859
Total receipts	**8,597,755,190**	**97,683,318**	**195,002,690**	**191,633,951**	**221,127,554**	**289,046,625**
Business receipts	7,448,478,629	55,738,075	190,125,795	186,400,101	215,303,709	280,848,676
Interest	691,139,832	34,480,966	353,070	742,815	960,132	1,347,753
Interest on Government obligations: State and local	21,348,945	60,148	12,064	5,881	18,508	32,002
Rents	75,726,871	274,927	293,201	427,565	658,588	980,508
Royalties	26,654,264	38,985	115,886	124,975	31,150	674,893
Net short-term capital gain reduced by net long-term capital loss	2,948,806	48,490	*19,991	7,650	33,997	45,620
Net long-term capital gain reduced by net short-term capital loss	42,389,815	1,505,697	443,116	300,138	377,832	526,567
Net gain, noncapital assets	24,140,527	1,051,297	397,942	426,955	361,086	602,613
Dividends received from domestic corporations	11,023,867	103,761	12,986	42,704	69,761	85,543
Dividends received from foreign corporations	31,719,974	62,306	*1,313	*12,896	*12	*3,121
Other receipts	222,183,662	4,318,667	3,227,326	3,142,272	3,312,781	3,899,330
Total deductions	**8,051,106,497**	**90,042,147**	**181,254,816**	**181,758,863**	**210,882,399**	**277,112,970**
Cost of sales and operations	4,972,724,908	38,852,203	84,999,409	102,267,357	127,157,597	180,297,534
Compensation of officers	141,736,664	1,023,847	18,884,677	14,651,257	13,790,315	15,542,020
Repairs	74,511,161	285,611	1,501,994	1,611,768	1,833,790	1,936,135
Bad debts	47,646,050	1,254,550	311,188	406,718	530,297	752,690
Rent paid on business property	119,819,457	963,742	7,779,699	5,849,876	5,803,008	5,872,420
Taxes paid	192,270,862	1,261,448	5,800,137	5,353,852	6,011,297	7,092,866
Interest paid	550,421,067	30,452,895	1,354,089	1,754,472	2,243,966	3,184,972
Contributions or gifts	4,684,197	19,856	31,349	48,033	69,914	84,198
Amortization	16,779,978	429,761	112,916	185,281	178,362	219,616
Depreciation	243,088,128	995,324	2,928,834	3,697,745	4,269,666	5,121,363
Depletion	8,054,140	10,900	34,189	14,309	43,390	69,729
Advertising	92,255,904	320,183	2,534,938	1,726,819	1,847,054	2,382,538
Pension, profit-sharing, stock bonus, and annuity plans	33,108,515	185,128	768,353	804,308	793,312	1,195,176
Employee benefit programs	84,033,050	475,596	959,156	1,079,058	1,468,740	1,852,068
Net loss, noncapital assets	6,637,300	386,482	84,322	35,549	53,417	62,768
Other deductions	1,463,335,115	13,124,620	53,169,566	42,272,460	44,788,274	51,446,878
Total receipts less total deductions	546,648,694	7,641,171	13,747,874	9,875,088	10,245,156	11,933,655
Constructive taxable income from related foreign corporations	34,733,970	203,729	--	*1,523	--	*2
Net income	552,526,789	7,733,926	13,672,834	9,870,476	10,210,129	11,828,527
Income subject to tax	366,231,157	4,310,661	2,165,918	3,484,076	4,148,187	5,040,238
Income tax, total	126,988,960	1,474,109	351,112	603,125	807,887	1,144,592
Regular tax	119,364,782	1,416,582	346,107	598,584	797,896	1,114,982
Personal holding company tax	11,719	*28	*2,018	*701	*2,261	*556
Recapture of investment credit	115,599	127	*101	*4	*64	*88
Alternative minimum tax	6,986,523	27,471	1,648	2,959	7,406	27,836
Environmental tax	513,067	4,594	*39	*34	*62	*56
Foreign tax credit	24,983,472	164,229	*154	*1,518	*495	3,191
U.S. possessions tax credit	3,194,481	68,477	473	43	55	683
Orphan drug credit	15,637	--	--	--	--	--
Nonconventional source fuel credit	81,790	*1	--	*1,159	--	*11
General business credit	2,828,942	9,999	10,831	14,698	21,210	26,708
Prior year minimum tax credit	666,675	10,096	--	*1,125	549	8,023
Total income tax after credits	95,217,965	1,221,306	339,654	584,582	785,578	1,105,976

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

RETURNS WITH NET INCOME

Table 3.--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 and size of total assets is in whole dollars]

Item	Size of total assets						
	$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, total	**163,576**	**24,161**	**15,964**	**7,401**	**5,309**	**4,186**	**3,984**
Total assets	**339,127,091**	**168,203,996**	**250,453,154**	**288,129,774**	**383,489,077**	**665,465,402**	**11,267,487,905**
Cash	38,541,209	16,399,047	20,797,269	20,895,178	22,635,139	32,959,058	370,500,889
Notes and accounts receivable	83,957,062	43,286,788	66,683,791	83,499,262	117,423,786	175,496,288	2,602,735,131
Less:Allowance for bad debts	992,670	709,069	1,308,099	1,689,540	2,532,231	4,458,268	60,490,319
Inventories	75,939,649	34,866,390	40,709,054	28,820,364	27,571,575	37,383,230	327,660,644
Investments in Government obligations	2,520,154	2,807,895	12,641,096	23,431,910	40,273,287	61,406,195	574,873,231
Tax-exempt securities	1,008,203	803,062	2,813,011	4,863,602	8,316,743	16,164,747	202,140,962
Other current assets	16,744,207	9,379,019	13,906,589	14,344,457	17,731,375	31,851,705	794,144,773
Loans to stockholders	4,568,874	1,573,827	1,297,755	713,995	871,747	1,846,216	42,663,835
Mortgage and real estate loans	3,426,293	1,483,914	3,834,170	10,476,426	28,671,414	69,606,607	956,879,062
Other investments	20,148,293	14,324,027	27,329,706	39,102,155	61,011,181	134,541,067	2,973,110,761
Depreciable assets	160,997,483	70,846,349	93,007,728	85,135,088	76,555,909	120,437,341	2,479,483,215
Less:Accumulated depreciation	92,733,108	38,238,127	47,469,814	41,116,161	35,005,656	50,971,109	1,025,382,384
Depletable assets	1,194,694	1,045,346	1,471,159	2,059,849	1,738,992	3,594,109	91,280,381
Less:Accumulated depletion	450,314	547,934	749,150	1,037,409	724,874	1,254,324	39,198,459
Land	14,706,387	5,392,080	6,162,355	4,871,915	4,572,006	7,260,636	64,862,452
Intangible assets (amortizable)	4,183,257	2,935,601	4,596,890	5,073,858	6,685,952	13,024,719	244,809,010
Less:Accumulated amortization	1,736,045	1,183,761	1,530,911	1,322,320	1,510,113	2,337,871	50,039,866
Other assets	7,103,465	3,739,543	6,260,554	10,007,144	9,202,845	18,915,056	717,454,586
Total liabilities	**339,127,091**	**168,203,996**	**250,453,154**	**288,129,774**	**383,489,077**	**665,465,402**	**11,267,487,905**
Accounts payable	54,975,842	26,559,223	30,715,516	27,800,489	26,266,753	35,688,297	591,615,982
Mortgages, notes, and bonds payable in less than one year	47,012,547	23,816,308	28,525,859	22,528,091	20,936,126	33,149,771	1,106,266,503
Other current liabilities	29,590,763	17,491,200	47,254,996	90,119,207	162,161,232	266,267,329	3,085,010,258
Loans from stockholders	14,690,449	4,129,959	3,699,102	2,755,991	2,520,807	3,312,332	59,710,506
Mortgages, notes, and bonds payable in one year or more	50,661,140	23,436,350	33,058,158	35,210,202	36,503,929	62,599,455	1,472,047,536
Other liabilities	9,822,786	5,993,658	10,236,985	13,676,058	16,439,542	34,790,537	1,678,926,290
Capital stock	20,169,292	9,086,125	13,414,996	15,372,162	19,858,420	42,158,524	1,089,874,860
Paid-in or capital surplus	19,454,327	11,943,860	24,079,632	34,783,033	54,653,301	121,053,293	1,893,498,440
Retained earnings, appropriated	1,137,222	521,023	726,993	1,809,723	1,254,455	1,584,300	42,654,088
Retained earnings, unappropriated	101,508,590	48,209,572	62,739,816	50,308,596	48,270,500	76,125,378	1,129,153,357
Less:Cost of treasury stock	9,895,866	2,983,282	3,998,900	6,233,777	5,375,988	11,263,814	881,269,915
Total receipts	**837,702,813**	**375,986,446**	**421,529,139**	**312,050,785**	**281,512,160**	**411,539,435**	**4,962,940,274**
Business receipts	815,468,954	364,840,851	404,251,153	289,758,067	249,128,263	354,681,412	4,041,933,573
Interest	3,371,467	2,029,922	5,502,793	10,348,181	19,613,720	34,678,998	577,710,014
Interest on Government obligations: State and local	122,532	121,465	282,018	486,036	804,705	1,614,713	17,788,872
Rents	2,639,310	1,029,471	1,397,124	1,600,172	1,206,795	2,962,806	62,256,404
Royalties	263,350	210,774	275,992	465,431	643,026	911,020	22,898,784
Net short-term capital gain reduced by net long-term capital loss	78,593	45,939	59,090	122,208	132,281	257,547	2,097,400
Net long-term capital gain reduced by net short-term capital loss	1,470,623	609,298	1,251,740	955,612	1,206,650	3,279,575	30,462,967
Net gain, noncapital assets	1,637,085	661,568	767,745	671,193	762,131	928,802	15,872,110
Dividends received from domestic corporations	314,465	169,793	274,923	322,680	281,570	518,300	8,827,380
Dividends received from foreign corporations	60,746	83,035	124,558	744,449	263,878	736,786	29,626,874
Other receipts	12,275,687	6,184,329	7,342,003	6,576,755	7,469,142	10,969,475	153,465,895
Total deductions	**804,566,253**	**360,557,858**	**400,832,258**	**293,496,998**	**261,830,546**	**378,334,433**	**4,610,436,955**
Cost of sales and operations	581,418,198	271,102,937	296,788,350	209,595,027	176,190,284	243,648,816	2,660,407,196
Compensation of officers	28,102,932	8,997,738	7,885,722	4,321,678	3,536,055	3,997,689	21,002,733
Repairs	4,361,006	1,520,670	1,715,514	1,230,629	1,277,710	2,077,645	55,158,689
Bad debts	2,831,326	910,984	1,279,395	1,319,791	1,813,990	1,821,469	34,413,652
Rent paid on business property	11,453,859	3,984,048	4,200,693	3,034,375	3,302,488	4,987,956	62,587,292
Taxes paid	16,672,554	6,606,191	7,862,670	5,100,925	5,264,316	8,091,241	117,153,364
Interest paid	10,155,544	4,761,796	7,510,397	9,992,844	14,732,560	24,172,795	440,104,738
Contributions or gifts	194,967	80,765	128,586	141,950	142,615	265,904	3,476,059
Amortization	611,321	485,497	597,520	666,486	641,088	905,932	11,746,197
Depreciation	13,175,716	5,562,540	7,603,121	5,713,953	6,114,062	9,397,560	178,508,244
Depletion	150,751	104,354	210,325	179,891	150,950	283,537	6,801,816
Advertising	5,669,429	2,638,748	3,722,320	3,261,115	2,984,572	4,932,223	60,235,964
Pension, profit-sharing, stock bonus, and annuity plans	3,015,092	1,164,723	1,362,725	983,016	846,740	1,564,974	20,424,966
Employee benefit programs	5,250,994	2,614,141	3,090,087	2,455,170	2,650,798	4,361,386	57,775,856
Net loss, noncapital assets	212,786	66,055	127,206	145,030	130,057	268,731	5,064,897
Other deductions	121,289,778	49,956,669	56,747,626	45,355,119	42,052,260	67,556,574	875,575,292
Total receipts less total deductions	33,136,560	15,428,588	20,696,881	18,553,787	19,681,614	33,205,002	352,503,319
Constructive taxable income from related foreign corporations	*16,861	38,742	52,601	452,074	147,316	594,629	33,226,492
Net income	32,996,204	15,310,764	20,413,786	18,376,325	18,733,643	31,238,259	362,141,916
Income subject to tax	13,267,912	6,457,618	9,775,271	10,824,330	11,244,456	20,301,231	275,211,257
Income tax, total	3,983,342	2,225,979	3,451,261	3,777,647	4,005,015	7,073,043	98,091,849
Regular tax	3,858,446	2,158,789	3,325,193	3,651,257	3,817,819	6,799,503	91,479,625
Personal holding company tax	3,313	*1,142	411	*316	121	1	849
Recapture of investment credit	733	1,123	1,314	2,726	1,077	1,846	106,396
Alternative minimum tax	120,544	66,493	115,250	114,316	150,162	248,422	6,104,017
Environmental tax	596	859	4,230	10,377	11,241	23,971	457,006
Foreign tax credit	27,092	47,921	68,234	378,905	158,641	415,619	23,717,472
U.S. possessions tax credit	16,866	21,722	112,369	146,531	232,447	396,149	2,198,668
Orphan drug credit	*86	--	--	--	--	20	15,531
Nonconventional source fuel credit	*451	*133	*378	*785	1,522	1,511	75,841
General business credit	77,410	54,061	66,305	61,094	73,411	144,678	2,268,537
Prior year minimum tax credit	39,407	19,012	19,698	52,810	29,296	52,766	433,892
Total income tax after credits	3,822,031	2,083,131	3,184,276	3,137,521	3,509,699	6,062,301	69,381,908

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

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--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Total Assets

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole 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	$1,000,000 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 Industries													
Number of returns	3,716,650	205,294	1,906,248	614,940	375,972	255,374	265,263	38,529	25,177	11,020	7,408	5,837	5,589
Total assets	18,190,057,609	--	59,610,230	99,661,769	133,500,029	180,874,426	554,075,412	267,304,762	392,362,945	388,697,785	528,371,036	938,882,728	14,646,716,487
Notes and accounts receivable, net	4,087,956,237	--	6,903,634	14,631,892	22,124,627	33,683,145	116,466,192	59,435,053	90,600,604	102,078,145	142,834,312	222,670,954	3,276,527,681
Inventories	893,586,141	--	7,498,636	15,310,649	22,049,139	31,934,560	119,155,310	51,888,967	80,360,340	40,529,242	39,282,337	58,227,043	447,349,918
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	3,237,182,636	--	15,179,871	21,376,005	26,079,002	31,887,204	85,722,141	41,648,387	69,837,118	79,026,048	113,728,025	189,668,340	2,563,030,496
Other investments and loans	5,769,656,842	--	6,145,293	10,385,837	13,567,604	17,569,905	49,067,839	28,352,331	52,886,839	70,303,748	121,082,590	269,292,177	5,131,002,680
Depreciable assets	4,317,781,452	--	57,488,024	71,711,026	86,756,817	104,932,319	270,392,936	117,747,270	154,156,305	113,284,859	121,061,911	197,324,542	3,022,925,441
Less: Accumulated depreciation	1,848,022,862	--	39,361,314	44,734,696	52,044,445	60,338,142	140,442,571	57,036,797	70,368,266	48,141,051	50,303,032	77,664,467	1,207,588,082
Other capital assets less reserves	679,372,871	--	2,917,739	6,611,468	10,046,310	15,765,072	39,816,166	17,831,969	22,945,757	20,476,487	24,648,884	42,874,679	475,438,341
Total liabilities	18,190,057,609	--	59,610,230	99,661,769	133,500,029	180,874,426	554,075,412	267,304,762	392,362,945	388,697,785	528,371,036	938,882,728	14,646,716,487
Accounts and notes payable	2,896,733,409	--	17,841,139	24,525,328	34,133,567	46,858,763	176,237,199	83,486,275	100,078,213	73,592,278	76,820,453	121,310,134	2,141,850,062
Other current liabilities	5,197,682,027	--	7,334,932	8,276,201	9,834,997	13,035,987	48,085,860	27,108,547	68,147,179	114,512,967	197,963,117	332,936,962	4,370,445,277
Mortgages,notes,and bonds payable in one year or more	2,665,098,250	--	14,238,504	22,171,116	29,323,779	40,535,378	119,712,884	55,575,302	77,372,632	66,582,700	78,234,269	141,017,602	2,020,334,085
Net worth	4,738,917,551	--	-9,766,913	22,690,871	39,295,094	57,648,715	151,057,175	78,195,023	116,244,014	106,806,206	142,749,692	277,981,679	3,756,015,996
Total receipts	11,409,520,074	195,344,348	335,737,079	309,499,710	330,712,024	410,471,695	1,174,417,185	511,686,103	574,752,460	403,355,318	389,340,341	599,641,872	6,174,561,939
Business receipts	9,860,441,633	111,644,007	328,529,098	301,752,196	321,104,397	398,079,616	1,142,302,457	495,405,593	550,320,387	375,731,618	347,523,723	522,568,050	4,965,480,492
Total deductions	11,032,574,630	195,731,091	336,203,338	308,109,561	328,176,360	407,143,747	1,163,492,387	505,056,724	564,668,991	394,881,532	378,014,348	576,635,931	5,874,460,618
Cost of sales and operations	6,610,769,883	80,217,046	157,030,604	169,261,952	195,269,268	257,719,532	822,540,592	370,635,249	405,919,553	275,260,795	249,020,790	365,462,761	3,262,431,742
Taxes paid	250,928,813	2,403,881	10,494,508	9,005,921	9,181,188	10,553,848	24,302,342	9,258,410	10,901,079	7,158,239	7,332,768	11,023,621	139,313,007
Interest paid	825,372,164	67,028,392	3,015,657	3,765,375	4,532,824	6,163,515	19,844,530	9,325,134	14,077,651	15,172,830	22,127,007	38,723,084	621,596,166
Depreciation	332,781,754	2,304,303	5,766,166	6,665,974	7,147,377	8,461,672	21,036,512	8,926,309	12,327,219	8,993,024	9,746,853	14,948,522	226,459,823
Pension, profit-sharing, stock bonus, and annuity plans	42,233,693	325,192	1,280,067	1,199,545	1,089,591	1,525,027	3,601,113	1,351,778	1,644,585	1,123,377	1,056,423	2,072,524	25,964,472
Employee benefit programs	113,320,117	938,160	1,725,479	1,816,840	2,294,660	2,864,004	7,677,367	3,747,180	4,501,441	3,444,675	3,657,546	6,577,653	74,075,111
Net income (less deficit)	370,632,632	-1,092,983	-586,996	1,372,127	2,475,995	3,167,931	10,685,922	6,435,784	9,633,779	7,750,683	9,909,493	20,017,789	300,863,108
Income subject to tax	366,352,857	4,324,204	2,165,790	3,484,111	4,148,269	5,051,769	13,279,326	6,457,924	9,636,177	8,862,046	11,209,116	21,371,163	276,362,960
Income tax, total	128,185,666	1,499,310	355,274	606,306	810,778	1,155,722	4,018,782	2,242,359	3,427,279	3,131,359	4,028,319	7,466,907	99,443,272
Alternative minimum tax	8,104,269	33,321	1,650	3,027	9,565	33,272	141,755	82,090	138,982	132,141	184,538	274,103	7,069,844
Environmental tax	520,167	4,596	*39	*34	*62	*56	609	860	4,016	7,268	11,276	25,855	465,495
Foreign tax credit	24,989,922	164,229	*154	*1,518	*495	3,191	27,092	47,921	48,831	82,213	177,282	684,495	23,752,500
U.S. possessions tax credit	3,194,481	68,477	473	43	55	683	16,866	21,722	113,401	141,938	221,821	410,336	2,198,668
Orphan drug credit	15,637	--	--	--	--	--	*86	--	--	--	--	20	15,531
Nonconventional source fuel credit	81,790	1	--	*1,159	--	--	*11	*451	*133	*378	*783	1,986	75,841
General business credit	2,833,701	10,011	10,831	14,698	21,210	26,708	77,435	54,061	66,200	54,554	72,411	151,654	2,273,928
Prior year minimum tax credit	667,036	10,096	--	*1,125	549	8,023	39,407	19,012	19,698	20,595	27,888	85,850	434,792
Total income tax after credits	96,403,099	1,246,496	343,816	587,763	788,469	1,117,105	3,857,446	2,099,511	3,178,770	2,831,276	3,527,868	6,132,567	70,692,012
Agriculture, Forestry, and Fishing													
Number of returns	126,423	6,325	51,164	23,543	19,946	14,590	9,626	716	309	107	49	34	15
Total assets	68,338,381	--	1,676,084	3,897,969	7,211,511	10,309,797	17,856,615	4,993,699	4,441,103	3,702,424	3,422,610	5,019,997	5,806,571
Notes and accounts receivable, net	6,421,820	--	93,394	217,775	481,145	528,033	1,444,098	563,824	612,118	559,863	413,658	826,918	680,996
Inventories	7,867,448	--	75,401	156,631	432,667	760,703	1,936,014	646,843	594,781	713,721	591,246	922,881	1,036,561
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	7,633,587	--	319,506	661,217	1,098,409	1,100,836	1,842,963	545,709	319,147	425,930	404,052	458,737	457,081
Other investments and loans	8,468,877	--	203,109	444,264	864,304	971,217	1,660,033	614,838	622,768	367,526	441,722	791,823	1,487,272
Depreciable assets	48,526,221	--	2,752,084	4,477,018	7,025,440	7,536,330	12,044,431	2,718,114	2,810,363	2,035,218	1,910,838	2,068,498	3,147,888
Less: Accumulated depreciation	29,189,302	--	2,049,496	3,024,981	4,753,891	4,983,729	7,478,921	1,378,917	1,343,888	914,067	844,516	855,867	1,561,028
Other capital assets less reserves	15,572,708	--	226,108	814,562	1,758,133	3,671,818	5,505,074	1,173,289	740,182	412,926	359,213	654,786	256,612
Total liabilities	68,338,381	--	1,676,084	3,897,969	7,211,511	10,309,797	17,856,615	4,993,699	4,441,103	3,702,424	3,422,610	5,019,997	5,806,571
Accounts and notes payable	14,315,168	--	520,909	650,643	1,076,692	1,567,942	3,986,813	1,132,237	1,176,111	1,001,575	895,951	1,430,577	875,719
Other current liabilities	3,446,744	--	188,817	55,787	190,795	283,910	782,984	314,661	260,989	246,863	350,542	334,178	437,217
Mortgages,notes,and bonds payable in one year or more	16,771,881	--	448,387	918,801	1,896,865	2,561,312	4,643,569	1,433,588	1,187,998	735,692	748,762	1,156,018	1,040,888
Net worth	23,360,455	--	-586,921	1,164,889	2,714,185	4,475,072	6,058,865	1,533,089	1,243,143	1,261,211	967,536	1,606,868	2,922,518
Total receipts	88,101,065	1,069,155	6,082,686	5,972,763	10,010,098	11,757,156	20,489,303	4,924,934	6,548,935	5,063,030	4,159,371	5,294,411	6,729,223
Business receipts	82,114,836	915,892	5,759,444	5,551,950	9,255,893	10,850,989	19,052,445	4,523,367	6,243,042	4,848,361	3,936,788	4,794,328	6,382,337
Total deductions	86,883,128	978,270	6,146,005	5,842,974	9,909,881	11,580,375	20,300,798	4,918,132	6,477,504	4,960,447	4,198,843	5,212,140	6,357,757
Cost of sales and operations	52,758,720	588,608	2,948,391	2,452,473	5,133,893	6,635,718	12,020,988	2,889,444	4,893,328	3,650,057	3,280,719	4,095,805	4,169,296
Taxes paid	1,903,591	32,370	162,759	197,237	291,663	265,037	459,366	101,854	86,255	86,746	55,893	58,755	105,657
Interest paid	2,852,242	39,939	136,243	178,636	299,410	422,652	747,340	210,912	196,306	137,605	114,688	211,199	157,314
Depreciation	3,636,306	75,255	243,715	357,357	537,036	516,139	843,802	193,738	227,591	157,669	151,888	121,948	210,169
Pension, profit-sharing, stock bonus, and annuity plans	159,293	*870	*8,334	*9,346	10,798	20,135	45,258	15,151	13,557	7,559	4,085	10,335	13,864
Employee benefit programs	523,003	*5,181	12,600	34,396	60,959	46,931	96,800	36,462	21,592	38,919	27,011	31,129	111,024
Net income (less deficit)	1,156,269	90,884	-95,273	129,318	95,678	159,182	182,848	5,515	75,266	103,560	-42,283	77,183	374,390
Income subject to tax	2,101,441	43,392	55,794	154,952	223,194	258,127	435,139	114,850	94,837	115,275	110,938	142,820	352,123
Income tax, total	589,866	12,462	8,369	25,878	38,588	52,865	123,092	42,065	33,500	40,354	39,020	50,451	123,222
Alternative minimum tax	18,791	*72	--	--	*461	*1,127	3,412	3,827	1,311	*1,058	1,165	1,654	4,704
Environmental tax	1,065	8	--	--	--	--	1	*24	69	93	131	215	523
Foreign tax credit	*17,,508	--	--	--	2	--	--	--	--	*2,341	21	616	14,528
U.S. possessions tax credit	472	--	--	--	--	--	--	472	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--	--	--	--	--	--
General business credit	14,294	*586	*120	*1,360	1,878	1,306	3,355	*690	*946	*1,169	732	37	2,114
Prior year minimum tax credit	2,775	--	--	--	--	--	--	*27	*525	--	1,364	13	844
Total income tax after credits	554,818	11,876	8,249	24,518	36,709	51,559	119,737	40,875	32,029	36,844	36,903	49,785	105,735

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

Table 4--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Total Assets--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole 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	$1,000,000 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	39,674	1,100	18,219	7,168	4,828	3,331	3,298	706	496	227	127	84	89
Total assets	219,197,640	--	439,983	1,100,395	1,741,907	2,360,076	6,941,660	5,035,374	7,639,712	8,322,297	11,009,088	13,259,830	161,347,317
Notes and accounts receivable, net	22,897,736	--	33,446	130,731	273,135	382,014	1,171,121	857,019	1,280,650	1,240,662	1,512,717	1,800,953	14,215,289
Inventories	6,199,727	--	*18,911	*5,168	54,982	69,982	222,679	137,483	269,585	321,410	473,848	572,971	4,052,708
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	16,547,162	--	116,471	253,953	440,521	536,955	1,462,757	1,109,900	1,411,900	1,113,791	1,448,741	1,718,024	6,934,150
Other investments and loans	85,814,119	--	63,686	*190,768	243,295	328,690	963,521	737,978	1,060,740	1,355,509	1,914,284	1,889,806	77,065,883
Depreciable assets	99,667,531	--	697,176	899,356	1,598,474	2,154,881	4,469,474	2,808,741	5,049,786	3,956,888	6,307,894	8,498,245	65,228,617
Less: Accumulated depreciation	50,970,793	--	591,674	620,302	1,105,468	1,534,422	2,886,887	1,919,024	3,231,776	1,980,414	3,740,524	2,779,194	30,581,110
Other capital assets less reserves	31,125,705	--	48,175	206,729	175,809	337,834	1,208,764	1,128,841	1,594,936	2,047,395	2,577,625	3,062,927	18,736,868
Total liabilities	219,197,640	--	439,983	1,100,395	1,741,907	2,360,076	6,941,660	5,035,374	7,639,712	8,322,297	11,009,088	13,259,830	161,347,317
Accounts and notes payable	25,789,061	--	430,979	298,430	2,084,323	499,966	2,072,049	1,135,206	1,741,734	1,611,479	1,667,428	1,526,268	12,721,198
Other current liabilities	12,736,771	--	62,799	47,657	133,248	179,073	602,539	406,293	612,579	462,674	781,069	895,373	8,553,468
Mortgages,notes,and bonds payable in one year or more	49,466,030	--	65,763	179,829	414,985	502,181	1,804,133	633,463	1,629,471	1,551,458	2,832,166	3,221,338	36,631,244
Net worth	110,339,579	--	-420,357	384,338	-1,399,388	698,651	1,248,195	2,193,789	2,994,532	3,638,099	4,651,205	6,321,332	90,029,181
Total receipts	111,444,457	1,744,026	962,415	1,642,893	2,820,640	3,796,957	6,614,535	4,358,372	6,600,057	5,808,879	7,182,940	7,541,379	62,371,365
Business receipts	97,321,579	1,615,863	815,782	1,494,771	2,619,357	3,494,515	5,922,892	3,824,654	5,824,834	5,106,332	6,454,058	6,547,458	53,601,063
Total deductions	106,466,509	1,508,162	976,385	1,565,757	2,820,595	3,624,529	6,543,519	4,101,061	6,412,495	5,737,254	7,035,847	7,258,098	58,884,807
Cost of sales and operations	62,070,361	771,184	417,375	509,821	1,004,830	1,841,427	3,173,170	2,116,793	4,003,354	3,477,277	4,291,548	4,361,833	36,101,750
Taxes paid	3,279,299	60,422	26,345	78,688	108,524	156,876	240,292	158,197	205,043	139,491	351,808	209,478	1,546,133
Interest paid	6,674,114	16,189	25,867	35,862	55,024	88,045	212,298	114,484	217,824	233,345	295,489	447,621	4,932,066
Depreciation	5,663,177	121,858	36,899	78,611	140,613	181,013	340,744	216,910	339,667	284,913	344,366	406,094	3,171,488
Pension, profit-sharing, stock bonus, and annuity plans	320,071	*17,942	*3,508	*1,322	*2,673	*11,918	25,467	13,573	16,874	12,781	18,154	15,757	180,101
Employee benefit programs	961,439	9,988	*6,857	*2,615	14,101	32,596	48,924	38,089	52,254	41,263	49,874	65,471	599,607
Net income (less deficit)	5,302,223	236,603	-13,970	77,136	-13	171,143	70,073	249,733	182,239	95,755	155,388	290,949	3,787,187
Income subject to tax	5,661,551	200,637	22,512	49,833	45,576	46,275	155,681	108,269	175,106	213,872	299,252	364,653	3,979,888
Income tax, total	2,223,977	71,177	4,177	8,570	9,189	12,741	61,100	44,864	72,046	89,984	122,037	145,057	1,583,035
Alternative minimum tax	329,699	*2,068	*181	--	*653	*792	13,027	8,077	12,623	17,026	19,727	20,680	234,843
Environmental tax	10,344	*277	--	--	--	7	*23	*60	181	359	599	799	8,059
Foreign tax credit	788,105	15,239	--	--	--	*416	*1,504	--	*3,520	*10,464	53,599	22,477	680,887
U.S. possessions tax credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	16,976	1	--	*1,159	--	--	--	*104	*19	*766	467	887	13,574
General business credit	39,251	130	*618	--	*62	*292	*1,625	*1,901	3,225	*1,700	3,893	3,859	21,946
Prior year minimum tax credit	31,312	*431	--	--	--	*76	*806	*35	*963	*782	437	1,323	26,457
Total income tax after credits	1,348,333	55,376	3,559	7,411	9,127	11,956	57,164	42,824	64,319	78,273	63,640	116,512	840,171
Construction													
Number of returns	406,874	15,668	219,529	64,067	43,259	29,167	29,343	3,575	1,636	332	176	75	45
Total assets	243,829,026	--	6,494,065	10,653,853	15,403,221	20,709,595	60,550,403	24,519,734	23,852,351	11,226,346	13,510,382	11,405,304	45,503,772
Notes and accounts receivable, net	67,018,873	--	966,164	2,440,578	3,589,242	5,623,237	18,952,903	8,488,317	7,815,036	3,876,408	4,294,982	3,312,188	7,659,818
Inventories	32,230,686	--	455,320	1,284,623	2,363,750	3,263,309	10,273,388	3,378,403	3,114,109	1,312,308	1,681,230	1,296,179	3,808,066
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	56,938,696	--	1,750,279	2,509,072	3,970,327	5,060,656	15,005,991	6,367,969	6,091,719	2,462,549	2,988,227	2,330,455	8,401,454
Other investments and loans	31,145,719	--	835,706	967,037	1,422,489	1,446,712	4,165,936	1,526,993	1,680,937	1,141,573	1,282,994	1,521,149	15,154,192
Depreciable assets	95,658,624	--	7,206,243	8,094,913	9,415,847	10,620,239	23,157,911	8,409,958	8,669,956	3,929,752	4,314,129	2,970,507	8,869,168
Less: Accumulated depreciation	57,581,284	--	5,103,622	5,333,488	6,307,532	6,708,370	14,352,544	5,096,978	4,991,934	2,198,703	2,141,758	1,124,864	4,221,492
Other capital assets less reserves	9,699,084	--	215,152	393,131	564,717	913,759	2,197,786	682,385	870,324	450,926	651,527	611,018	2,148,355
Total liabilities	243,829,026	--	6,494,065	10,653,853	15,403,221	20,709,595	60,550,403	24,519,734	23,852,351	11,226,346	13,510,382	11,405,304	45,503,772
Accounts and notes payable	80,063,116	--	3,447,302	3,242,236	4,636,075	6,898,516	21,872,529	9,112,191	8,253,040	4,100,254	3,985,327	3,692,086	10,823,562
Other current liabilities	31,826,325	--	1,268,346	940,044	1,456,619	2,112,059	8,215,955	3,635,689	3,846,337	1,572,994	2,116,370	1,635,015	5,026,899
Mortgages,notes,and bonds payable in one year or more	44,370,971	--	1,488,918	1,914,909	2,196,137	2,925,528	7,468,996	2,781,789	3,383,722	1,530,206	2,860,592	2,442,729	15,377,444
Net worth	63,865,550	--	-2,120,681	3,182,260	5,542,691	6,776,173	17,732,305	7,017,833	6,698,537	3,131,468	3,241,862	2,670,121	9,992,981
Total receipts	534,654,044	3,907,250	48,205,730	44,667,616	45,598,686	53,877,072	133,809,579	50,401,661	46,641,957	21,138,976	21,663,236	17,872,681	46,869,600
Business receipts	522,586,199	3,622,377	47,854,909	44,271,520	45,138,322	53,054,035	131,497,789	49,466,786	45,834,238	20,544,364	21,012,304	17,269,157	43,220,399
Total deductions	527,800,795	3,957,130	47,788,634	44,239,886	45,129,461	53,351,022	131,762,124	49,365,204	45,513,109	20,729,271	21,361,863	17,783,979	46,819,113
Cost of sales and operations	407,448,745	2,854,388	29,293,916	29,827,985	32,719,139	40,128,859	105,045,111	41,833,241	38,967,022	18,112,774	18,148,201	15,554,523	34,963,587
Taxes paid	10,937,870	81,370	1,474,799	1,340,807	1,250,811	1,382,949	2,730,468	801,253	718,314	270,722	314,509	130,354	441,513
Interest paid	7,368,430	95,354	436,025	410,609	444,368	575,300	1,414,813	474,307	489,416	244,857	341,221	295,208	2,146,954
Depreciation	8,736,434	52,938	784,551	928,755	897,874	1,072,004	2,223,331	686,130	731,156	337,338	359,648	216,972	445,734
Pension, profit-sharing, stock bonus, and annuity plans	1,898,519	5,812	98,367	143,338	130,463	219,354	608,295	162,432	165,749	63,253	40,983	41,230	219,243
Employee benefit programs	3,223,330	28,338	234,233	311,180	336,174	418,599	849,163	354,568	148,883	93,791	87,513	40,564	320,323
Net income (less deficit)	6,824,608	-62,494	377,018	426,732	467,961	521,412	2,029,672	1,026,614	1,110,076	393,257	289,897	91,161	153,301
Income subject to tax	6,895,462	77,137	302,423	515,322	482,617	666,135	1,572,604	660,111	734,693	282,682	361,266	256,790	983,681
Income tax, total	2,092,196	22,304	46,672	87,436	94,428	167,788	501,183	234,823	263,404	99,239	131,083	91,080	352,755
Alternative minimum tax	102,759	*702	*95	*1,227	*1,700	15,076	34,801	12,990	10,085	4,940	6,431	2,505	12,205
Environmental tax	2,563	*32	*12	--	--	--	1	*24	195	146	401	330	1,421
Foreign tax credit	90,444	1	--	--	*59	--	*37	*58	*1,987	*189	*464	362	87,288
U.S. possessions tax credit	6,820	--	--	--	--	10	98	--	2,026	4,685	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	*14	--	--	--	--	--	(1)	*12	--	2	--	--	--
General business credit	39,536	--	2,520	*2,172	1,739	3,614	9,709	4,021	2,406	*527	975	2,411	9,444
Prior year minimum tax credit	48,845	*889	--	*1,125	*49	*6,478	22,770	7,914	4,457	*917	3,193	851	203
Total income tax after credits	1,906,537	21,414	44,152	84,139	92,580	157,686	468,569	222,818	252,528	92,920	126,451	87,457	255,823

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

RETURNS OF ACTIVE CORPORATIONS

Table 4--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Total Assets--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole 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	$1,000,000 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	301,669	13,205	108,255	51,031	37,996	30,423	41,402	8,099	5,851	2,169	1,199	970	1,070
Total assets	3,921,323,756	--	3,832,806	8,318,422	13,743,804	21,811,914	92,314,966	57,103,041	90,961,571	75,336,423	84,729,454	175,715,706	3,297,455,648
Notes and accounts receivable, net	822,329,911	--	915,520	1,998,562	3,701,215	5,792,494	23,825,690	14,124,554	21,337,627	16,203,237	17,260,291	35,179,259	681,991,463
Inventories	379,419,902	--	531,647	1,505,392	2,536,874	4,668,831	22,785,784	13,904,279	21,931,431	16,302,464	17,686,581	27,633,329	249,933,289
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	350,602,979	--	751,959	1,464,106	2,299,810	3,677,843	12,329,541	7,422,361	10,936,512	9,378,813	9,026,986	18,758,011	274,557,035
Other investments and loans	963,961,079	--	260,402	555,061	731,086	1,053,028	4,757,948	3,177,477	5,293,740	6,019,395	7,485,279	19,634,551	914,993,117
Depreciable assets	1,643,661,174	--	3,565,914	7,120,278	11,701,105	15,892,297	58,609,501	32,926,423	50,948,103	38,634,880	43,268,808	87,603,038	1,293,390,828
Less: Accumulated depreciation	803,950,471	--	2,446,621	4,945,463	7,921,065	10,404,708	34,784,036	17,967,749	26,248,956	18,480,270	19,551,224	39,485,247	621,715,132
Other capital assets less reserves	316,423,024	--	139,844	220,349	323,716	601,396	2,961,099	2,280,515	4,024,221	4,637,951	6,081,113	14,674,703	280,478,118
Total liabilities	3,921,323,756	--	3,832,806	8,318,422	13,743,804	21,811,914	92,314,966	57,103,041	90,961,571	75,336,423	84,729,454	175,715,706	3,297,455,648
Accounts and notes payable	847,809,780	--	1,377,634	2,480,167	4,186,246	6,142,727	27,441,476	16,605,883	24,567,258	17,830,767	18,197,981	34,722,475	694,257,166
Other current liabilities	371,523,753	--	416,351	910,403	1,282,326	1,619,430	7,836,206	4,994,195	8,101,161	6,705,994	7,473,403	15,521,369	316,662,913
Mortgages,notes,and bonds payable in one year or more	821,829,592	--	964,645	1,455,984	2,862,466	4,131,812	16,600,148	10,818,386	17,338,562	17,141,896	19,851,900	45,817,958	684,845,835
Net worth	1,392,233,318	--	-982,755	1,774,872	3,518,628	7,937,360	32,763,472	21,562,855	36,272,810	29,585,606	33,880,101	63,047,257	1,162,873,112
Total receipts	3,688,693,895	18,656,677	20,676,953	25,701,162	37,232,138	53,886,667	205,261,808	111,197,894	166,716,691	115,356,153	122,005,232	210,952,993	2,601,049,528
Business receipts	3,434,141,360	17,039,075	20,355,314	25,377,016	36,681,033	53,151,838	201,838,870	108,955,163	163,568,832	112,432,957	118,631,617	201,434,861	2,374,674,785
Total deductions	3,545,121,842	18,313,715	21,052,578	25,594,996	37,336,386	53,675,517	202,039,149	108,896,844	162,249,870	112,133,044	118,115,887	202,409,196	2,483,304,658
Cost of sales and operations	2,377,226,499	12,674,225	10,948,976	14,233,908	23,091,982	35,704,047	142,684,163	78,619,930	118,613,018	80,506,537	85,161,574	138,321,214	1,636,666,926
Taxes paid	86,503,755	294,770	619,408	861,215	1,228,275	1,517,986	4,771,833	2,360,130	3,495,273	2,132,403	2,189,081	4,048,115	62,985,267
Interest paid	151,214,835	521,188	210,689	330,499	560,341	771,530	3,347,096	1,993,625	3,153,710	2,714,689	3,231,695	7,300,618	127,079,154
Depreciation	121,140,031	389,884	378,455	661,867	1,019,384	1,308,718	4,679,448	2,569,176	4,101,434	3,178,951	3,435,886	5,981,168	93,435,660
Pension, profit-sharing, stock bonus, and annuity plans	16,686,767	49,259	37,539	41,342	160,196	248,719	794,566	456,631	628,970	468,097	424,543	1,022,607	12,354,298
Employee benefit programs	51,091,951	244,775	110,279	239,235	458,596	553,718	2,117,512	1,235,531	1,867,453	1,479,948	1,607,043	3,072,534	38,105,328
Net income (less deficit)	171,373,726	472,492	-377,093	106,767	-107,833	207,646	3,208,800	2,284,310	4,424,895	3,230,954	3,926,565	9,080,824	144,915,399
Income subject to tax	179,370,478	981,953	139,752	331,011	478,412	851,001	2,980,950	2,010,099	3,720,372	3,433,104	4,119,753	10,378,497	149,945,574
Income tax, total	64,385,522	333,794	25,032	66,052	87,152	199,280	955,132	694,101	1,305,837	1,217,828	1,456,308	3,645,768	54,399,238
Alternative minimum tax	3,417,884	4,964	*304	*68	*337	2,959	30,025	16,268	40,157	38,725	51,470	99,441	3,133,164
Environmental tax	261,731	847	16	31	1	3	71	213	1,569	2,658	4,213	13,283	238,825
Foreign tax credit	20,777,364	119,008	--	*1,449	--	*354	4,814	5,103	16,019	31,412	67,407	558,601	19,973,197
U.S. possessions tax credit	3,072,082	68,135	--	24	53	355	14,396	18,739	105,416	133,036	211,119	409,881	2,110,927
Orphan drug credit	15,637	--	--	--	--	--	*86	--	--	--	--	20	15,531
Nonconventional source fuel credit	49,393	--	--	--	--	--	--	--	--	*15	183	--	49,195
General business credit	1,229,009	3,178	*1,240	*941	7,095	4,186	27,582	23,184	35,550	29,969	35,897	73,474	986,712
Prior year minimum tax credit	270,841	*1,573	--	--	*50	*169	4,140	3,177	5,556	5,171	5,006	48,492	197,507
Total income tax after credits	38,971,197	141,900	23,792	63,639	79,954	194,215	904,115	643,897	1,143,296	1,018,223	1,136,697	2,555,300	31,066,168
Transportation and Public Utilities													
Number of returns	160,353	10,897	80,540	26,310	15,184	11,755	11,284	1,973	1,237	387	226	192	368
Total assets	1,522,045,738	--	2,621,419	4,251,589	5,372,995	8,190,564	23,516,691	13,583,594	19,127,392	13,497,271	16,730,562	30,613,156	1,384,540,504
Notes and accounts receivable, net	157,196,511	--	349,822	682,656	1,042,933	1,858,470	5,097,928	2,473,005	3,105,380	2,251,980	2,647,250	4,082,222	133,604,863
Inventories	29,292,799	--	31,294	80,715	90,824	154,002	496,790	296,641	469,560	413,505	366,984	584,573	26,307,911
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	94,928,991	--	609,719	870,178	1,081,075	1,466,146	3,714,508	2,179,009	2,815,555	1,608,056	1,758,073	2,558,784	76,267,889
Other investments and loans	216,621,725	--	262,777	384,410	398,758	557,976	1,832,606	1,148,856	1,628,118	1,237,283	1,377,160	3,612,331	204,181,451
Depreciable assets	1,290,684,862	--	3,541,149	5,265,217	6,317,215	8,608,124	22,268,844	11,017,600	15,624,365	10,539,106	12,512,209	20,244,013	1,174,747,019
Less: Accumulated depreciation	445,858,735	--	2,429,636	3,565,220	4,186,751	5,233,286	12,273,215	5,126,528	6,855,263	4,544,887	4,888,825	7,310,569	389,444,555
Other capital assets less reserves	72,683,653	--	106,123	177,347	279,916	452,922	1,520,764	1,035,435	1,588,087	1,291,988	2,166,547	4,369,675	59,694,847
Total liabilities	1,522,045,738	--	2,621,419	4,251,589	5,372,995	8,190,564	23,516,691	13,583,594	19,127,392	13,497,271	16,730,562	30,613,156	1,384,540,504
Accounts and notes payable	176,796,172	--	701,892	1,162,780	1,334,235	2,392,427	6,607,683	3,035,222	4,109,616	3,558,156	3,315,358	5,355,006	145,223,797
Other current liabilities	129,672,948	--	321,156	375,322	479,584	738,036	2,033,774	1,220,407	1,595,029	1,138,923	1,539,320	3,099,283	117,132,115
Mortgages,notes,and bonds payable in one year or more	489,173,429	--	856,859	1,090,748	1,457,904	2,123,943	7,235,372	4,725,810	6,957,415	4,422,360	6,815,774	13,515,822	439,971,422
Net worth	508,667,821	--	-703,853	763,547	1,246,371	1,707,032	4,223,994	2,872,733	4,050,037	3,090,670	3,206,776	5,151,932	483,058,582
Total receipts	936,277,062	4,704,479	17,372,353	17,255,369	15,833,616	21,152,932	46,190,676	19,936,662	22,891,195	15,657,677	15,163,269	24,000,431	716,118,402
Business receipts	874,111,070	4,239,901	16,986,555	16,954,283	15,455,257	20,826,786	44,564,857	19,167,104	21,834,640	14,879,192	14,225,819	22,025,405	662,951,271
Total deductions	900,960,832	4,711,010	17,499,464	17,245,536	15,794,683	21,045,516	46,226,024	19,946,741	22,738,136	15,548,848	15,156,514	24,094,393	680,953,967
Cost of sales and operations	405,924,209	2,471,543	9,732,710	8,963,536	7,852,673	10,555,239	23,635,009	11,272,504	11,305,382	7,893,854	5,876,175	10,720,704	295,644,880
Taxes paid	41,202,678	137,157	448,193	544,479	578,455	690,959	1,662,105	600,052	754,064	519,621	544,531	809,707	33,913,356
Interest paid	59,190,735	171,406	218,415	238,622	240,851	359,776	1,034,646	646,883	833,277	606,449	847,951	1,965,052	52,027,408
Depreciation	83,019,964	259,779	510,168	652,892	653,823	969,589	2,227,215	955,317	1,321,058	814,524	1,119,275	1,672,892	71,883,433
Pension, profit-sharing, stock bonus, and annuity plans	5,659,124	12,476	*7,020	17,452	26,622	53,506	187,275	34,298	99,896	68,573	63,195	112,310	4,976,500
Employee benefit programs	16,770,284	32,949	53,430	114,669	108,666	165,459	411,801	182,254	284,796	178,504	226,937	430,969	14,579,850
Net income (less deficit)	35,413,596	-6,595	-127,384	9,064	38,933	102,441	-43,314	-14,077	146,841	106,075	-1,577	-33,890	35,237,078
Income subject to tax	45,428,604	92,225	131,985	183,428	163,302	248,209	657,008	343,323	614,121	432,447	489,289	992,181	41,081,088
Income tax, total	17,114,547	33,458	20,790	33,562	37,507	58,743	208,787	123,467	249,774	157,754	181,194	355,356	15,654,155
Alternative minimum tax	1,810,393	*3,327	*419	*1,272	*2,189	1,645	10,963	8,367	13,515	10,348	13,654	17,091	1,727,602
Environmental tax	88,790	116	*10	--	--	--	*16	61	345	389	680	1,491	85,682
Foreign tax credit	138,131	--	--	--	--	--	*5,598	*209	*624	7	2,856	6,655	122,182
U.S. possessions tax credit	58,332	290	107	--	--	--	(1)	--	--	--	--	--	57,936
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	12,955	--	--	--	--	--	--	--	--	--	393	--	12,562
General business credit	977,010	1,069	--	*958	*2,394	2,771	5,239	4,411	6,080	3,101	6,679	16,695	927,613
Prior year minimum tax credit	46,080	*81	--	--	--	--	*2,313	*1,332	*1,005	*1,077	2,173	3,750	34,350
Total income tax after credits	15,882,038	32,019	20,683	32,604	35,113	55,972	195,638	117,515	242,065	153,569	169,094	328,257	14,499,511

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

Table 4--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Total Assets--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole 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	$1,000,000 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	1,023,057	50,055	453,981	202,732	122,063	84,578	89,004	11,428	5,856	1,705	744	494	415
Total assets	1,447,296,828	--	17,598,052	32,804,388	43,463,995	59,755,401	185,624,226	78,482,031	87,842,977	59,122,216	52,625,982	79,844,581	750,132,978
Notes and accounts receivable, net	315,564,118	--	1,915,600	5,018,776	7,480,619	12,708,947	42,479,590	19,106,824	21,755,343	14,287,210	11,530,759	15,793,349	163,487,099
Inventories	380,666,945	--	5,434,185	10,669,881	14,628,192	20,102,679	74,709,184	29,972,454	29,752,488	17,765,482	15,196,553	21,397,988	141,037,858
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	192,776,710	--	3,296,187	5,511,531	6,968,620	8,820,019	21,889,768	8,722,179	10,010,754	6,994,689	6,062,399	8,040,986	106,459,579
Other investments and loans	156,587,774	--	1,108,832	1,987,607	2,899,152	3,707,927	8,559,419	4,140,439	5,234,714	4,067,040	3,909,450	6,385,570	114,587,626
Depreciable assets	456,266,937	--	12,871,019	17,754,653	20,847,968	25,506,382	64,679,907	25,371,522	29,239,786	20,187,378	18,294,923	30,415,586	191,097,815
Less: Accumulated depreciation	205,540,336	--	8,564,475	10,986,381	12,479,825	15,161,957	36,113,212	13,275,690	13,954,674	8,902,189	7,420,184	11,353,990	67,327,759
Other capital assets less reserves	77,160,213	--	574,239	1,315,325	1,617,724	2,751,098	6,439,062	3,062,386	3,892,593	3,335,378	3,479,965	5,296,822	45,395,614
Total liabilities	1,447,296,828	--	17,598,052	32,804,388	43,463,995	59,755,401	185,624,226	78,482,031	87,842,977	59,122,216	52,625,982	79,844,581	750,132,978
Accounts and notes payable	498,604,395	--	5,521,532	9,803,776	12,297,625	19,169,399	79,808,563	36,721,743	39,174,526	23,352,228	19,064,807	25,248,973	228,441,223
Other current liabilities	198,299,884	--	1,658,914	2,573,241	2,684,991	3,728,521	12,512,243	5,389,374	6,426,137	5,673,430	4,164,126	7,144,032	146,344,875
Mortgages,notes,and bonds payable in one year or more	277,196,982	--	3,919,856	7,022,795	8,069,683	10,365,377	25,739,830	10,362,235	13,630,027	11,677,394	11,986,929	19,683,805	154,759,049
Net worth	354,827,439	--	-3,081,059	5,886,492	14,181,560	20,348,792	54,812,123	21,924,777	24,871,449	14,348,992	14,874,956	23,414,881	163,244,475
Total receipts	3,308,988,336	56,969,600	98,281,509	128,367,895	144,091,820	191,981,200	613,990,640	259,704,036	256,065,852	160,404,394	132,822,755	189,289,264	1,077,019,370
Business receipts	3,216,861,660	55,878,457	97,002,648	126,776,965	142,105,926	189,084,525	604,952,101	255,128,247	251,103,034	157,111,055	129,621,295	184,426,366	1,023,671,040
Total deductions	3,279,066,687	57,417,709	99,684,968	128,519,736	143,310,666	191,020,592	609,818,008	257,248,083	253,255,177	159,039,762	131,303,846	187,498,521	1,060,949,620
Cost of sales and operations	2,482,483,270	50,645,328	61,039,547	86,414,839	98,038,127	137,695,066	477,520,943	209,419,925	202,563,602	127,987,678	102,949,170	145,411,085	782,797,960
Taxes paid	48,238,801	422,218	2,624,572	2,895,640	2,948,901	3,649,308	8,239,068	3,263,540	3,372,469	1,945,902	1,962,499	2,566,036	14,348,648
Interest paid	63,914,431	473,671	769,358	1,242,179	1,443,808	2,054,261	6,961,496	2,901,673	3,336,240	2,266,829	2,188,295	3,202,513	37,074,108
Depreciation	42,253,547	243,646	1,252,872	1,562,214	1,837,448	2,167,179	5,619,713	2,249,894	2,708,469	1,800,539	1,746,524	2,884,308	18,180,741
Pension, profit-sharing, stock bonus, and annuity plans	6,046,217	86,223	129,421	221,719	272,134	466,130	1,186,918	364,809	437,339	262,857	205,576	310,762	2,102,332
Employee benefit programs	17,383,860	147,257	303,149	368,442	553,685	869,943	2,571,159	1,169,651	1,197,532	766,330	668,639	1,327,852	7,440,220
Net income (less deficit)	30,094,078	-500,637	-1,412,680	-158,367	765,327	949,495	4,127,426	2,447,717	2,796,897	1,382,354	1,509,565	1,793,583	16,393,397
Income subject to tax	42,139,269	352,964	490,098	1,028,262	1,417,701	1,750,504	4,477,843	1,739,273	2,085,051	1,534,235	1,650,810	3,093,206	22,519,321
Income tax, total	13,839,310	112,240	74,923	167,846	256,587	370,453	1,232,116	588,004	730,388	540,127	586,890	1,089,473	8,090,263
Alternative minimum tax	461,482	2,477	--	--	*572	3,182	19,102	11,868	22,634	18,713	22,223	31,794	328,918
Environmental tax	43,736	305	--	--	--	--	52	153	570	1,121	1,814	4,008	35,712
Foreign tax credit	934,596	10,318	--	*59	*51	*12	5,254	*1,969	5,885	17,103	7,601	20,095	866,449
U.S. possessions tax credit	30,713	--	63	--	--	78	1,840	1,047	63	734	3,463	--	23,425
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	547	--	--	--	--	--	*450	*17	*32	--	4	43	**
General business credit	214,024	*320	2,878	1,836	4,293	4,685	15,069	10,520	9,577	7,572	8,208	25,526	123,559
Prior year minimum tax credit	43,439	*2,298	--	--	8	*46	2,141	3,201	2,617	2,013	6,192	4,957	19,966
Total income tax after credits	12,615,991	99,303	71,983	165,951	252,235	365,651	1,207,362	571,250	712,414	512,704	561,421	1,038,852	7,056,865
Finance, Insurance, and Real Estate													
Number of returns	609,138	45,305	271,930	94,994	68,030	46,463	49,751	8,273	7,605	5,265	4,465	3,692	3,364
Total assets	10,193,295,357	--	8,059,098	15,244,946	24,180,461	33,131,811	104,173,663	57,339,205	123,855,418	188,459,096	316,674,633	576,278,204	8,745,898,821
Notes and accounts receivable, net	2,601,210,250	--	639,156	1,192,354	1,943,704	2,714,900	9,514,511	7,958,421	27,605,382	57,414,955	99,166,965	152,836,978	2,240,222,925
Inventories	36,588,933	--	99,723	297,836	731,341	1,596,879	5,650,360	2,265,518	2,826,685	2,461,506	2,141,220	4,265,802	14,252,061
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	2,435,762,062	--	2,630,822	4,310,171	5,431,688	6,267,314	18,809,078	11,123,910	32,639,730	52,608,813	88,115,848	149,010,870	2,064,813,816
Other investments and loans	4,198,453,665	--	1,346,005	2,833,142	4,395,867	6,511,971	20,563,045	14,455,768	32,946,349	51,991,150	101,081,507	228,048,734	3,734,280,126
Depreciable assets	375,817,722	--	5,748,391	8,139,876	12,028,137	16,009,446	43,966,286	18,104,133	22,775,571	19,589,101	18,611,389	28,429,396	182,415,995
Less: Accumulated depreciation	121,829,102	--	3,675,106	4,321,381	5,247,999	6,144,037	13,260,506	5,006,312	6,087,787	5,692,156	5,257,501	8,147,763	58,988,554
Other capital assets less reserves	107,490,854	--	927,758	2,270,193	3,956,570	5,168,189	15,547,175	6,342,651	7,507,893	5,827,633	5,691,598	8,082,171	45,969,020
Total liabilities	10,193,295,357	--	8,059,098	15,244,946	24,180,461	33,131,811	104,173,663	57,339,205	123,855,418	188,459,096	316,674,633	576,278,204	8,745,898,821
Accounts and notes payable	1,145,008,959	--	1,421,910	2,046,498	3,914,304	5,081,460	19,273,750	9,212,122	13,423,923	15,757,054	23,297,333	39,875,222	1,011,705,381
Other current liabilities	4,385,892,815	--	1,007,803	1,009,549	1,366,116	1,633,119	8,615,471	7,733,512	43,242,397	95,161,123	178,446,914	298,818,510	3,748,858,301
Mortgages,notes,and bonds payable in one year or more	788,556,220	--	2,142,441	3,896,135	6,953,950	10,529,741	37,578,608	17,098,898	22,813,309	20,528,100	22,168,513	39,112,861	605,733,663
Net worth	2,142,041,011	--	-1,767,747	4,260,402	7,510,650	10,203,828	20,898,076	15,773,528	31,704,299	44,666,668	75,655,854	164,685,494	1,768,449,958
Total receipts	1,954,709,651	90,885,667	23,685,812	15,865,902	15,735,716	16,611,307	39,008,777	20,056,614	28,833,513	45,444,912	55,875,737	99,732,176	1,503,173,719
Business receipts	900,908,453	12,896,012	21,887,537	13,981,146	13,347,472	14,110,955	30,350,325	15,440,158	18,510,152	28,492,063	25,939,150	45,608,501	660,344,981
Total deductions	1,809,867,575	91,084,680	24,118,992	15,507,482	15,497,379	16,338,326	38,927,541	19,698,060	27,669,874	42,931,592	50,580,897	87,850,003	1,379,662,749
Cost of sales and operations	526,244,728	1,307,525	5,234,653	3,603,121	4,146,961	4,518,220	12,097,105	5,954,472	8,430,188	17,832,705	16,781,335	27,543,321	418,795,121
Taxes paid	31,475,306	978,535	706,062	583,752	602,274	759,731	1,603,593	658,333	1,030,288	962,469	1,030,862	1,629,775	20,729,633
Interest paid	506,921,011	65,155,026	403,144	423,267	635,252	875,686	3,597,059	1,860,610	4,436,007	7,692,804	13,594,723	23,156,859	385,090,574
Depreciation	34,817,504	790,855	383,431	392,235	458,718	540,349	1,368,350	593,101	953,596	950,400	999,683	1,696,610	25,490,177
Pension, profit-sharing, stock bonus, and annuity plans	6,477,902	89,764	149,233	134,513	108,673	116,103	194,729	67,845	83,913	103,524	178,941	316,503	4,934,160
Employee benefit programs	13,630,532	310,257	238,208	128,181	175,328	177,980	290,778	126,281	246,715	329,802	449,988	780,511	10,376,503
Net income (less deficit)	109,901,881	-1,037,780	-443,961	155,679	213,416	225,384	-36,189	227,362	792,070	1,774,213	3,849,889	8,301,512	95,880,287
Income subject to tax	68,498,149	2,253,613	309,136	457,404	560,997	554,403	1,368,031	814,309	1,438,746	1,920,956	3,216,880	4,838,030	50,765,844
Income tax, total	22,556,387	800,706	57,558	79,663	119,579	125,698	419,215	282,071	494,609	656,148	1,163,974	1,619,877	18,737,289
Alternative minimum tax	1,661,002	14,965	*528	*21	1,119	4,539	15,882	13,604	23,912	27,911	49,330	75,243	1,434,148
Environmental tax	95,108	2,714	(1)	2	*49	*46	285	221	745	1,571	2,186	3,906	83,384
Foreign tax credit	1,641,306	3,413	--	*10	(1)	*29	407	31,015	6,608	9,531	18,147	19,614	1,552,533
U.S. possessions tax credit	10,217	52	--	--	2	--	1	--	1,492	61	1,774	455	6,380
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	1,329	--	--	--	--	*11	--	--	*327	(1)	2	479	510
General business credit	196,949	4,377	*357	*1,090	*573	1,456	1,871	2,137	2,665	3,808	7,164	12,035	159,415
Prior year minimum tax credit	195,293	4,824	--	--	*442	332	1,725	*572	1,951	7,765	7,917	20,380	149,383
Total income tax after credits	20,511,294	788,041	57,200	78,563	118,562	123,870	415,211	248,348	481,566	634,982	1,128,969	1,566,914	14,869,088

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

RETURNS OF ACTIVE CORPORATIONS

Table 4--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Total Assets--Continued

[All figures are estimates based on samples--money amounts are in thousands of dollars and size of total assets is in whole 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	$1,000,000 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	1,029,447	56,895	691,322	143,611	63,725	34,912	31,303	3,735	2,178	827	419	297	223
Total assets	572,842,266	--	18,665,134	23,147,044	22,043,784	24,481,532	62,630,867	26,076,387	34,484,982	29,031,712	29,504,001	46,745,948	256,030,875
Notes and accounts receivable, net	95,104,277	--	1,939,041	2,937,289	3,574,858	4,055,431	13,938,784	5,853,082	7,083,315	6,243,832	5,974,328	8,839,087	34,665,229
Inventories	21,060,115	--	830,142	1,264,741	1,151,925	1,257,354	3,048,340	1,270,449	1,390,729	1,238,845	1,132,805	1,553,319	6,921,465
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	81,749,671	--	5,647,671	5,751,746	4,722,351	4,952,248	10,632,518	4,166,618	5,597,343	4,433,407	3,913,807	6,792,471	25,139,489
Other investments and loans	108,191,708	--	2,040,002	2,964,248	2,582,087	2,992,162	6,432,267	2,503,771	4,342,332	4,124,273	3,549,321	7,408,210	69,253,035
Depreciable assets	306,907,591	--	21,005,923	19,888,480	17,890,516	18,573,415	41,048,653	16,358,653	19,002,231	14,412,536	15,803,811	19,095,262	104,028,112
Less: Accumulated depreciation	132,880,736	--	14,452,626	11,898,398	9,985,863	10,166,216	19,238,426	7,255,973	7,651,317	5,428,365	6,450,127	6,606,974	33,748,452
Other capital assets less reserves	48,990,034	--	666,814	1,165,075	1,326,878	1,860,647	4,434,585	2,063,220	2,714,273	2,472,288	3,404,572	6,122,575	22,759,108
Total liabilities	572,842,266	--	18,665,134	23,147,044	22,043,784	24,481,532	62,630,867	26,076,387	34,484,982	29,031,712	29,504,001	46,745,948	256,030,875
Accounts and notes payable	107,964,836	--	4,396,669	4,808,395	4,506,766	5,047,085	15,096,587	6,515,032	7,594,509	6,380,763	6,357,488	9,459,526	37,802,016
Other current liabilities	64,168,406	--	2,401,594	2,348,349	2,236,094	2,740,314	7,420,881	3,412,524	4,053,539	3,550,967	3,085,455	5,489,202	27,429,488
Mortgages,notes,and bonds payable in one year or more	177,224,463	--	4,290,623	5,650,474	5,383,808	7,329,962	18,553,129	7,630,293	10,417,585	8,995,594	10,911,386	16,087,070	81,974,540
Net worth	143,154,346	--	-136,001	5,192,482	5,947,666	5,512,594	13,195,452	5,265,814	8,313,410	7,083,492	6,250,455	11,083,795	75,445,188
Total receipts	779,329,609	12,008,980	119,850,398	70,120,701	58,686,515	57,351,498	108,752,422	41,004,303	40,423,400	34,481,298	30,460,825	44,958,538	161,230,732
Business receipts	726,041,364	10,821,407	117,262,608	67,244,792	55,929,340	53,449,444	103,841,744	38,805,887	37,573,259	32,317,294	27,698,998	40,461,975	140,634,816
Total deductions	769,035,909	12,326,144	118,349,012	69,485,340	57,703,102	56,436,858	107,535,807	40,768,981	40,320,049	33,801,314	30,249,753	44,531,601	157,527,947
Cost of sales and operations	290,965,307	4,236,568	37,239,505	23,237,064	22,776,879	20,606,754	46,224,980	18,433,972	17,133,919	15,799,912	12,529,257	19,454,275	53,292,221
Taxes paid	27,255,340	317,045	4,414,153	2,497,921	2,158,786	2,129,732	4,584,480	1,316,721	1,238,231	1,100,884	883,186	1,371,401	5,242,800
Interest paid	27,188,190	551,224	805,592	899,885	847,612	1,016,157	2,522,754	1,117,269	1,411,560	1,276,254	1,507,283	2,144,014	13,088,587
Depreciation	33,670,443	369,594	2,157,093	2,027,066	1,591,971	1,706,245	3,726,952	1,461,617	1,942,838	1,468,691	1,589,424	1,966,533	13,662,420
Pension, profit-sharing, stock bonus, and annuity plans	4,960,200	42,967	841,945	630,512	378,032	389,161	557,749	236,898	198,287	136,733	120,923	243,019	1,183,974
Employee benefit programs	9,730,941	159,208	763,999	618,111	587,151	598,780	1,290,770	604,099	681,292	516,118	540,537	828,624	2,542,254
Net income (less deficit)	10,616,792	-249,700	1,474,225	628,243	975,080	845,333	1,186,579	220,600	107,411	664,514	225,970	416,467	4,122,069
Income subject to tax	16,191,041	309,203	691,467	758,522	752,179	677,118	1,630,580	667,690	773,251	929,476	960,927	1,304,988	6,735,647
Income tax, total	5,368,531	109,481	114,360	136,491	160,606	168,153	517,856	232,965	277,721	329,925	347,814	469,843	2,503,316
Alternative minimum tax	302,259	4,745	*123	*438	2,534	3,950	14,744	7,088	14,726	13,421	20,537	25,695	194,260
Environmental tax	16,829	298	--	--	12	--	158	104	364	930	1,252	1,822	11,890
Foreign tax credit	602,469	*16,250	*154	--	*383	*2,380	9,478	9,567	14,389	11,167	27,188	56,074	455,439
U.S. possessions tax credit	15,845	--	303	19	--	239	531	1,464	4,403	3,420	5,465	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	576	--	--	--	--	--	--	--	--	--	--	576	--
General business credit	123,628	*352	3,097	6,340	3,175	8,418	12,986	7,197	5,751	6,708	8,862	17,617	43,125
Prior year minimum tax credit	28,452	--	--	--	--	*921	5,513	2,753	2,624	2,870	1,605	6,085	6,082
Total income tax after credits	4,597,561	92,879	110,806	130,132	157,048	156,195	489,349	211,984	250,553	305,760	304,694	389,491	1,998,669
Nature of Business not Allocable													
Number of returns	20,017	5,843	11,308	1,484	940	*154	252	*24	9	--	3	--	--
Total assets	1,888,616	--	223,587	243,163	338,351	*123,735	466,321	*171,697	*157,439	--	164,323	--	--
Notes and accounts receivable, net	212,741	--	51,492	*13,172	*37,774	*19,616	41,565	*10,008	*5,753	--	33,362	--	--
Inventories	259,586	--	22,012	*45,660	*58,582	*60,821	*32,772	*16,896	*10,971	--	11,871	--	--
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	242,778	--	57,261	44,029	66,202	*5,188	35,017	*10,734	*14,453	--	9,894	--	--
Other investments and loans	412,176	--	*24,794	*59,304	*30,567	*223	*133,068	*46,211	*77,140	--	40,871	--	--
Depreciable assets	590,789	--	100,127	*71,235	*134,114	*31,205	147,929	*32,126	*36,144	--	37,910	--	--
Less: Accumulated depreciation	222,103	--	48,057	*39,082	*56,052	*1,418	56,825	*9,626	*2,670	--	8,372	--	--
Other capital assets less reserves	227,597	--	*13,526	*48,755	*42,846	*7,408	*1,855	*63,243	*13,245	--	36,721	--	--
Total liabilities	1,888,616	--	223,587	243,163	338,351	*123,735	466,321	*171,697	*157,439	--	164,323	--	--
Accounts and notes payable	381,922	--	22,312	*32,406	*97,303	*59,240	77,749	*16,839	*37,495	--	38,778	--	--
Other current liabilities	114,380	--	9,151	*15,850	*5,226	*1,525	65,807	*1,893	*9,011	--	5,918	--	--
Mortgages,notes,and bonds payable in one year or more	508,682	--	*61,011	*41,441	*87,980	*65,520	89,099	*90,840	*14,544	--	58,246	--	--
Net worth	428,034	--	32,461	81,590	32,729	*-10,789	124,693	*50,605	*95,796	--	20,947	--	--
Total receipts	7,321,955	5,398,514	619,422	105,408	702,795	*56,906	299,446	*101,628	*30,860	--	6,977	--	--
Business receipts	6,355,113	4,615,023	604,301	*99,754	*571,796	*56,530	281,432	*94,225	*28,357	--	3,695	--	--
Total deductions	7,371,354	5,434,270	587,300	107,853	674,207	*71,012	339,419	*113,619	*32,776	--	10,898	--	--
Cost of sales and operations	5,648,046	*4,667,678	175,530	*19,206	*504,785	*34,202	139,126	*94,967	*9,741	--	2,811	--	--
Taxes paid	132,173	79,995	18,217	6,182	13,500	*1,271	11,139	*331	*1,141	--	398	--	--
Interest paid	48,175	*4,395	10,324	*5,816	*6,158	*109	7,026	*5,372	*3,311	--	5,664	--	--
Depreciation	44,348	*494	18,982	*4,977	*10,511	*436	6,956	*426	*1,407	--	158	--	--
Pension, profit-sharing, stock bonus, and annuity plans	*25,601	*19,879	*4,701	--	--	--	*858	*140	--	--	24	--	--
Employee benefit programs	4,777	*207	*2,923	11	--	--	*459	*247	*925	--	6	--	--
Net income (less deficit)	-50,540	-35,756	32,122	-2,445	27,446	*-14,106	-39,973	*-11,991	*-1,916	--	-3,922	--	--
Income subject to tax	66,862	*13,082	*22,622	*5,378	*24,291	--	*1,490	--	--	--	--	--	--
Income tax, total	15,330	*3,688	*3,393	*806	*7,142	--	*301	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--	--	--	--	--
Environmental tax	--	--	--	--	--	--	--	--	--	--	--	--	--
Foreign tax credit	--	--	--	--	--	--	--	--	--	--	--	--	--
U.S. possessions tax credit	(1)	--	(1)	--	--	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Total income tax after credits	15,330	*3,688	*3,393	*806	*7,142	--	*301	--	--	--	--	--	--

*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.

(1) 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 5--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Business Receipts

(All figures are estimates based on samples--money amounts are in thousands of dollars and size of business receipts is in whole dollars)

Industrial division, item	Total returns of active corporations	Size of business receipts: Under $100,000[2]	Under $25,000[2]	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $2,500,000	$2,500,000 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)
All Industries													
Number of returns	3,716,650	1,489,589	878,690	252,025	358,874	661,685	500,040	415,968	340,779	143,409	82,482	67,145	15,552
Total assets	18,190,057,609	225,137,573	160,329,512	26,686,395	38,121,666	93,828,235	114,487,591	169,895,181	330,667,740	386,075,317	526,089,397	15,851,412,591	4,758,735,314
Notes and accounts receivable, net	4,087,956,237	15,951,413	10,205,037	2,606,385	3,139,990	8,063,121	13,284,066	26,555,976	71,702,077	100,886,235	154,483,850	387,915,145	3,309,114,355
Inventories	893,586,141	9,131,521	5,836,657	1,016,270	2,278,593	8,288,187	13,312,339	21,891,294	41,997,569	44,241,351	52,364,951	126,278,595	576,080,353
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	3,237,182,635	38,940,227	25,378,746	5,741,499	7,819,983	19,250,420	21,437,169	32,770,510	69,559,442	87,314,115	118,973,127	341,956,380	2,506,981,245
Other investments and loans	5,769,656,843	57,597,162	43,312,395	6,396,477	7,888,290	18,005,979	19,926,971	27,621,281	52,861,788	70,888,092	113,707,408	487,091,640	4,921,956,522
Depreciable assets	4,317,781,452	95,422,997	64,527,942	11,230,740	19,664,315	56,514,095	68,421,882	91,731,277	148,898,038	125,337,963	127,005,626	299,110,099	3,305,339,475
Less: Accumulated depreciation	1,848,022,882	36,215,454	21,532,184	5,147,335	9,535,934	31,189,815	38,386,261	50,469,255	81,534,203	66,050,998	65,827,469	139,309,555	1,339,039,852
Other capital assets less reserves	679,372,870	33,116,411	24,252,614	3,769,895	5,093,902	10,669,557	11,320,445	13,096,128	18,073,311	14,272,020	15,245,869	44,999,316	518,579,812
Total liabilities	18,190,057,609	225,137,573	160,329,512	26,686,395	38,121,666	93,828,235	114,487,591	169,895,181	330,667,740	386,075,317	526,089,397	15,851,412,591	4,758,735,314
Accounts and notes payable	2,896,733,409	38,006,463	24,861,434	5,089,777	8,055,253	17,442,633	21,208,062	38,316,109	72,701,363	78,165,453	96,326,435	266,397,685	2,270,169,206
Other current liabilities	5,197,682,027	14,005,820	10,635,800	1,131,005	2,239,015	6,360,731	9,985,536	16,679,435	61,764,874	112,540,456	191,269,519	535,315,396	4,249,760,260
Mortgages,notes,and bonds payable in one year or more	2,665,098,250	73,055,001	56,826,366	6,476,631	9,752,004	27,456,923	32,181,973	41,277,679	64,491,512	54,594,825	60,382,066	172,860,932	2,138,797,339
Net worth	4,738,917,551	38,224,697	23,821,697	6,192,846	8,210,154	19,048,509	29,625,631	51,557,654	98,482,528	116,111,186	148,497,663	527,286,110	3,710,083,574
Total receipts	11,409,520,074	57,567,300	18,900,310	10,461,715	28,205,274	115,790,023	185,111,740	301,700,091	539,891,892	515,452,121	585,068,811	1,379,206,746	7,729,731,350
Business receipts	9,860,441,633	37,734,491	4,211,209	8,488,461	25,034,820	108,032,124	176,981,857	289,637,102	518,345,251	488,706,754	548,639,193	1,254,225,971	6,440,138,890
Total deductions	11,032,574,630	68,300,102	27,442,203	11,542,072	29,315,827	116,963,998	184,331,035	299,923,041	534,929,796	507,272,451	572,936,506	1,335,731,812	7,412,186,089
Cost of sales and operations	6,610,769,883	13,664,358	1,984,143	2,910,268	8,769,947	42,518,253	81,180,813	150,313,659	308,975,002	321,088,354	382,113,961	927,314,473	4,383,601,011
Taxes paid	250,928,813	2,841,922	1,113,399	498,374	1,230,149	4,566,025	6,783,445	9,680,005	14,900,402	12,154,707	11,971,168	24,558,891	163,472,249
Interest paid	825,372,164	4,132,734	2,362,307	602,007	1,168,420	3,532,808	4,381,194	6,462,793	12,749,381	14,697,448	21,517,580	63,526,653	694,371,572
Depreciation	332,781,754	3,973,917	1,698,850	761,210	1,513,857	4,242,080	5,669,619	7,637,763	12,648,968	10,742,443	11,080,041	25,168,238	251,618,685
Pension, profit-sharing, stock bonus, and annuity plans	42,233,693	267,214	170,679	16,115	80,421	510,458	831,226	1,203,611	2,040,262	1,955,160	1,809,273	3,870,874	29,745,615
Employee benefit programs	113,320,117	502,802	251,228	77,961	173,613	670,027	1,104,521	2,061,623	3,779,117	3,936,594	4,163,169	10,326,246	86,776,020
Net income (less deficit)	370,632,632	-10,793,445	-8,517,357	-1,133,173	-1,142,915	-1,295,752	615,002	1,637,402	3,717,552	7,198,231	10,256,706	35,926,156	323,370,782
Income subject to tax	366,352,857	2,408,443	1,342,389	385,432	680,622	2,133,846	2,798,906	4,157,530	6,871,776	7,239,107	8,497,694	23,983,779	308,261,777
Income tax, total	128,185,666	604,053	400,454	70,591	133,009	414,016	561,833	895,236	1,692,968	2,183,513	2,829,876	8,413,871	110,590,302
Alternative minimum tax	8,104,269	20,413	17,922	*1087	1,404	4,667	*11,730	23,042	62,507	97,811	109,671	338,421	7,436,006
Environmental tax	520,167	854	765	*41	*47	61	94	130	322	699	1,323	12,741	503,942
Foreign tax credit	24,989,922	98,303	95,136	*2747	*420	1,085	1,194	8,483	3,387	14,758	27,273	183,835	24,651,604
U.S. possessions tax credit	3,194,481	373	351	--	22	52	15	335	4,917	83,162	37,112	359,449	2,709,065
Orphan drug credit	15,637	--	--	--	--	--	--	--	*86	--	--	--	15,551
Nonconventional source fuel credit	81,790	*1160	*1160	--	--	*16	--	--	*104	*157	*931	1,453	77,969
General business credit	2,833,701	9,922	5,412	1,762	2,748	7,221	14,153	21,308	41,914	38,165	50,285	153,211	2,497,522
Prior year minimum tax credit	667,036	3,765	*368	*895	*2502	1,245	231	1,892	5,540	16,511	27,543	73,128	537,180
Total income tax after credits	96,403,099	490,530	298,028	65,186	127,316	404,396	546,240	863,217	1,637,019	2,030,760	2,686,732	7,642,794	80,101,410
Agriculture, Forestry, and Fishing													
Number of returns	126,423	63,546	36,342	11,677	15,527	25,505	16,189	8,647	7,681	2,902	1,101	707	145
Total assets	68,338,381	11,510,220	6,825,293	1,938,197	2,746,731	7,251,179	7,027,844	5,192,739	7,582,197	5,225,889	4,278,246	7,910,005	12,360,063
Notes and accounts receivable, net	6,421,820	469,325	285,520	79,446	104,359	301,762	320,072	295,575	667,657	665,091	652,708	1,194,220	1,855,409
Inventories	7,867,448	174,483	103,676	27,570	43,237	305,245	437,338	315,609	1,162,721	632,161	738,163	1,152,323	2,949,408
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	7,633,587	1,400,981	758,152	335,726	307,102	880,617	737,579	725,656	797,042	709,863	503,723	924,055	954,072
Other investments and loans	8,468,876	1,742,270	1,295,844	236,203	210,223	841,795	654,507	446,617	765,287	629,111	391,298	1,111,288	1,886,702
Depreciable assets	48,526,221	6,181,066	3,044,259	1,300,855	1,835,953	5,981,180	6,753,905	4,692,443	6,774,554	3,911,300	3,045,286	4,401,132	6,785,355
Less: Accumulated depreciation	29,189,302	3,649,625	1,646,189	851,578	1,151,857	4,080,252	4,599,604	2,983,680	4,371,433	2,296,635	1,741,185	2,248,315	3,218,374
Other capital assets less reserves	15,572,707	4,472,827	2,590,611	691,591	1,190,624	2,576,445	2,358,953	1,367,927	1,534,874	801,888	589,546	1,106,278	763,969
Total liabilities	68,338,381	11,510,220	6,825,293	1,938,197	2,746,731	7,251,179	7,027,844	5,192,739	7,582,197	5,225,889	4,278,246	7,910,005	12,360,063
Accounts and notes payable	14,315,168	1,059,900	533,042	187,018	339,840	1,052,248	1,075,861	824,521	2,208,912	1,363,110	1,322,498	2,177,239	3,230,879
Other current liabilities	3,446,744	500,736	344,410	78,887	77,438	205,919	181,543	115,690	370,687	374,806	279,804	525,402	892,156
Mortgages,notes,and bonds payable in one year or more	16,771,881	2,419,509	1,452,391	351,966	615,152	1,905,031	2,209,083	1,348,729	2,244,864	1,420,071	1,151,819	1,840,703	2,232,073
Net worth	23,360,455	4,188,490	2,539,330	691,104	958,056	2,762,133	2,389,452	2,329,086	1,849,754	1,441,993	1,231,332	2,493,199	4,675,015
Total receipts	88,101,065	3,485,819	1,450,320	640,155	1,395,344	4,875,007	6,337,103	6,494,640	12,329,369	10,371,470	7,966,427	13,827,346	22,413,883
Business receipts	82,114,836	1,755,079	167,368	428,223	1,159,488	4,189,510	5,730,046	6,026,451	11,760,116	9,994,535	7,701,087	13,332,332	21,625,680
Total deductions	86,883,128	3,796,282	1,745,705	681,633	1,368,945	4,852,964	6,254,364	6,336,751	12,174,277	10,299,751	7,842,528	13,550,610	21,775,600
Cost of sales and operations	52,758,720	534,838	114,848	133,509	286,480	1,245,708	2,109,494	2,586,330	6,634,976	6,861,689	5,257,628	10,393,050	17,135,007
Taxes paid	1,903,591	205,410	96,067	40,153	69,190	186,017	216,671	208,598	319,153	191,112	138,147	189,817	248,666
Interest paid	2,852,242	316,974	144,733	63,165	109,076	285,609	358,159	234,874	405,716	265,030	212,155	373,353	400,372
Depreciation	3,636,306	374,393	143,521	78,798	152,074	409,552	495,319	354,063	563,554	372,592	232,138	351,061	483,633
Pension, profit-sharing, stock bonus, and annuity plans	159,293	13,862	8,446	*4029	*1387	12,997	4,646	16,952	11,851	13,606	16,613	24,907	43,858
Employee benefit programs	523,003	37,646	23,172	3,057	11,417	36,088	31,687	32,332	48,021	50,023	30,323	56,694	200,189
Net income (less deficit)	1,156,269	-352,927	-302,644	-75,275	24,992	10,023	81,408	156,693	150,003	67,035	122,398	278,769	642,866
Income subject to tax	2,101,441	174,295	97,847	31,373	45,075	225,958	221,974	193,168	180,062	207,493	138,490	155,393	604,608
Income tax, total	589,866	35,096	22,956	4,818	7,322	42,794	45,644	41,834	45,382	63,955	45,916	59,207	210,037
Alternative minimum tax	18,791	*313	*313	--	--	*328	*364	*318	2,133	*1174	1,227	7,454	5,480
Environmental tax	1,065	--	--	--	--	*1	--	--	*22	*108	*31	106	796
Foreign tax credit	*17508	--	--	--	--	--	--	*2	--	--	--	--	*17506
U.S. possessions tax credit	472	--	--	--	--	--	--	--	--	--	472	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--	--	--	--	--	--
General business credit	14,294	*282	*210	*57	*15	1,593	2,126	1,164	2,970	*195	*1837	*1023	3,103
Prior year minimum tax credit	2,775	--	--	--	--	*53	--	--	--	13	--	*499	2,209
Total income tax after credits	554,818	34,814	22,745	4,762	7,307	41,147	43,518	40,669	42,411	63,747	43,608	57,685	187,219

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

RETURNS OF ACTIVE CORPORATIONS

Table 5--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Business Receipts--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars and size of business receipts is in whole dollars)

Industrial division, item	Total returns of active corporations	Size of business receipts: Under $100,000 [2]	Under $25,000 [2]	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $2,500,000	$2,500,000 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	39,674	24,433	18,778	1,570	4,084	4,157	3,170	2,495	2,899	1,154	599	564	203
Total assets	219,197,640	6,603,089	4,509,031	1,050,233	1,043,824	1,279,671	3,060,860	2,926,383	5,623,198	4,446,860	6,555,425	17,658,756	171,043,398
Notes and accounts receivable, net	22,897,736	1,078,530	798,312	*23295	256,923	120,911	357,488	639,489	722,676	525,675	850,270	2,894,081	15,708,815
Inventories	6,199,727	133,002	94,098	*4464	*34440	34,577	55,323	58,971	123,852	106,778	140,717	652,664	4,893,842
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	16,547,163	1,080,006	648,486	105,928	325,592	236,021	426,794	621,524	1,115,639	935,809	1,131,478	2,564,183	8,435,728
Other investments and loans	85,814,119	2,179,624	1,266,429	*716871	196,324	301,413	1,161,688	395,196	924,018	681,387	1,105,210	1,902,672	77,162,911
Depreciable assets	99,667,531	1,802,129	1,270,454	164,884	368,791	703,947	1,000,804	1,619,681	3,540,992	3,118,960	3,665,474	10,330,429	73,885,114
Less: Accumulated depreciation	50,970,793	1,253,192	889,602	114,734	248,856	442,428	693,037	1,109,475	2,435,856	2,004,807	2,160,840	5,756,749	35,114,610
Other capital assets less reserves	31,125,705	1,141,681	947,349	130,726	63,606	268,731	663,504	599,570	1,302,187	967,522	1,626,361	4,373,551	20,182,597
Total liabilities	219,197,640	6,603,089	4,509,031	1,050,233	1,043,824	1,279,671	3,060,860	2,926,383	5,623,198	4,446,860	6,555,425	17,658,756	171,043,398
Accounts and notes payable	25,789,061	3,253,439	1,269,183	*25004	1,959,252	257,617	712,403	624,892	1,160,719	1,022,038	1,305,696	2,951,375	14,500,882
Other current liabilities	12,736,771	369,439	316,781	*5169	47,490	52,162	135,728	268,041	423,592	432,495	425,363	1,335,194	9,294,757
Mortgages,notes,and bonds payable in one year or more	49,466,030	2,485,400	1,485,943	*755637	243,820	84,708	307,675	941,699	968,598	807,024	1,258,432	3,721,988	38,890,507
Net worth	110,339,579	-1,272,323	19,855	112,141	-1,404,319	456,547	1,269,816	589,444	2,600,703	1,855,542	2,786,476	8,054,790	93,998,584
Total receipts	111,444,457	1,178,690	661,947	119,771	396,971	944,432	1,515,714	2,056,335	5,158,487	4,637,729	4,832,530	13,598,140	77,522,399
Business receipts	97,321,579	443,319	84,797	59,909	298,613	747,415	1,207,727	1,789,977	4,519,518	4,063,833	4,191,988	12,328,714	68,029,087
Total deductions	106,466,509	1,544,441	935,187	169,834	439,420	936,271	1,437,787	2,085,283	4,987,574	4,447,039	4,502,101	13,066,866	73,459,147
Cost of sales and operations	62,070,361	249,616	74,802	30,911	143,903	293,364	410,481	709,505	1,990,385	1,800,050	2,339,067	7,303,437	46,974,455
Taxes paid	3,279,299	48,326	27,252	4,930	16,144	25,954	59,154	87,773	225,473	212,619	140,543	436,754	2,042,703
Interest paid	6,674,114	152,694	114,170	*11266	27,258	38,036	22,885	106,819	142,541	137,239	152,162	529,103	5,392,636
Depreciation	5,663,177	87,604	49,413	7,798	30,393	68,555	75,766	134,221	269,927	238,027	265,811	708,718	3,814,547
Pension, profit-sharing, stock bonus, and annuity plans	320,071	*3169	*478	--	*2691	*6044	*2281	*8848	7,060	12,769	24,959	32,927	222,013
Employee benefit programs	961,439	8,416	2,738	*1502	*4175	3,421	6,569	8,694	28,038	45,465	42,370	123,832	694,634
Net income (less deficit)	5,302,223	-371,360	-277,793	-50,062	-43,504	7,129	76,173	-29,006	169,306	182,565	326,055	563,580	4,377,781
Income subject to tax	5,661,551	71,899	59,848	*1692	*10359	32,864	47,629	50,781	126,338	125,170	242,966	448,066	4,515,838
Income tax, total	2,223,977	20,225	17,776	*529	*1920	5,957	12,487	16,055	48,722	47,816	90,262	191,981	1,790,473
Alternative minimum tax	329,699	*2825	*2550	*275	--	*13	*1528	1,859	11,372	7,118	7,431	37,882	259,669
Environmental tax	10,344	*26	*26	--	--	--	--	*3	*71	82	231	813	9,117
Foreign tax credit	788,105	*621	*614	--	*7	--	--	*410	*947	--	*4895	28,326	752,906
U.S. possessions tax credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	16,976	*1160	*1160	--	--	*16	--	--	*104	--	*919	*360	14,418
General business credit	39,251	--	--	--	--	--	*761	*199	*1672	*505	*1159	7,898	27,058
Prior year minimum tax credit	31,312	--	--	--	--	*116	--	*277	*142	*537	*866	*1987	*27406
Total income tax after credits	1,348,333	18,445	16,002	*529	*1914	5,825	11,725	15,169	45,857	46,774	82,423	153,432	968,684
Construction													
Number of returns	406,874	109,805	56,404	21,161	32,239	84,196	70,083	59,079	47,849	18,979	10,141	6,116	625
Total assets	243,829,026	11,053,310	7,907,293	929,922	2,216,096	5,918,786	9,577,167	15,768,885	29,346,120	25,458,223	25,909,815	51,567,837	69,228,883
Notes and accounts receivable, net	67,018,873	822,256	536,251	70,568	215,436	654,060	1,433,036	3,124,412	7,109,051	7,752,294	9,400,834	18,073,646	18,649,285
Inventories	32,230,686	1,812,461	1,305,729	91,663	415,069	776,091	1,933,441	2,979,875	5,068,643	4,533,482	3,879,436	4,927,448	6,319,809
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	56,938,896	3,102,635	2,302,301	247,365	552,970	1,494,147	2,223,987	3,960,743	7,118,024	6,090,414	6,229,285	14,056,992	12,662,468
Other investments and loans	31,145,718	2,350,167	1,907,846	130,245	312,077	855,119	939,092	1,283,722	2,453,403	1,574,162	1,459,225	4,481,838	15,748,991
Depreciable assets	95,658,624	3,076,287	1,509,830	545,480	1,020,976	4,449,196	6,237,167	8,889,577	15,610,858	11,553,803	10,055,866	17,579,989	18,206,080
Less: Accumulated depreciation	57,581,284	1,681,702	761,199	266,775	653,728	2,977,502	3,867,916	5,725,303	9,996,237	7,282,693	6,309,808	10,496,101	9,244,022
Other capital assets less reserves	9,699,084	1,057,450	778,989	71,617	206,844	396,961	400,414	868,278	1,074,306	753,807	608,316	1,728,835	2,810,718
Total liabilities	243,829,026	11,053,310	7,907,293	929,922	2,216,096	5,918,786	9,577,167	15,768,885	29,346,120	25,458,223	25,909,815	51,567,837	69,228,883
Accounts and notes payable	80,063,117	4,282,112	3,643,527	134,672	503,913	1,397,208	2,602,602	5,213,335	9,905,210	9,177,736	9,890,134	18,716,749	16,878,031
Other current liabilities	31,826,325	1,436,788	1,221,205	57,503	158,080	519,046	828,748	1,493,270	3,553,787	3,489,278	4,157,802	6,834,063	9,533,545
Mortgages,notes,and bonds payable in one year or more	44,370,971	2,524,852	1,844,413	164,584	515,855	1,421,470	2,332,003	2,903,157	4,669,482	2,947,664	2,661,202	7,613,771	17,297,370
Net worth	63,865,550	119,739	-686,364	224,040	582,062	1,296,508	1,990,253	4,349,099	8,556,200	7,541,888	7,246,286	14,910,281	17,855,298
Total receipts	534,654,044	4,212,501	892,680	832,362	2,487,459	14,579,537	25,940,445	42,810,222	74,499,101	66,322,284	70,951,168	117,973,180	117,365,605
Business receipts	522,586,199	3,454,541	328,431	752,377	2,373,732	14,251,951	25,501,788	42,239,660	73,491,380	65,262,667	70,087,361	115,618,211	112,678,842
Total deductions	527,800,795	4,621,547	1,183,299	878,540	2,559,707	14,563,800	25,720,883	42,286,148	73,893,187	65,502,158	69,831,249	115,283,204	116,098,619
Cost of sales and operations	407,448,745	1,719,453	166,125	375,781	1,177,548	7,579,292	15,338,370	27,730,716	52,458,134	50,923,528	57,398,882	97,330,503	96,969,867
Taxes paid	10,937,870	167,519	51,769	25,771	89,979	527,004	859,097	1,362,764	1,982,435	1,551,971	1,378,864	1,870,133	1,238,083
Interest paid	7,368,430	204,230	136,288	21,155	46,786	253,107	364,457	598,978	912,748	669,597	579,772	1,339,436	2,446,106
Depreciation	8,736,434	216,133	67,380	50,108	98,644	402,437	653,044	904,353	1,555,228	1,117,073	993,026	1,615,543	1,279,598
Pension, profit-sharing, stock bonus, and annuity plans	1,898,519	12,900	10,605	*253	*2042	26,685	63,444	131,702	305,883	293,378	229,594	457,246	377,686
Employee benefit programs	3,223,330	32,443	5,237	5,744	21,462	85,022	139,414	285,558	437,722	537,069	498,282	680,757	527,062
Net income (less deficit)	6,824,608	-426,001	-298,326	-48,144	-79,531	11,562	176,293	520,007	602,864	615,740	1,112,168	2,652,389	1,359,585
Income subject to tax	6,895,462	73,884	42,206	15,025	16,653	172,796	287,597	536,044	859,000	708,042	756,101	1,562,813	1,939,185
Income tax, total	2,092,196	15,415	9,741	2,254	3,420	29,300	47,306	105,136	199,679	206,961	246,859	550,504	691,036
Alternative minimum tax	102,759	*730	*730	--	--	*552	*216	3,957	11,392	20,907	16,852	27,206	20,946
Environmental tax	2,563	*16	*16	--	--	--	--	*15	*6	4	*22	231	2,268
Foreign tax credit	90,444	*59	*59	--	--	--	--	*37	*1	--	189	*1742	88,415
U.S. possessions tax credit	6,820	--	--	--	--	--	--	--	98	10	4,685	2,026	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	*14	--	--	--	--	--	--	--	--	([1])	*12	--	2
General business credit	39,536	*796	*571	*186	*40	*2081	*711	*2276	4,730	3,427	4,498	7,714	13,303
Prior year minimum tax credit	48,845	*140	*140	--	--	--	*102	*92	1,980	8,243	12,002	20,828	5,457
Total income tax after credits	1,906,537	14,419	8,971	*2068	3,380	27,219	46,493	102,730	192,869	195,281	225,473	518,194	583,860

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

RETURNS OF ACTIVE CORPORATIONS

Table 5--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Business Receipts--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars and size of business receipts is in whole dollars)

Industrial division, item	Total returns of active corporations	Size of business receipts: Under $100,000 [2]	Under $25,000 [2]	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $2,500,000	$2,500,000 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)
Manufacturing													
Number of returns	301,669	69,794	41,260	14,973	13,561	45,412	41,002	40,867	47,941	22,566	15,299	14,176	4,612
Total assets	3,921,323,756	10,331,870	8,413,432	859,725	1,058,714	4,150,034	7,431,644	13,561,439	34,326,502	40,588,505	56,381,643	177,510,715	3,577,043,404
Notes and accounts receivable, net	822,329,911	968,845	688,673	136,704	143,468	667,311	1,424,771	3,007,662	8,519,953	10,099,807	13,793,731	40,687,060	742,960,770
Inventories	379,419,902	509,070	297,956	89,024	122,090	689,280	1,321,531	2,567,200	6,940,153	9,154,533	13,858,760	39,904,402	304,474,972
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	350,602,979	2,361,439	2,082,952	112,078	166,409	852,786	1,281,049	2,399,861	5,453,582	5,661,425	7,325,170	22,109,515	303,158,153
Other investments and loans	963,961,079	2,501,322	2,208,677	86,983	205,661	309,756	728,500	950,318	2,071,451	2,299,007	3,161,189	14,106,486	937,833,052
Depreciable assets	1,643,661,174	4,048,314	2,820,477	667,612	560,225	3,116,769	5,528,746	11,067,471	25,157,876	26,041,125	33,830,050	93,657,918	1,441,212,905
Less: Accumulated depreciation	803,950,471	1,283,913	732,678	296,483	254,752	1,876,837	3,499,512	7,332,727	15,717,185	15,301,483	19,237,167	48,064,915	691,636,731
Other capital assets less reserves	316,423,024	584,752	496,517	49,550	38,684	237,101	402,892	457,542	1,193,387	1,584,967	2,476,578	9,061,389	300,424,417
Total liabilities	3,921,323,756	10,331,870	8,413,432	859,725	1,058,714	4,150,034	7,431,644	13,561,439	34,326,502	40,588,505	56,381,643	177,510,715	3,577,043,404
Accounts and notes payable	847,809,780	1,994,008	1,379,504	242,999	371,505	869,075	1,834,663	3,763,351	9,322,139	10,973,182	15,920,440	46,546,719	756,586,204
Other current liabilities	371,523,753	808,692	702,537	47,740	58,415	501,761	651,458	1,147,849	2,627,219	3,068,506	4,671,668	15,844,077	342,202,523
Mortgages,notes,and bonds payable in one year or more	821,829,592	2,795,217	2,203,732	350,984	240,501	1,140,677	1,550,714	3,035,748	7,560,915	7,506,458	10,060,839	35,351,182	752,828,044
Net worth	1,392,233,318	1,992,359	2,186,822	-234,864	40,402	541,904	1,846,095	3,799,198	11,314,139	15,867,596	21,754,228	70,337,814	1,264,979,984
Total receipts	3,688,693,895	3,135,402	1,443,894	655,775	1,035,734	7,832,466	15,198,502	29,906,479	77,045,001	81,981,246	109,547,734	303,650,030	3,060,397,034
Business receipts	3,434,141,360	1,711,250	171,765	555,155	984,330	7,564,977	14,907,484	29,254,424	75,850,455	80,429,411	107,422,227	298,534,099	2,820,467,033
Total deductions	3,545,121,842	4,176,220	2,172,909	734,634	1,268,677	8,184,649	15,386,709	30,033,854	77,300,269	80,721,799	107,120,817	295,322,210	2,928,875,314
Cost of sales and operations	2,377,226,499	1,030,534	232,204	279,317	519,013	3,562,638	7,887,242	16,980,591	48,543,676	54,819,941	74,339,547	211,636,918	1,958,425,411
Taxes paid	86,503,755	148,530	88,181	21,878	38,471	294,155	548,371	1,086,224	2,347,930	2,080,050	2,571,615	6,280,043	71,146,838
Interest paid	151,214,835	205,289	160,755	18,826	25,708	168,714	275,772	526,880	1,265,107	1,394,125	1,967,714	6,323,226	139,088,009
Depreciation	121,140,031	199,618	91,697	55,160	52,760	272,680	493,449	955,709	2,122,240	2,081,106	2,670,898	7,517,542	104,826,791
Pension, profit-sharing, stock bonus, and annuity plans	16,686,767	69,260	65,624	*188	*3448	*13032	51,651	92,341	341,563	422,658	448,323	1,214,139	14,033,800
Employee benefit programs	51,091,951	35,913	24,818	2,953	8,142	60,179	118,660	352,784	896,001	925,422	1,227,965	3,497,083	43,977,943
Net income (less deficit)	171,373,726	-1,009,411	-698,957	-77,336	-233,117	-352,970	-191,948	-130,526	-252,364	1,241,941	2,406,203	8,252,535	161,410,266
Income subject to tax	179,370,478	228,828	190,297	*27947	*10584	99,393	274,152	450,547	1,081,506	1,476,315	1,952,759	7,209,438	166,597,541
Income tax, total	64,385,522	73,359	65,843	*5784	*1732	20,691	58,064	85,809	250,330	457,894	663,187	2,524,014	60,252,195
Alternative minimum tax	3,417,884	5,443	5,443	--	--	--	*146	*818	5,449	14,231	20,385	75,153	3,296,259
Environmental tax	261,731	189	180	9	--	*3	9	*12	*22	*28	174	2,790	258,505
Foreign tax credit	20,777,364	*29182	*27733	*1449	--	--	--	*158	*419	*138	4,727	33,466	20,709,275
U.S. possessions tax credit	3,072,082	351	351	--	--	--	15	98	3,092	80,916	26,443	344,040	2,617,127
Orphan drug credit	15,637	--	--	--	--	--	--	--	*86	--	--	--	15,551
Nonconventional source fuel credit	49,393	--	--	--	--	--	--	--	--	--	--	*14	49,379
General business credit	1,229,009	*3457	*2712	*744	--	*128	*1944	5,019	10,987	12,846	19,650	62,810	1,112,368
Prior year minimum tax credit	270,841	*459	--	*459	--	--	--	*50	*123	*724	3,874	10,999	254,613
Total income tax after credits	38,971,197	39,911	35,047	*3132	*1732	20,563	56,105	80,484	235,623	363,270	608,474	2,072,884	35,493,882
Transportation and Public Utilities													
Number of returns	160,353	62,982	37,205	11,827	13,950	27,770	19,334	18,488	16,262	8,407	3,820	2,483	807
Total assets	1,522,045,738	10,115,418	7,582,439	987,907	1,545,072	3,668,726	4,150,564	7,088,574	13,861,296	15,380,163	15,196,776	40,030,048	1,412,554,173
Notes and accounts receivable, net	157,196,511	1,050,418	825,309	149,286	75,822	343,053	433,026	983,405	2,180,427	2,606,607	3,026,361	6,596,858	139,976,357
Inventories	29,292,799	201,734	197,239	*2387	*2108	36,189	86,346	92,773	271,848	287,675	274,240	679,149	27,362,846
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	94,928,992	1,540,650	1,130,168	184,519	225,963	679,617	841,850	1,495,537	2,241,092	2,051,558	2,431,292	4,825,734	79,221,682
Other investments and loans	216,621,726	1,890,991	1,600,453	123,254	167,284	400,695	408,628	632,352	962,286	1,163,134	1,268,138	4,866,624	205,028,879
Depreciable assets	1,290,684,862	6,517,520	4,609,290	683,209	1,225,021	3,949,782	4,226,218	7,351,160	14,197,822	14,136,603	12,829,172	30,117,436	1,197,359,149
Less: Accumulated depreciation	445,858,735	2,556,201	1,744,705	305,129	506,366	2,179,534	2,398,422	4,418,435	7,947,405	7,181,248	6,311,632	13,290,896	399,574,962
Other capital assets less reserves	72,683,654	729,687	540,143	46,905	142,639	286,893	399,761	679,057	1,274,914	1,499,025	1,222,540	4,597,204	61,994,574
Total liabilities	1,522,045,738	10,115,418	7,582,439	987,907	1,545,072	3,668,726	4,150,564	7,088,574	13,861,296	15,380,163	15,196,776	40,030,048	1,412,554,173
Accounts and notes payable	176,796,171	1,918,324	1,486,535	192,214	239,576	688,633	808,001	1,545,089	2,977,535	3,286,417	3,940,401	9,698,425	151,933,345
Other current liabilities	129,672,948	717,925	540,840	93,069	84,216	241,844	303,508	582,006	1,046,862	1,161,709	1,273,991	3,308,022	121,017,081
Mortgages,notes,and bonds payable in one year or more	489,173,429	3,603,152	2,771,155	233,119	598,879	1,606,203	1,777,953	2,207,975	4,973,152	5,684,840	5,472,256	13,504,920	450,342,980
Net worth	508,667,821	682,236	242,284	223,151	216,801	168,107	337,371	1,600,501	2,704,897	3,513,322	3,084,810	9,343,881	487,232,695
Total receipts	936,277,062	3,169,772	1,575,379	467,374	1,127,020	4,797,370	7,449,230	13,500,253	26,600,785	31,678,292	26,991,580	52,314,125	769,775,654
Business receipts	874,111,070	1,678,934	201,082	442,646	1,035,206	4,455,586	7,146,744	13,119,971	25,635,803	30,890,121	25,888,490	50,053,827	715,243,594
Total deductions	900,960,832	3,875,811	2,027,611	546,184	1,302,017	5,035,798	7,518,904	13,387,764	26,654,426	31,631,230	26,815,589	52,076,304	733,965,006
Cost of sales and operations	405,924,209	511,835	75,843	151,707	284,285	1,396,128	2,953,513	5,298,864	13,061,626	16,273,673	13,830,940	27,538,094	325,059,536
Taxes paid	41,202,678	162,081	81,588	23,675	56,818	221,323	304,769	534,631	997,267	962,616	809,775	1,695,514	35,514,702
Interest paid	59,190,735	304,346	219,991	21,773	62,582	207,268	228,953	326,787	756,236	676,400	723,947	1,946,721	54,020,096
Depreciation	83,019,964	422,026	204,334	63,535	154,157	375,227	461,973	787,357	1,484,721	1,359,814	1,275,340	2,662,881	74,190,625
Pension, profit-sharing, stock bonus, and annuity plans	5,659,124	3,578	*3003	*576	--	*7705	*3183	30,772	73,745	82,613	118,031	147,021	5,192,474
Employee benefit programs	16,770,284	27,684	17,626	*2425	7,633	14,704	40,481	100,849	227,443	258,463	208,016	560,462	15,332,183
Net income (less deficit)	35,413,596	-706,844	-452,466	-78,990	-175,388	-238,428	-71,358	109,688	-58,584	44,381	177,976	244,879	35,911,888
Income subject to tax	45,428,604	165,753	138,084	*14112	13,557	99,291	144,713	321,559	441,476	436,135	427,561	1,000,589	42,391,527
Income tax, total	17,114,547	44,389	39,996	*2359	2,034	17,127	29,473	83,705	128,757	139,502	175,223	368,906	16,127,464
Alternative minimum tax	1,810,393	1,611	1,611	--	--	*383	*1006	*1972	3,968	9,194	8,628	29,200	1,754,432
Environmental tax	88,790	*119	*119	--	--	*4	12	*54	*51	41	144	934	87,431
Foreign tax credit	138,131	*713	*713	--	--	--	--	*2	*2	*5504	*209	*1572	130,128
U.S. possessions tax credit	58,332	(1)	(1)	--	--	(1)	--	107	--	290	--	--	57,936
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	12,955	--	--	--	--	--	--	--	--	--	--	393	12,562
General business credit	977,010	*609	*590	--	*19	*155	*773	2,604	3,170	5,488	4,921	13,830	945,458
Prior year minimum tax credit	46,080	--	--	--	--	*330	*39	--	*1045	*322	*1845	2,454	40,045
Total income tax after credits	15,882,038	43,067	38,693	*2359	2,014	16,642	28,661	80,992	124,540	127,898	168,248	350,657	14,941,334

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

RETURNS OF ACTIVE CORPORATIONS

Table 5--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Business Receipts--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars and size of business receipts is in whole dollars)

Industrial division, item	Total returns of active corporations	Size of business receipts: Under $100,000[2]	Under $25,000[2]	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $2,500,000	$2,500,000 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	1,023,057	260,264	130,133	44,908	85,223	178,181	159,425	156,153	136,638	59,843	36,127	31,240	5,185
Total assets	1,447,296,828	15,821,751	9,446,189	1,759,247	4,616,316	14,486,697	22,452,529	39,458,525	72,803,554	69,515,369	78,809,244	186,667,172	947,281,986
Notes and accounts receivable, net	315,564,118	1,644,600	1,134,310	208,648	301,642	1,520,378	2,968,618	6,472,211	15,021,172	15,406,942	19,222,359	43,823,930	209,483,907
Inventories	380,666,945	2,194,361	886,468	372,191	935,702	4,408,519	7,393,677	12,701,866	23,918,660	26,179,437	30,141,508	70,825,536	202,903,381
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	192,776,709	3,527,138	2,400,826	326,591	799,721	2,508,579	3,590,019	6,042,629	11,723,041	9,301,607	8,862,758	20,428,215	126,792,723
Other investments and loans	156,587,774	3,093,540	2,419,651	164,127	509,762	1,194,782	1,765,171	2,922,021	4,662,555	3,874,790	3,950,875	10,056,929	125,067,113
Depreciable assets	456,266,937	6,345,807	2,859,154	830,881	2,655,773	7,072,819	11,507,278	19,252,880	32,062,125	27,478,615	28,524,869	61,434,311	262,588,232
Less: Accumulated depreciation	205,540,336	2,860,361	1,295,547	423,131	1,141,682	3,828,045	7,008,682	11,222,310	19,210,359	16,224,768	16,071,372	31,454,689	97,659,751
Other capital assets less reserves	77,160,212	1,060,257	596,383	209,749	254,125	808,373	1,148,199	1,927,498	2,887,992	2,256,413	3,000,116	7,559,319	56,512,046
Total liabilities	1,447,296,828	15,821,751	9,446,189	1,759,247	4,616,316	14,486,697	22,452,529	39,458,525	72,803,554	69,515,369	78,809,244	186,667,172	947,281,986
Accounts and notes payable	498,604,395	3,477,959	2,353,704	335,894	788,361	3,829,397	5,449,131	11,938,466	23,522,509	26,241,746	33,482,499	86,413,997	304,248,690
Other current liabilities	198,299,884	995,162	646,989	139,964	208,209	983,606	1,542,366	2,441,167	5,391,237	4,741,482	5,050,816	13,646,896	163,507,152
Mortgages,notes,and bonds payable in one year or more	277,196,982	3,789,570	2,349,951	414,732	1,024,887	3,527,417	5,339,672	8,185,474	12,709,633	10,353,979	11,902,907	26,357,011	195,031,318
Net worth	354,827,439	26,501	-123,500	-379,363	529,363	1,239,444	4,052,487	10,570,332	23,547,722	22,893,902	23,381,223	50,974,365	218,141,464
Total receipts	3,308,988,336	10,435,561	1,964,094	1,847,125	6,624,341	31,295,867	59,126,883	112,843,423	216,939,531	214,580,197	256,424,982	632,515,403	1,774,826,489
Business receipts	3,216,861,660	8,751,957	749,696	1,677,350	6,324,911	30,155,116	57,958,312	110,707,568	213,551,009	211,193,536	252,863,226	621,433,302	1,710,249,633
Total deductions	3,279,066,687	12,187,072	2,804,087	2,151,418	7,231,567	32,058,936	59,584,620	112,743,998	215,423,475	212,868,304	254,388,454	627,317,691	1,752,496,138
Cost of sales and operations	2,482,483,270	4,759,128	525,175	911,096	3,322,857	16,552,804	33,942,739	70,773,649	144,651,420	155,300,875	196,543,940	505,465,631	1,354,493,085
Taxes paid	48,238,801	428,317	98,393	71,506	258,418	1,030,201	1,799,258	2,808,244	4,590,011	3,716,175	3,558,380	7,966,507	22,341,709
Interest paid	63,914,431	443,242	238,135	68,577	136,530	532,677	792,527	1,467,037	2,604,617	2,471,809	2,930,681	7,439,233	45,232,607
Depreciation	42,253,547	529,509	223,819	65,403	240,288	668,020	984,627	1,650,313	2,859,730	2,415,298	2,569,888	5,725,216	24,850,945
Pension, profit-sharing, stock bonus, and annuity plans	6,046,217	14,165	8,574	*565	*5026	54,250	106,608	211,785	491,639	525,443	529,553	1,055,926	3,056,848
Employee benefit programs	17,383,860	47,456	8,064	8,878	30,515	108,575	184,777	467,964	998,681	950,108	1,032,516	2,848,363	10,745,419
Net income (less deficit)	30,094,078	-1,758,514	-843,664	-306,790	-608,061	-783,543	-496,363	93,225	1,502,727	1,694,879	2,024,134	5,180,614	22,636,919
Income subject to tax	42,139,269	241,522	153,416	24,369	63,738	310,440	644,257	1,081,110	2,136,497	1,927,123	1,976,019	4,530,616	29,291,685
Income tax, total	13,839,310	65,098	49,641	4,311	11,146	54,968	109,840	189,874	437,168	483,411	557,145	1,477,974	10,463,832
Alternative minimum tax	461,482	4,236	*3583	360	*293	--	*312	*2153	4,671	6,938	8,202	35,127	399,842
Environmental tax	43,736	76	*57	19	--	--	*7	*6	*19	*67	92	894	42,575
Foreign tax credit	934,596	*9358	*9358	--	--	*10	*26	*49	*776	*22	*1881	20,149	902,324
U.S. possessions tax credit	30,713	--	--	--	--	--	1	--	601	125	706	1,657	27,622
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	547	--	--	--	--	--	--	--	--	--	--	*485	*62
General business credit	214,024	*1108	*796	--	*312	*843	1,762	4,341	6,425	4,874	7,050	21,972	165,650
Prior year minimum tax credit	43,439	*7	--	--	*7	--	*10	*93	*397	*403	*894	7,215	34,420
Total income tax after credits	12,615,991	54,625	39,487	4,311	10,827	54,116	108,041	185,391	428,969	477,986	546,613	1,426,497	9,333,754
Finance, Insurance, and Real Estate[3]													
Number of returns	609,138	397,708	279,914	55,340	62,453	80,350	50,267	32,166	22,673	9,984	6,437	6,701	2,852
Total assets	10,193,295,357	121,458,904	87,898,523	15,345,382	18,214,999	38,330,225	39,288,867	58,366,403	129,489,543	193,695,145	308,256,040	1,035,712,954	8,268,697,277
Notes and accounts receivable, net	2,601,210,250	6,528,961	3,489,271	1,521,064	1,518,626	2,838,138	3,898,080	7,789,828	30,511,667	56,459,006	100,417,032	259,297,969	2,133,489,570
Inventories	36,588,933	3,245,845	2,475,277	331,804	438,764	1,399,067	1,265,836	1,729,019	2,653,192	1,716,684	1,798,400	5,270,019	17,510,870
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	2,435,762,061	18,462,914	10,928,562	3,608,044	3,926,309	8,707,840	8,253,783	11,880,827	34,038,150	56,808,496	87,370,706	267,440,199	1,942,799,148
Other investments and loans	4,198,453,665	33,285,627	23,580,239	4,384,116	5,321,273	11,064,903	11,273,159	17,693,737	36,801,458	57,437,074	98,850,475	442,305,189	3,489,742,042
Depreciable assets	375,817,722	47,199,798	36,194,278	4,322,742	6,682,778	13,493,756	14,138,285	16,807,153	23,957,154	18,279,652	16,948,843	43,980,875	181,012,206
Less: Accumulated depreciation	121,829,102	13,102,854	8,840,652	1,574,610	2,687,592	5,230,394	5,404,665	5,668,666	7,855,661	5,617,807	5,683,673	12,961,257	60,304,125
Other capital assets less reserves	107,490,853	21,327,589	16,503,421	2,284,421	2,539,747	4,771,795	4,350,503	5,274,425	6,444,829	4,575,137	3,637,770	10,796,299	46,312,505
Total liabilities	10,193,295,357	121,458,904	87,898,523	15,345,382	18,214,999	38,330,225	39,288,867	58,366,403	129,489,543	193,695,145	308,256,040	1,035,712,954	8,268,697,277
Accounts and notes payable	1,145,008,959	14,463,848	8,669,108	3,320,715	2,474,025	6,318,047	5,049,783	8,547,180	14,839,268	16,292,054	22,832,289	84,453,726	972,212,766
Other current liabilities	4,385,892,815	7,002,570	5,412,444	478,759	1,111,367	2,323,766	4,302,618	7,916,052	44,365,973	95,363,045	171,839,713	485,324,890	3,567,454,188
Mortgages,notes,and bonds payable in one year or more	788,556,220	43,811,672	36,165,230	3,267,431	4,379,010	10,012,905	11,481,505	13,615,397	19,274,485	16,504,148	18,676,501	63,536,097	591,643,509
Net worth	2,142,041,011	26,144,554	14,738,805	4,931,804	6,473,945	13,432,868	13,226,392	22,680,459	40,516,945	55,772,548	82,253,250	354,919,557	1,533,094,438
Total receipts	1,954,709,651	7,853,619	1,234,845	2,019,407	4,599,368	12,847,354	18,031,970	22,293,278	35,757,175	34,976,414	45,235,181	141,748,592	1,635,966,067
Business receipts	900,908,453	5,161,423	706,116	1,257,087	3,198,220	10,124,244	14,904,229	17,990,945	24,722,663	18,560,123	17,533,052	47,220,881	744,690,894
Total deductions	1,809,867,575	12,147,342	5,078,357	2,253,682	4,815,303	12,949,989	17,944,539	21,817,512	33,959,558	32,142,198	39,730,489	116,938,585	1,522,237,363
Cost of sales and operations	526,244,728	935,641	159,208	186,765	589,669	1,954,907	3,227,586	4,620,732	7,035,790	7,423,255	6,665,142	21,633,437	472,748,237
Taxes paid	31,475,306	704,910	244,745	163,412	296,752	660,716	817,192	976,234	1,314,884	1,054,765	1,084,201	2,768,718	22,093,687
Interest paid	506,921,011	1,389,330	628,312	278,327	482,691	1,127,843	1,326,864	1,812,563	4,816,194	7,730,558	13,537,364	42,597,225	432,583,073
Depreciation	34,617,504	623,668	177,933	170,828	274,907	610,989	689,938	723,664	1,071,192	932,468	988,988	2,637,390	26,339,209
Pension, profit-sharing, stock bonus, and annuity plans	6,477,902	44,143	8,041	*2130	33,973	86,767	191,776	128,705	188,291	147,064	156,703	405,209	5,129,244
Employee benefit programs	13,630,532	61,035	10,492	23,493	27,050	98,779	221,057	199,640	292,281	317,944	421,838	1,030,802	10,987,155
Net income (less deficit)	109,901,881	-4,334,997	-3,851,202	-249,546	-234,249	-157,516	11,694	360,526	842,837	1,913,643	3,681,378	17,361,332	90,422,984
Income subject to tax	68,498,149	640,600	151,640	197,082	291,878	727,789	567,150	739,786	1,088,565	1,474,163	2,305,858	7,178,207	53,776,031
Income tax, total	22,556,387	119,603	34,591	33,026	51,987	158,509	141,760	204,885	345,103	511,681	808,507	2,558,621	17,707,719
Alternative minimum tax	1,661,002	1,554	*238	*204	1,112	2,782	6,559	8,861	15,701	22,022	30,953	92,141	1,480,430
Environmental tax	95,108	*1	([1])	([1])	([1])	*23	*37	26	61	225	526	5,774	88,436
Foreign tax credit	1,641,306	144	*8	*105	*31	241	*1010	6,055	960	4,028	4,804	83,633	1,540,431
U.S. possessions tax credit	10,217	3	--	--	3	52	--	--	627	921	1,185	1,050	6,380
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	1,329	--	--	--	--	--	--	--	--	*157	([1])	*201	970
General business credit	196,949	*743	*7	*468	*268	*824	1,157	1,386	1,385	4,075	4,468	17,415	165,498
Prior year minimum tax credit	195,293	*474	--	*436	*38	747	*80	1,062	1,286	3,631	5,925	23,289	158,799
Total income tax after credits	20,511,294	118,239	34,576	32,017	51,647	156,645	139,512	196,383	340,845	498,870	792,125	2,433,032	15,835,643

[1] Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitation of the Data."

RETURNS OF ACTIVE CORPORATIONS

Table 5--Selected Balance Sheet, Income Statement and Tax Items by Industrial Division, by Size of Business Receipts--Continued

(All figures are estimates based on samples--money amounts are in thousands of dollars and size of business receipts is in whole dollars)

Industrial division, item	Total returns of active corporations	Size of business receipts											
		Under $100,000 [2]	Under $25,000 [2]	$25,000 under $50,000	$50,000 under $100,000	$100,000 under $250,000	$250,000 under $500,000	$500,000 under $1,000,000	$1,000,000 under $2,500,000	$2,500,000 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)
Services													
Number of returns	1,029,447	483,349	265,722	87,739	129,888	215,418	139,931	97,576	58,494	19,519	8,953	5,150	1,057
Total assets	572,842,266	37,193,905	26,964,598	3,642,867	6,586,440	18,668,747	21,405,134	27,387,587	37,426,934	31,528,185	30,684,314	68,021,330	300,526,131
Notes and accounts receivable, net	95,104,277	3,332,539	2,404,094	408,295	520,151	1,591,049	2,440,911	4,204,344	6,920,195	7,347,521	7,118,657	15,138,618	47,010,441
Inventories	21,060,115	738,290	415,084	74,989	248,217	633,641	812,022	1,426,008	1,817,892	1,583,802	1,522,431	2,860,800	9,665,228
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	81,749,671	7,340,948	5,057,864	770,450	1,512,634	3,882,576	4,263,811	5,626,841	7,043,686	5,719,041	5,117,235	9,798,238	32,957,294
Other investments and loans	108,191,708	10,284,239	8,786,019	547,390	950,830	3,028,237	2,992,522	3,260,725	4,168,000	3,200,625	3,520,355	8,250,174	69,488,832
Depreciable assets	306,907,591	19,972,137	12,015,347	2,673,548	5,283,242	17,720,782	18,978,549	22,017,287	27,486,168	20,760,462	18,102,907	37,578,886	124,290,433
Less: Accumulated depreciation	132,880,736	9,738,459	5,577,581	1,293,390	2,867,487	10,566,852	10,893,273	12,000,721	13,918,540	10,136,765	8,311,188	15,027,863	42,287,277
Other capital assets less reserves	48,990,034	2,581,302	1,680,966	265,085	635,252	1,318,405	1,591,371	1,917,480	2,359,839	1,787,029	2,084,642	5,770,981	29,578,985
Total liabilities	572,842,268	37,193,905	26,964,598	3,642,867	6,586,440	18,668,747	21,405,134	27,387,587	37,426,934	31,528,185	30,684,314	68,021,330	300,526,131
Accounts and notes payable	107,964,836	7,404,122	5,408,517	641,613	1,353,992	3,016,460	3,648,755	5,813,799	8,690,381	7,759,005	7,630,144	15,423,760	48,578,409
Other current liabilities	64,168,406	2,120,957	1,399,190	229,200	492,568	1,530,945	2,032,722	2,713,125	3,963,648	3,882,855	3,570,340	8,494,960	35,858,857
Mortgages,notes,and bonds payable in one year or more	177,224,463	11,302,464	8,274,740	925,159	2,102,565	7,738,591	7,148,256	8,974,361	12,081,263	9,347,516	9,187,628	20,912,846	90,531,539
Net worth	143,154,346	6,073,495	4,674,213	560,030	839,252	-878,888	4,726,511	5,623,969	7,372,471	7,133,903	6,757,166	16,239,604	90,106,095
Total receipts	779,329,609	23,681,160	9,509,652	3,782,329	10,389,179	38,488,356	51,165,011	71,452,837	91,049,879	70,700,323	63,087,881	103,507,679	266,198,503
Business receipts	726,041,364	14,491,068	1,757,488	3,220,848	9,512,732	36,412,754	49,391,709	68,167,698	88,305,622	68,112,053	60,922,414	97,634,903	242,603,143
Total deductions	769,035,909	25,519,773	11,320,397	4,027,846	10,171,529	38,244,614	50,100,940	70,910,857	90,022,782	69,443,959	62,665,780	102,102,138	260,025,088
Cost of sales and operations	290,965,307	3,824,422	622,867	803,767	2,397,789	9,906,423	15,048,230	21,479,535	34,302,866	27,586,825	25,706,344	45,945,479	107,165,181
Taxes paid	27,255,340	958,352	414,463	143,893	399,997	1,619,370	2,172,940	2,604,235	3,109,195	2,379,503	2,289,444	3,351,196	8,771,105
Interest paid	27,188,190	1,092,316	704,793	116,822	270,700	915,518	1,009,238	1,381,634	1,842,458	1,347,340	1,413,702	2,977,839	15,208,148
Depreciation	33,670,443	1,504,122	733,941	263,079	507,102	1,430,262	1,807,692	2,123,895	2,714,995	2,222,794	2,083,562	3,949,784	15,833,338
Pension, profit-sharing, stock bonus, and annuity plans	4,960,200	100,577	65,050	8,374	27,153	302,978	405,710	582,506	620,229	457,605	285,498	533,358	1,671,739
Employee benefit programs	9,730,941	249,604	157,192	29,891	62,721	263,258	361,659	613,481	850,756	850,882	701,858	1,528,007	4,311,435
Net income (less deficit)	10,616,792	-1,815,411	-1,784,013	-246,146	214,748	213,334	1,064,509	535,045	962,447	1,249,895	416,566	1,393,814	6,596,594
Income subject to tax	16,191,041	775,167	479,766	68,141	227,260	461,893	605,585	784,535	950,627	883,177	697,940	1,898,656	9,133,461
Income tax, total	5,368,531	222,239	152,363	16,656	53,220	84,158	116,382	167,938	236,324	271,993	242,796	682,664	3,344,040
Alternative minimum tax	302,259	3,702	3,456	*247	--	*609	*1599	3,102	7,822	16,226	15,993	34,259	218,947
Environmental tax	16,829	427	368	*13	46	28	*30	*15	71	143	103	1,198	14,814
Foreign tax credit	602,469	*58227	*56651	1,193	*383	*834	*157	*1772	*281	*5068	10,568	14,945	510,619
U.S. possessions tax credit	15,845	19	--	--	19	--	--	130	498	901	3,620	10,676	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	576	--	--	--	--	--	--	--	--	--	--	--	576
General business credit	123,628	2,926	*525	*308	*2094	*1597	4,918	4,319	10,575	6,754	6,702	20,751	65,088
Prior year minimum tax credit	28,452	*2685	*228	--	2,457	--	--	*318	*567	2,637	2,137	5,878	14,231
Total income tax after credits	4,597,561	158,382	94,959	15,156	48,267	81,725	111,306	161,400	224,403	256,634	219,769	630,414	2,753,528
Nature of Business not Allocable													
Number of returns	20,017	17,707	12,931	2,828	*1948	*697	*639	*496	*342	*57	*4	*7	*68
Total assets	1,888,616	1,049,105	782,715	*172916	*93475	*74170	*92983	*144845	*208396	*238978	*17895	*62444	--
Notes and accounts receivable, net	212,741	55,939	43,298	*9079	*3562	*26458	*8064	*39049	*49279	*23292	*1898	*8763	--
Inventories	259,586	122,274	*61130	*22178	*38965	5,558	*6824	*19972	*40608	*46801	*11297	*8253	--
Cash, U.S. Government obligations, tax-exempt securities, and other current assets	242,778	123,515	69,434	*50798	*3283	8,238	*18296	*16893	*29186	*35901	*1480	*9269	--
Other investments and loans	412,176	269,381	247,236	*7288	*14856	9,280	*3704	*36592	*53330	*28803	*844	*10441	--
Depreciable assets	590,789	279,938	204,854	*41529	*33556	25,884	*50930	*33624	*110489	*57442	*3359	*29122	--
Less: Accumulated depreciation	222,103	89,148	44,030	*21503	*23615	7,972	*21152	*7736	*81527	*4791	*807	*8969	--
Other capital assets less reserves	227,597	160,867	118,234	*20252	*22382	4,853	*4848	*4351	*983	*46234	--	*5460	--
Total liabilities	1,888,616	1,049,105	782,715	*172916	*93475	*74170	*92983	*144645	*208396	*238978	*17895	*62444	--
Accounts and notes payable	381,922	152,750	118,314	*9648	*24789	13,949	*26862	*45476	*74691	*50164	*2335	*15694	--
Other current liabilities	114,380	53,551	51,604	*714	*1233	1,682	*6845	*2236	*21871	*26280	23	*1893	--
Mortgages,notes,and bonds payable in one year or more	508,682	323,165	278,810	*13020	*31334	19,921	*35112	*65142	*9119	*23124	*10685	*22413	--
Net worth	428,034	269,646	230,252	*64803	*-25409	*29886	*-12747	*15568	*19697	*90493	*2872	*12620	--
Total receipts	7,321,955	414,775	167,500	97,416	*149858	*131633	*346882	*342624	*512564	*204165	*31348	*72249	*5265716
Business receipts	6,355,113	286,920	44,466	94,866	*147589	*130571	*235820	*340408	*508685	*200475	*31348	*69700	*4551184
Total deductions	7,371,354	431,613	174,651	98,301	*158662	*136976	*382290	*320874	*514248	*216013	*41520	*74004	*5253815
Cost of sales and operations	5,648,046	98,890	*13071	*37415	*48403	*26990	*263158	*133736	*296129	*98518	*32471	*67924	*4830232
Taxes paid	132,173	18,479	10,942	*3156	*4380	*1284	*5992	*11302	*14055	*5897	*198	*210	*74756
Interest paid	48,175	24,314	15,128	*2096	*7090	*4037	*2340	*7241	*3765	*5351	84	*518	*527
Depreciation	44,348	16,846	6,812	*6502	*3531	*4359	*7811	*4189	*7381	*3272	*389	*102	--
Pension, profit-sharing, stock bonus, and annuity plans	*25601	*5558	*858	--	*4701	--	*1925	--	--	24	--	*140	*17953
Employee benefit programs	4,777	*2603	*1888	*217	*498	--	*218	*320	*173	*1217	--	*247	--
Net income (less deficit)	-50,540	-17,980	-8,292	-885	*-8803	*-5343	*-35408	*21749	*-1684	*-11848	*-10172	*-1755	*11901
Income subject to tax	66,862	36,495	29,286	*5689	*1519	*3422	*5850	--	*7705	*1490	--	--	*11901
Income tax, total	15,330	8,629	7,548	*853	*228	*513	*877	--	*1503	*301	--	--	*3507
Alternative minimum tax	--	--	--	--	--	--	--	--	--	--	--	--	--
Environmental tax	--	--	--	--	--	--	--	--	--	--	--	--	--
Foreign tax credit	--	--	--	--	--	--	--	--	--	--	--	--	--
U.S. possessions tax credit	(1)	(1)	--	--	(1)	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--	--	--	--	--
Total income tax after credits	15,330	8,629	7,548	*853	*228	*513	*877	--	*1503	*301	--	--	*3507

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

[1] Less than $500 per return.

[2] Includes returns with zero receipts and receipts not reported.

[3] Size of total receipts was used in lieu of business receipts to classify statistics for the "Finance, insurance, and real estate" division.

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--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**3,716,650**	**126,423**	**39,674**	**1,390**	**2,814**	**31,415**	**4,054**
Total assets	**18,190,057,609**	**68,338,381**	**219,197,640**	**21,780,682**	**23,727,771**	**158,240,743**	**15,448,444**
Cash	771,086,440	4,922,941	8,574,514	880,675	923,217	6,010,941	759,681
Notes and accounts receivable	4,198,016,230	6,473,916	23,193,152	1,470,742	4,093,875	15,055,440	2,573,095
Less: Allowance for bad debts	110,059,993	52,096	295,416	26,528	32,356	198,218	38,314
Inventories	893,586,141	7,867,448	6,199,727	1,210,378	892,868	3,079,323	1,017,157
Investments in Government obligations	921,193,216	245,215	999,497	*34,403	233,290	654,027	*77,777
Tax-exempt securities	380,320,504	287,502	237,892	*9,887	*74,658	144,869	*8,478
Other current assets	1,164,582,476	2,177,929	6,735,259	1,099,979	1,408,206	3,829,361	397,713
Loans to stockholders	94,866,044	1,752,776	1,606,602	*58,110	73,626	1,410,608	64,259
Mortgage and real estate loans	1,537,899,636	671,732	250,989	*83,412	*26,558	129,294	*11,724
Other investments	4,136,891,162	6,044,369	83,956,528	4,849,853	5,500,640	70,764,060	2,841,975
Depreciable assets	4,317,781,452	48,526,221	99,667,531	12,063,380	11,017,965	65,735,756	10,850,430
Less: Accumulated depreciation	1,848,022,862	29,189,302	50,970,793	5,631,840	5,829,724	33,886,766	5,622,463
Depletable assets	129,370,543	984,805	40,618,200	4,085,724	3,901,300	31,536,999	1,094,177
Less: Accumulated depletion	55,075,300	388,827	16,614,637	680,076	1,469,164	14,303,923	161,474
Land	209,579,296	14,722,540	3,661,724	382,077	332,561	2,151,514	795,572
Intangible assets (amortizable)	491,252,807	403,207	6,081,188	553,151	870,613	4,258,277	399,147
Less: Accumulated amortization	95,754,475	149,017	2,620,770	99,215	282,094	2,199,924	39,537
Other assets	1,052,544,294	3,037,025	7,916,453	1,436,570	1,991,732	4,069,105	419,047
Total liabilities	**18,190,057,609**	**68,338,381**	**219,197,640**	**21,780,682**	**23,727,771**	**158,240,743**	**15,448,444**
Accounts payable	1,094,001,051	3,783,253	13,722,851	933,981	2,406,606	9,308,083	1,074,181
Mortgages, notes, and bonds payable in less than one year	1,802,732,358	10,531,915	12,066,210	1,495,667	1,746,127	7,088,966	1,735,450
Other current liabilities	5,197,682,027	3,446,744	12,736,771	1,667,701	1,674,823	8,608,240	786,007
Loans from stockholders	268,559,197	7,177,714	5,627,206	1,081,314	1,358,384	2,822,968	366,541
Mortgages, notes, and bonds payable in one year or more	2,665,098,250	16,771,881	49,466,030	5,914,701	3,402,067	37,121,905	3,027,358
Other liabilities	2,423,067,175	3,266,419	15,238,993	1,653,355	2,793,762	10,062,509	729,367
Capital stock	1,584,840,863	8,787,829	10,332,669	1,353,997	931,486	7,153,912	893,274
Paid-in or capital surplus	2,814,210,083	9,111,878	103,195,106	7,584,973	7,592,153	85,804,828	2,213,152
Retained earnings, appropriated	60,978,729	92,923	310,525	66,997	24,083	160,801	58,643
Retained earnings, unappropriated	1,349,027,584	6,847,507	888,474	294,542	2,021,982	-6,589,212	5,161,162
Less: Cost of treasury stock	1,070,139,706	1,479,680	4,387,196	266,546	221,702	3,302,258	596,690
Total receipts	**11,409,520,074**	**88,101,065**	**111,444,457**	**12,172,615**	**20,698,793**	**65,877,754**	**12,695,296**
Business receipts	9,860,441,633	82,114,836	97,321,579	10,613,889	19,405,231	55,367,462	11,934,997
Interest	942,237,940	653,079	3,812,475	275,980	415,615	2,930,074	190,806
Interest on Government obligations: State and local	35,164,734	28,048	37,199	*5,913	4,413	23,302	3,571
Rents	100,642,848	496,432	367,591	32,285	67,769	203,782	63,755
Royalties	32,142,258	79,764	398,142	66,125	70,991	245,067	15,959
Net short-term capital gain reduced by net long-term capital loss	4,110,745	32,275	23,052	*153	*7,939	14,249	*710
Net long-term capital gain reduced by net short-term capital loss	50,935,859	552,910	1,961,556	657,526	131,049	1,072,057	100,923
Net gain, noncapital assets	32,275,111	404,350	1,232,388	40,230	106,967	1,002,021	83,170
Dividends received from domestic corporations	13,413,839	75,374	318,084	56,662	21,200	231,436	8,785
Dividends received from foreign corporations	33,261,669	32,378	280,771	10,420	61,351	200,855	*8,144
Other receipts	304,893,438	3,631,619	5,691,620	413,429	406,268	4,587,448	284,475
Total deductions	**11,032,574,630**	**86,883,128**	**106,466,509**	**11,610,780**	**20,388,559**	**62,267,382**	**12,199,787**
Cost of sales and operations	6,610,769,883	52,758,720	62,070,361	6,566,605	14,896,492	33,179,487	7,427,777
Compensation of officers	205,403,164	2,314,004	1,545,899	73,198	152,682	1,035,855	284,164
Repairs	95,887,821	1,699,004	914,891	85,902	201,133	347,939	279,917
Bad debts	83,690,549	154,817	711,862	40,543	41,515	582,419	47,384
Rent paid on business property	184,771,540	2,344,968	1,190,740	56,309	163,606	823,267	147,559
Taxes paid	250,928,813	1,903,591	3,279,299	467,228	799,367	1,661,067	351,637
Interest paid	825,372,164	2,852,242	6,674,114	649,458	637,989	4,923,252	463,414
Contributions or gifts	4,752,406	32,271	45,989	8,972	6,189	23,468	7,360
Amortization	31,503,958	79,057	504,788	187,877	75,752	235,522	25,638
Depreciation	332,781,754	3,636,306	5,663,177	960,326	629,743	3,184,495	888,613
Depletion	9,646,712	34,542	3,083,616	827,840	483,915	1,558,290	213,571
Advertising	126,417,097	329,377	133,980	4,354	15,371	76,152	38,102
Pension, profit-sharing, stock bonus, and annuity plans	42,233,693	159,293	320,071	41,041	29,386	189,126	60,518
Employee benefit programs	113,320,117	523,003	961,439	133,114	209,198	485,089	134,038
Net loss, noncapital assets	22,330,746	132,323	419,432	27,206	44,280	336,339	11,606
Other deductions	2,092,764,214	17,929,612	18,946,851	1,500,805	2,001,940	13,625,616	1,818,490
Total receipts less total deductions	376,945,444	1,217,937	4,977,949	561,834	310,234	3,610,371	495,509
Constructive taxable income from related foreign corporations	36,776,886	*18,214	361,578	5,513	36,673	310,584	8,807
Net income (less deficit)	370,632,632	1,156,269	5,302,223	561,435	342,412	3,897,653	500,723
Income subject to tax	366,352,857	2,101,441	5,661,551	1,010,984	317,839	3,925,328	407,399
Income tax, total [2]	128,185,666	589,866	2,223,977	424,244	162,886	1,468,252	168,595
Regular tax	119,434,430	569,812	1,897,245	343,240	107,106	1,311,819	135,079
Personal holding company tax	12,126	--	--	--	--	--	--
Recapture of investment credit	126,600	185	401	9	*16	243	*133
Alternative minimum tax	8,104,269	18,791	329,699	78,893	54,063	163,400	33,343
Environmental tax	520,167	1,065	10,344	2,102	951	6,645	646
Foreign tax credit	24,989,922	*17,508	788,105	*91,910	9,441	680,039	*6,715
U.S. possessions tax credit	3,194,481	472	--	--	--	--	--
Orphan drug credit	15,637	--	--	--	--	--	--
Nonconventional source fuel credit	81,790	--	16,976	--	*197	16,779	--
General business credit	2,833,701	14,294	39,251	1,605	8,077	27,107	2,482
Prior year minimum tax credit	667,036	2,775	31,312	15,185	*1,065	15,057	5
Total income tax after credits	96,403,099	554,818	1,348,333	315,545	144,106	729,270	159,413

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

RETURNS OF ACTIVE CORPORATIONS

Table 6--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	406,874	160,810	24,610	221,453	301,669	17,133	58	4,536	17,467
Total assets	243,829,026	128,219,248	44,888,134	70,721,644	3,921,323,756	308,741,733	209,011,162	42,658,817	42,109,307
Cash	27,167,367	12,117,119	5,192,730	9,857,518	93,352,597	7,790,185	473,775	1,156,994	1,565,915
Notes and accounts receivable	67,627,438	28,538,076	12,160,116	26,929,247	840,092,851	65,137,978	52,719,867	9,325,625	8,791,496
Less: Allowance for bad debts	608,565	293,743	113,179	201,644	17,762,940	739,280	199,456	198,234	261,968
Inventories	32,230,686	23,959,327	2,043,021	6,228,338	379,419,902	29,993,393	8,205,239	8,134,486	11,455,009
Investments in Government obligations	1,543,990	1,036,711	223,241	284,037	19,096,027	1,379,295	108,245	596,193	103,832
Tax-exempt securities	851,261	143,155	606,584	101,522	16,319,900	231,690	251,044	*62,557	*10,840
Other current assets	27,376,078	17,518,505	3,707,525	6,150,049	221,834,455	11,748,850	7,016,349	1,129,878	2,026,679
Loans to stockholders	4,438,551	1,860,118	830,782	1,747,651	27,219,010	2,178,962	74,190	293,448	226,071
Mortgage and real estate loans	7,881,961	7,408,672	138,104	335,184	31,999,228	122,340	252,910	*6,762	34,873
Other investments	18,825,207	10,083,426	6,180,474	2,561,307	904,742,841	78,348,653	78,094,959	4,303,726	7,785,586
Depreciable assets	95,658,624	27,025,768	31,022,699	37,610,157	1,643,661,174	114,829,824	18,196,956	24,291,390	11,516,326
Less: Accumulated depreciation	57,581,284	13,372,655	20,067,803	24,140,826	803,950,471	49,177,325	5,956,658	11,754,991	5,680,584
Depletable assets	341,880	121,088	177,590	43,201	74,166,031	91,783	193	*12,482	*4,328
Less: Accumulated depletion	99,899	46,060	39,599	*14,239	32,477,332	20,947	145	*5,655	*1,229
Land	7,719,924	5,277,001	1,199,238	1,243,684	45,127,229	4,993,707	706,122	347,172	277,185
Intangible assets (amortizable)	2,262,490	1,317,077	180,454	764,959	284,347,981	30,506,265	40,372,457	1,541,135	2,747,650
Less: Accumulated amortization	525,311	250,097	69,616	205,597	54,740,885	3,076,628	*2,383,650	191,369	514,126
Other assets	8,718,629	5,775,761	1,515,773	1,427,095	248,876,156	14,402,988	11,078,765	3,607,219	2,021,424
Total liabilities	243,829,026	128,219,248	44,888,134	70,721,644	3,921,323,756	308,741,733	209,011,162	42,658,817	42,109,307
Accounts payable	45,128,229	23,772,093	6,999,990	14,356,146	363,455,161	41,822,965	4,806,202	4,770,915	6,425,916
Mortgages, notes, and bonds payable in less than one year	34,934,887	22,897,741	4,314,170	7,722,976	484,354,619	35,678,362	59,361,689	5,163,533	4,783,190
Other current liabilities	31,826,325	15,838,524	5,562,983	10,424,819	371,523,753	20,570,061	*10,280,340	3,400,622	4,247,871
Loans from stockholders	10,954,924	6,775,257	858,469	3,321,198	69,195,666	5,722,968	*165,052	576,620	1,292,847
Mortgages, notes, and bonds payable in one year or more	44,370,971	29,162,115	6,906,561	8,302,295	821,829,592	68,784,338	40,827,854	12,766,120	9,667,565
Other liabilities	12,748,138	7,221,876	3,076,397	2,449,866	418,731,647	26,432,292	14,833,132	2,161,048	1,419,555
Capital stock	8,467,751	3,471,467	2,302,067	2,694,217	179,575,026	15,175,358	4,736,516	2,157,930	2,181,010
Paid-in or capital surplus	15,990,976	7,213,042	5,612,467	3,165,467	630,135,579	49,795,444	61,365,752	4,251,779	5,926,734
Retained earnings, appropriated	341,462	151,217	*31,902	158,343	8,366,647	584,974	95,524	*466	33,331
Retained earnings, unappropriated	43,137,824	13,014,376	10,408,839	19,714,609	685,387,790	59,911,984	13,683,641	8,075,478	7,308,028
Less: Cost of treasury stock	4,072,463	1,298,460	1,185,711	1,588,291	111,231,723	15,737,013	*1,144,539	665,695	1,176,740
Total receipts	534,654,044	237,746,036	81,707,752	215,200,256	3,688,693,895	377,025,159	74,368,131	58,968,007	73,063,098
Business receipts	522,586,199	231,345,401	78,774,472	212,466,326	3,434,141,360	362,760,479	64,517,846	57,353,368	71,183,338
Interest	3,432,409	2,324,283	566,274	541,852	79,425,350	3,924,220	4,593,207	442,228	471,962
Interest on Government obligations: State and local	189,152	39,193	86,853	63,106	1,710,461	37,280	*3,877	13,529	14,652
Rents	1,162,408	730,030	235,567	196,812	35,384,369	1,202,994	702,346	59,272	64,089
Royalties	44,742	14,103	18,662	11,978	25,340,745	1,648,298	458,192	66,538	231,931
Net short-term capital gain reduced by net long-term capital loss	45,993	12,253	10,576	23,163	574,413	87,201	1,889	*2,302	*25,385
Net long-term capital gain reduced by net short-term capital loss	639,874	325,027	136,673	178,175	13,521,713	800,680	942,795	118,612	77,670
Net gain, noncapital assets	843,524	180,438	396,605	266,480	10,647,980	409,406	1,239,213	154,369	54,371
Dividends received from domestic corporations	87,570	33,444	42,648	11,478	3,900,026	382,613	87,745	14,640	7,626
Dividends received from foreign corporations	157,466	71,306	77,303	*8,857	28,143,825	1,734,365	798,960	105,536	138,712
Other receipts	5,464,707	2,670,558	1,362,119	1,432,030	55,903,652	4,037,623	1,022,062	637,613	793,364
Total deductions	527,800,795	236,421,834	80,103,491	211,275,470	3,545,121,842	364,251,543	67,235,280	57,949,402	71,441,586
Cost of sales and operations	407,448,745	195,193,582	62,266,502	149,988,661	2,377,226,499	252,168,707	31,733,343	43,614,334	51,332,586
Compensation of officers	19,304,882	6,301,831	1,931,165	11,071,886	37,596,208	2,558,450	233,362	913,029	1,972,364
Repairs	2,357,468	557,580	628,273	1,171,614	33,171,378	2,844,811	271,677	258,071	208,222
Bad debts	1,900,536	1,034,937	163,988	701,612	11,922,253	465,296	48,044	155,379	282,240
Rent paid on business property	4,686,912	1,323,039	774,474	2,589,398	36,451,097	2,992,366	421,890	447,893	1,133,864
Taxes paid	10,937,870	3,095,006	1,498,809	6,344,055	86,503,755	7,573,242	3,930,671	1,153,666	1,584,775
Interest paid	7,368,430	4,337,169	1,090,977	1,940,285	151,214,835	11,478,726	9,199,317	2,328,716	2,257,840
Contributions or gifts	116,214	43,376	28,291	44,547	2,370,132	317,088	106,113	20,536	30,009
Amortization	185,680	83,871	22,580	79,230	11,504,230	1,439,866	906,371	124,012	172,580
Depreciation	8,736,434	2,224,555	2,553,534	3,958,346	121,140,031	8,970,000	2,303,315	1,906,773	944,777
Depletion	54,255	12,231	37,157	4,867	5,495,818	88,558	27	*307	*120
Advertising	1,461,776	585,313	91,732	784,731	57,372,594	15,825,728	4,914,352	389,046	1,047,835
Pension, profit-sharing, stock bonus, and annuity plans	1,898,519	488,979	375,400	1,034,139	16,686,767	1,222,962	*211,590	218,572	205,681
Employee benefit programs	3,223,330	866,169	473,022	1,884,138	51,091,951	3,850,915	1,028,233	666,059	667,264
Net loss, noncapital assets	380,234	103,310	199,167	77,757	3,206,760	97,109	110	33,884	44,298
Other deductions	57,739,512	20,170,887	7,968,420	29,600,205	542,167,536	52,357,718	11,926,863	5,719,126	9,557,132
Total receipts less total deductions	6,853,249	1,324,202	1,604,262	3,924,785	143,572,053	12,773,615	7,132,851	1,018,605	1,621,512
Constructive taxable income from related foreign corporations	162,816	*41,381	120,835	600	29,542,054	1,431,496	1,564,180	63,280	176,048
Net income (less deficit)	6,824,608	1,325,628	1,637,395	3,861,585	171,373,726	14,167,480	8,693,155	1,068,269	1,781,533
Income subject to tax	6,895,462	2,293,571	1,849,508	2,752,383	179,370,478	14,381,663	7,881,769	1,163,594	1,845,401
Income tax, total [2]	2,092,196	694,201	626,781	771,213	64,385,522	4,952,172	2,702,576	418,358	622,214
Regular tax	1,983,902	654,561	598,836	730,505	60,664,655	4,855,657	2,679,844	391,022	614,661
Personal holding company tax	*15	*14	--	(1)	116	--	--	--	--
Recapture of investment credit	2,951	477	2,369	105	57,216	2,515	10,612	523	63
Alternative minimum tax	102,759	37,709	23,548	41,504	3,417,884	75,106	743	25,437	4,895
Environmental tax	2,563	829	1,429	304	261,731	18,558	11,562	1,406	1,949
Foreign tax credit	90,444	30,502	59,798	*144	20,777,364	933,483	374,031	46,221	99,557
U.S. possessions tax credit	6,820	--	6,810	10	3,072,082	371,750	15,219	1,944	39,073
Orphan drug credit	--	--	--	--	15,637	--	--	--	--
Nonconventional source fuel credit	*14	(1)	2	*12	49,393	8	--	--	--
General business credit	39,536	8,835	20,752	9,949	1,229,009	74,854	36,406	8,247	4,459
Prior year minimum tax credit	48,845	15,698	10,801	22,346	270,841	11,199	--	2,284	2,905
Total income tax after credits	1,906,537	639,166	528,618	738,752	38,971,197	3,560,879	2,276,919	359,662	476,219

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

RETURNS OF ACTIVE CORPORATIONS

Table 6--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	Chemical 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	**18,329**	**10,032**	**3,627**	**49,367**	**11,105**	**1,442**	**12,060**	**1,571**	**9,366**
Total assets	**70,605,917**	**22,281,719**	**135,320,765**	**204,734,018**	**497,148,671**	**556,314,162**	**54,387,975**	**17,196,464**	**91,695,827**
Cash	2,224,671	1,106,635	1,723,112	5,895,544	10,696,376	4,290,553	2,038,599	345,209	1,978,078
Notes and accounts receivable	6,439,612	4,686,077	16,032,825	30,824,137	86,803,082	84,451,856	10,595,912	4,724,876	10,421,659
Less: Allowance for bad debts	142,252	131,748	342,299	2,411,247	1,675,984	777,197	298,443	54,237	358,099
Inventories	7,514,424	4,407,430	11,754,237	11,068,351	41,336,545	21,404,866	8,830,180	2,996,543	7,547,274
Investments in Government obligations	174,931	59,018	781,551	884,513	886,091	285,858	31,252	*13,822	106,379
Tax-exempt securities	*19,489	*8,859	379,699	629,186	863,809	256,159	*99,173	*13,224	51,642
Other current assets	3,716,036	665,399	3,801,092	9,098,305	29,727,172	20,305,618	1,461,619	484,727	2,299,720
Loans to stockholders	284,743	125,422	891,322	1,995,492	4,665,059	8,013,427	426,242	25,138	298,613
Mortgage and real estate loans	1,634,902	57,730	1,876,274	115,605	3,402,224	90,457	*38,837	*3,339	141,287
Other investments	9,629,748	3,688,891	30,261,692	48,978,040	139,793,222	192,688,199	7,034,289	766,289	29,379,657
Depreciable assets	42,710,783	9,763,511	88,830,481	70,858,891	203,373,521	310,316,707	34,762,945	4,455,479	43,717,623
Less: Accumulated depreciation	20,186,953	4,951,367	36,033,584	33,826,503	96,133,433	157,968,063	15,624,741	2,419,728	21,507,955
Depletable assets	7,078,686	*10,448	3,499,116	*122,574	7,802,232	50,278,517	*14,562	--	1,412,635
Less: Accumulated depletion	238,455	*5,648	575,918	*75,092	4,322,078	25,850,714	*5,858	--	194,476
Land	988,552	276,229	1,809,646	2,506,709	5,176,119	6,810,914	663,810	4,990,265	2,251,580
Intangible assets (amortizable)	658,072	2,073,282	4,522,168	45,383,299	28,756,595	43,157,943	3,052,147	451,236	5,240,413
Less: Accumulated amortization	90,958	201,466	527,533	5,905,994	5,393,616	23,327,207	562,812	119,387	504,766
Other assets	8,189,888	643,017	6,636,883	18,592,208	41,391,735	21,886,268	1,828,262	519,669	9,414,562
Total liabilities	**70,605,917**	**22,281,719**	**135,320,765**	**204,734,018**	**497,148,671**	**556,314,162**	**54,387,975**	**17,196,464**	**91,695,827**
Accounts payable	6,019,409	2,462,182	14,235,944	13,457,124	46,678,655	66,639,249	5,843,402	1,098,131	5,080,323
Mortgages, notes, and bonds payable in less than one year	3,207,445	2,262,057	8,195,063	14,697,317	44,068,982	18,998,196	6,149,939	657,396	6,628,943
Other current liabilities	3,845,163	1,773,841	13,365,439	18,526,811	46,664,560	35,810,026	4,714,430	2,039,015	5,433,792
Loans from stockholders	877,832	443,319	2,423,531	4,829,490	6,823,577	14,012,251	937,285	167,874	11,338,026
Mortgages, notes, and bonds payable in one year or more	22,357,200	6,599,135	33,171,436	61,553,233	102,819,736	92,096,291	15,607,677	5,507,766	21,878,768
Other liabilities	4,068,096	751,881	12,676,818	19,636,599	48,570,343	82,155,449	3,559,576	4,500,269	6,133,138
Capital stock	3,543,098	960,144	5,234,086	16,978,640	21,961,206	16,872,419	2,277,390	1,831,618	4,518,049
Paid-in or capital surplus	12,157,368	2,569,055	15,647,735	27,577,422	100,410,636	114,411,145	6,098,412	827,523	23,671,162
Retained earnings, appropriated	89,973	*3,508	45,153	132,259	864,404	404,665	30,816	12,346	299,944
Retained earnings, unappropriated	15,130,265	4,837,707	32,713,513	33,325,784	95,880,517	140,311,593	9,701,783	819,479	8,856,694
Less: Cost of treasury stock	689,933	381,110	2,387,952	5,980,662	17,593,944	25,397,122	532,736	264,953	2,143,012
Total receipts	**79,546,133**	**37,550,295**	**120,188,641**	**176,176,864**	**394,802,191**	**543,110,676**	**73,950,197**	**17,945,222**	**65,403,841**
Business receipts	76,289,626	36,659,805	115,830,599	165,275,597	363,139,091	511,938,924	71,568,413	17,275,213	61,004,875
Interest	984,071	121,609	1,002,982	2,746,561	7,365,466	10,120,533	579,788	274,383	1,482,997
Interest on Government obligations: State and local	6,798	9,619	30,595	55,407	119,276	43,641	7,436	11,910	24,058
Rents	130,492	31,078	293,379	662,859	1,071,736	2,393,019	167,531	39,999	152,933
Royalties	65,882	25,663	607,924	2,008,351	4,539,676	1,588,551	196,407	45,653	235,306
Net short-term capital gain reduced by net long-term capital loss	9,901	*1,626	246	10,835	33,218	119,404	*645	*343	453
Net long-term capital gain reduced by net short-term capital loss	583,251	107,745	491,104	1,719,923	3,197,827	883,771	233,645	5,370	679,886
Net gain, noncapital assets	126,232	31,173	166,509	494,107	923,609	1,550,865	96,501	18,139	234,164
Dividends received from domestic corporations	42,408	6,720	111,645	170,557	696,900	941,944	25,666	19,879	89,614
Dividends received from foreign corporations	167,824	31,648	753,245	211,004	5,057,166	3,298,369	252,255	28,099	567,444
Other receipts	1,139,647	523,608	900,411	2,821,663	8,658,226	10,231,654	821,910	226,235	932,111
Total deductions	**77,870,578**	**36,976,966**	**114,663,172**	**169,215,977**	**367,399,731**	**515,017,724**	**72,393,740**	**17,359,197**	**63,297,341**
Cost of sales and operations	57,259,805	25,976,963	77,920,118	82,716,383	222,296,206	399,914,488	49,772,428	12,203,533	40,943,307
Compensation of officers	1,218,979	782,125	913,944	4,698,292	2,738,850	610,206	1,490,946	260,673	1,019,254
Repairs	1,431,719	128,756	2,159,150	1,054,339	4,869,331	6,933,013	600,449	66,147	1,092,542
Bad debts	243,121	168,954	400,523	1,178,057	1,612,536	360,113	227,958	46,539	224,742
Rent paid on business property	734,199	529,728	1,075,658	3,112,561	3,912,578	4,013,235	877,982	307,956	791,655
Taxes paid	1,807,385	903,536	2,363,796	4,815,299	7,085,132	18,942,420	1,488,494	446,666	1,578,101
Interest paid	2,515,928	1,016,625	4,169,485	8,144,038	14,724,037	18,850,007	2,275,521	629,595	3,761,119
Contributions or gifts	33,112	17,761	71,318	176,567	501,543	225,671	19,290	11,175	25,631
Amortization	65,634	76,705	193,637	2,600,823	1,227,800	981,453	204,037	15,575	154,316
Depreciation	2,719,084	759,558	6,250,340	6,692,343	13,624,006	12,399,047	2,503,677	238,924	2,678,567
Depletion	536,699	750	218,864	21,419	573,180	3,208,110	*3,845	40,194	183,104
Advertising	344,089	521,223	1,209,708	3,379,080	11,078,316	1,105,320	776,036	317,977	379,973
Pension, profit-sharing, stock bonus, and annuity plans	244,885	167,881	540,432	1,202,824	1,879,192	1,107,419	418,927	49,874	305,193
Employee benefit programs	769,706	502,009	1,695,843	2,714,248	5,534,955	2,449,668	1,262,503	230,802	1,147,321
Net loss, noncapital assets	24,350	29,240	144,846	125,530	201,192	1,110,285	25,014	7,084	47,493
Other deductions	7,921,883	5,395,153	15,335,509	46,584,174	75,540,877	42,807,267	10,446,632	2,486,482	8,965,022
Total receipts less total deductions	1,675,555	573,329	5,525,470	6,960,888	27,402,460	28,092,952	1,556,457	586,024	2,106,500
Constructive taxable income from related foreign corporations	47,645	27,768	606,767	149,680	5,255,334	5,201,602	126,876	*11,451	413,548
Net income (less deficit)	1,713,031	591,478	6,101,613	7,053,476	32,536,791	33,250,913	1,669,919	585,565	2,495,990
Income subject to tax	1,863,228	950,134	6,558,560	8,120,884	33,534,803	30,391,435	1,888,822	467,306	3,040,913
Income tax, total [2]	683,430	317,480	2,392,124	2,785,959	11,919,418	11,174,740	654,932	158,550	1,061,176
Regular tax	614,469	314,861	2,222,012	2,720,672	11,402,563	10,322,808	630,234	156,930	1,023,960
Personal holding company tax	--	--	--	--	--	--	--	--	--
Recapture of investment credit	764	323	1,122	1,412	8,657	5,100	2,106	28	361
Alternative minimum tax	67,241	1,235	161,548	49,623	469,305	793,157	21,789	*1,010	32,056
Environmental tax	2,967	1,077	10,695	10,280	45,846	53,824	1,869	581	4,049
Foreign tax credit	38,025	*3,566	495,340	225,563	3,607,904	5,376,170	96,127	8,720	310,409
U.S. possessions tax credit	--	22	3,857	2,625	1,773,810	23,059	11,240	17,808	7,787
Orphan drug credit	--	--	--	--	15,551	--	--	--	--
Nonconventional source fuel credit	7	--	1,163	*1	*3,343	44,042	37	--	80
General business credit	13,728	3,817	46,397	38,026	235,934	94,218	17,794	12,741	15,595
Prior year minimum tax credit	*834	*526	*288	4,663	15,994	*43,645	1,207	524	4,672
Total income tax after credits	630,836	309,549	1,845,079	2,515,080	6,266,881	5,593,605	528,527	118,757	722,633

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

RETURNS OF ACTIVE CORPORATIONS

Table 6--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	4,666	49,696	25,728	22,953	2,342	5,649	8,475	26,069
Total assets	129,291,468	130,918,457	303,380,772	383,301,771	405,409,142	138,113,145	98,625,483	80,076,980
Cash	3,488,778	6,030,863	10,627,933	15,841,556	5,248,989	2,210,802	5,432,149	3,185,881
Notes and accounts receivable	21,311,399	27,367,690	76,119,781	80,714,721	174,027,560	28,792,587	24,570,401	16,233,709
Less: Allowance for bad debts	457,497	485,630	1,979,275	3,756,966	1,954,288	446,269	480,047	612,525
Inventories	17,202,452	22,180,342	41,576,546	43,337,361	19,173,767	36,194,382	13,967,045	11,140,030
Investments in Government obligations	442,854	479,170	4,612,498	5,093,666	2,670,880	*62,918	194,893	128,171
Tax-exempt securities	*71,441	310,886	2,652,067	5,768,641	3,857,565	*29,036	270,858	*482,034
Other current assets	4,943,695	4,309,308	14,942,089	71,231,440	14,624,684	11,040,890	4,193,417	3,067,489
Loans to stockholders	1,653,003	697,247	2,149,519	805,643	1,133,007	640,710	289,458	350,295
Mortgage and real estate loans	252,450	177,824	484,329	1,179,344	21,519,562	*370,827	*72,284	165,069
Other investments	23,530,569	23,100,393	54,570,020	56,566,523	68,313,096	15,245,741	13,166,432	19,497,116
Depreciable assets	80,044,136	65,250,972	131,606,182	136,744,306	125,430,266	61,267,375	42,443,365	23,250,136
Less: Accumulated depreciation	38,827,110	34,364,425	69,825,987	72,456,422	64,170,417	31,397,266	20,699,767	10,987,192
Depletable assets	2,556,888	226,739	111,227	*694,224	6,724	131,963	*1,236	*109,474
Less: Accumulated depletion	676,812	138,646	*17,601	*312,209	456	23,192	*60	*12,143
Land	1,464,801	1,743,273	2,596,364	2,552,164	1,597,732	1,596,307	1,042,512	736,066
Intangible assets (amortizable)	5,627,394	5,898,651	18,357,225	16,301,436	11,968,989	3,910,079	7,035,810	6,785,735
Less: Accumulated amortization	672,023	1,029,716	2,922,900	2,724,983	976,585	961,180	1,460,067	1,193,919
Other assets	7,335,050	9,163,514	17,720,756	25,721,328	22,938,067	9,447,434	8,585,564	7,751,555
Total liabilities	129,291,468	130,918,457	303,380,772	383,301,771	405,409,142	138,113,145	98,625,483	80,076,980
Accounts payable	15,040,983	13,044,570	29,333,296	30,095,016	24,841,527	13,026,717	12,369,611	6,363,023
Mortgages, notes, and bonds payable in less than one year	6,921,815	12,651,485	42,045,005	78,304,135	103,245,988	13,130,624	9,018,589	9,184,866
Other current liabilities	12,444,922	10,789,547	36,909,048	42,976,751	47,106,984	33,929,816	10,259,974	6,434,738
Loans from stockholders	3,629,993	2,928,744	3,359,696	3,050,808	1,781,847	744,720	2,226,347	1,862,838
Mortgages, notes, and bonds payable in one year or more	28,239,317	26,352,212	55,726,702	62,188,564	90,327,353	25,685,212	20,685,926	18,987,186
Other liabilities	23,213,881	11,175,643	21,928,388	63,714,098	47,811,755	9,361,419	6,280,148	8,348,117
Capital stock	7,101,869	7,675,403	22,336,801	17,949,200	7,444,079	7,644,836	6,025,265	4,970,110
Paid-in or capital surplus	32,967,219	20,928,544	40,977,801	38,278,650	32,969,955	8,417,262	17,706,610	13,179,373
Retained earnings, appropriated	602,329	183,950	2,217,018	979,220	259,262	137,401	1,213,203	176,902
Retained earnings, unappropriated	1,240,028	29,363,738	56,817,224	55,760,499	50,996,067	29,382,674	18,913,777	12,357,316
Less: Cost of treasury stock	2,110,889	4,175,380	8,270,209	9,995,169	1,375,676	3,347,534	6,073,968	1,787,489
Total receipts	148,005,928	177,470,056	301,245,740	315,063,895	290,950,881	177,017,005	100,309,904	86,532,032
Business receipts	142,395,264	171,617,717	259,035,617	288,839,184	254,907,614	166,341,966	93,654,136	82,552,688
Interest	2,085,553	1,607,455	6,068,982	8,000,452	23,160,683	2,404,629	1,042,892	944,696
Interest on Government obligations: State and local	16,065	51,662	318,327	540,810	236,820	21,358	55,173	92,169
Rents	494,491	422,106	12,217,094	5,923,132	6,477,957	1,733,700	960,550	183,610
Royalties	179,794	316,149	9,378,876	1,888,117	151,647	252,023	1,004,007	451,759
Net short-term capital gain reduced by net long-term capital loss	16,377	1,278	154,331	64,838	*1,899	10,867	1,343	30,034
Net long-term capital gain reduced by net short-term capital loss	378,086	343,762	730,276	1,176,034	173,002	472,661	124,710	280,904
Net gain, noncapital assets	196,543	431,768	478,676	1,425,559	1,868,091	525,580	110,734	112,371
Dividends received from domestic corporations	112,303	77,044	244,894	280,836	162,929	106,733	31,119	286,211
Dividends received from foreign corporations	574,342	640,069	6,851,573	2,010,249	1,499,868	1,314,048	1,773,013	336,038
Other receipts	1,557,111	1,961,046	5,767,094	4,914,682	2,310,371	3,833,442	1,552,228	1,261,551
Total deductions	145,457,503	171,602,811	289,992,763	303,460,292	291,135,417	168,835,514	95,487,147	84,078,159
Cost of sales and operations	112,998,880	121,609,725	168,669,082	186,231,740	204,562,102	126,221,900	54,401,427	54,679,440
Compensation of officers	1,056,998	5,142,617	3,737,446	3,445,436	654,482	658,533	1,455,112	2,035,109
Repairs	2,654,748	972,861	1,712,202	1,927,865	2,068,232	1,215,092	371,260	330,891
Bad debts	528,852	501,041	1,255,152	1,362,370	1,874,863	288,195	346,634	351,645
Rent paid on business property	1,193,891	1,651,567	3,936,383	3,861,468	1,905,343	1,464,536	1,088,446	997,898
Taxes paid	2,493,453	4,273,911	6,902,269	6,822,356	5,384,025	3,428,623	1,826,913	1,699,021
Interest paid	3,882,767	4,904,936	11,098,035	17,952,905	21,454,791	4,053,635	3,389,593	3,127,218
Contributions or gifts	33,577	61,133	248,420	132,844	81,306	74,618	144,829	37,590
Amortization	274,956	403,625	680,834	838,774	185,921	188,948	353,697	414,664
Depreciation	4,827,773	4,968,734	10,270,810	14,435,620	15,743,188	4,086,890	2,723,417	2,093,189
Depletion	503,676	12,081	50,076	15,334	*4,862	*29,647	118	*4,843
Advertising	247,268	1,335,724	3,058,594	3,672,633	2,990,881	447,773	2,572,259	1,758,778
Pension, profit-sharing, stock bonus, and annuity plans	1,440,033	882,284	1,664,833	1,988,873	954,067	979,656	713,726	287,862
Employee benefit programs	2,374,677	2,904,675	6,565,674	5,743,985	4,677,322	3,619,776	1,634,064	1,052,251
Net loss, noncapital assets	114,894	116,634	527,217	297,006	22,902	23,644	99,343	114,685
Other deductions	10,831,062	21,861,262	69,615,737	54,731,082	28,571,130	22,054,047	24,366,308	15,093,073
Total receipts less total deductions	2,548,426	5,867,245	11,252,977	11,603,603	-184,536	8,181,492	4,822,756	2,453,873
Constructive taxable income from related foreign corporations	356,268	427,033	5,507,007	1,968,938	4,404,540	588,749	994,006	219,837
Net income (less deficit)	2,888,628	6,241,509	16,441,816	13,031,524	3,983,184	8,734,724	5,761,588	2,581,538
Income subject to tax	4,005,860	5,927,790	18,242,611	15,568,876	6,298,357	8,056,094	6,442,940	2,739,439
Income tax, total [2]	1,498,043	1,985,442	6,520,361	5,462,741	3,107,630	2,787,346	2,237,382	943,450
Regular tax	1,353,304	1,929,803	6,170,765	5,283,571	2,151,300	2,737,053	2,180,103	909,062
Personal holding company tax	--	--	116	--	--	--	--	--
Recapture of investment credit	950	762	7,813	4,414	5,887	1,983	1,749	71
Alternative minimum tax	135,932	49,075	318,840	153,918	936,720	41,598	47,810	30,845
Environmental tax	7,577	5,840	23,163	21,910	14,799	12,787	7,769	3,224
Foreign tax credit	355,549	367,010	4,167,438	1,208,468	1,730,382	351,871	825,366	156,165
U.S. possessions tax credit	202	3,920	117,622	268,700	9,737	993	346,759	55,955
Orphan drug credit	--	--	--	--	--	--	*86	--
Nonconventional source fuel credit	--	42	254	417	--	--	--	--
General business credit	83,536	20,174	131,393	230,840	64,280	41,982	44,152	10,434
Prior year minimum tax credit	5,987	11,249	18,258	16,253	*549	92,389	33,986	*3,427
Total income tax after credits	1,052,769	1,583,047	2,085,396	3,738,063	1,302,681	2,300,111	987,033	717,469

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

RETURNS OF ACTIVE CORPORATIONS

Table 6--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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	**160,353**	**128,153**	**17,515**	**14,685**	**1,023,057**	**328,851**	**27,429**	**52,482**	**248,941**
Total assets	**1,522,045,738**	**289,013,693**	**521,919,665**	**711,112,381**	**1,447,296,828**	**690,452,421**	**51,256,243**	**74,810,092**	**564,386,086**
Cash	26,815,809	12,586,527	7,999,725	6,229,557	76,088,721	37,750,861	2,880,627	4,855,711	30,014,523
Notes and accounts receivable	161,912,006	41,627,507	77,079,053	43,205,446	321,930,010	189,311,189	14,543,583	20,080,625	154,686,981
Less: Allowance for bad debts	4,715,495	1,350,463	1,972,038	1,392,994	6,365,892	3,854,345	298,594	558,143	2,997,608
Inventories	29,292,799	5,893,643	5,927,330	17,471,826	380,666,945	181,131,548	12,325,838	23,698,576	145,107,134
Investments in Government obligations	5,210,232	1,692,345	1,418,118	2,099,769	22,763,254	21,715,806	172,376	457,413	21,086,017
Tax-exempt securities	2,934,799	689,314	652,141	1,593,344	2,023,074	584,885	38,514	37,676	508,694
Other current assets	59,968,151	12,663,332	17,780,065	29,524,754	91,901,661	50,461,199	1,807,579	3,182,556	45,471,063
Loans to stockholders	2,615,863	1,353,354	750,284	512,226	12,674,635	4,373,736	637,602	546,364	3,189,771
Mortgage and real estate loans	4,008,413	704,123	225,498	3,078,792	8,333,500	2,228,191	171,599	163,255	1,893,336
Other investments	209,997,449	31,386,707	112,500,552	66,110,190	135,579,639	60,162,158	3,549,748	8,806,594	47,805,817
Depreciable assets	1,290,684,862	250,506,101	364,554,610	675,624,151	456,266,937	158,540,577	19,288,569	19,790,282	119,461,726
Less: Accumulated depreciation	445,858,735	98,656,363	141,376,379	205,825,992	205,540,336	77,170,768	9,345,475	9,907,037	57,918,256
Depletable assets	9,102,918	596,378	*1,789	8,504,751	1,670,081	1,252,681	*14,745	129,038	1,108,898
Less: Accumulated depletion	4,029,612	229,568	*1,131	3,798,913	734,358	583,295	*9,909	47,813	525,573
Land	14,258,613	5,419,916	3,165,866	5,672,831	34,751,819	10,086,226	939,287	1,099,565	8,047,374
Intangible assets (amortizable)	61,652,719	8,585,074	45,079,640	7,988,006	51,764,745	21,607,377	2,696,311	1,397,417	17,513,650
Less: Accumulated amortization	8,300,985	1,415,148	5,349,489	1,536,347	10,292,074	3,902,542	438,004	387,750	3,076,788
Other assets	106,495,929	16,960,913	33,484,032	56,050,984	73,814,469	36,756,937	2,281,847	1,465,762	33,009,327
Total liabilities	**1,522,045,738**	**289,013,693**	**521,919,665**	**711,112,381**	**1,447,296,828**	**690,452,421**	**51,256,243**	**74,810,092**	**564,386,086**
Accounts payable	90,323,880	29,986,249	28,766,500	31,571,131	237,640,438	127,387,276	11,282,770	14,257,763	101,846,742
Mortgages, notes, and bonds payable in less than one year	86,472,292	19,335,313	38,696,735	28,440,244	260,963,957	144,517,701	5,593,962	13,317,980	125,605,760
Other current liabilities	129,672,948	37,043,582	38,781,301	53,848,064	198,299,884	108,774,160	4,542,424	5,315,152	98,916,584
Loans from stockholders	11,439,926	6,309,824	3,049,071	2,081,031	54,677,003	21,088,565	1,446,582	2,399,967	17,242,016
Mortgages, notes, and bonds payable in one year or more	489,173,429	85,943,948	159,204,575	244,024,907	277,196,982	92,809,718	11,007,315	12,005,404	69,796,998
Other liabilities	206,295,443	42,910,569	61,393,229	101,991,644	63,691,126	22,671,407	2,349,378	4,034,319	16,287,711
Capital stock	161,697,630	17,032,286	41,040,629	103,624,715	75,120,030	41,019,816	2,440,571	4,819,649	33,759,597
Paid-in or capital surplus	213,235,508	35,980,772	110,729,941	66,524,794	117,287,694	45,770,167	4,022,768	5,795,173	35,952,226
Retained earnings, appropriated	2,909,126	362,616	602,211	1,944,299	1,520,595	658,984	104,523	98,439	456,021
Retained earnings, unappropriated	148,963,539	19,536,500	48,235,648	81,191,391	183,498,896	95,226,263	9,332,597	14,151,405	71,742,261
Less: Cost of treasury stock	18,137,982	5,427,967	8,580,175	4,129,839	22,599,776	9,471,636	866,646	1,385,161	7,219,829
Total receipts	**936,277,062**	**352,806,136**	**259,659,799**	**323,811,126**	**3,308,988,336**	**1,629,528,303**	**237,989,216**	**140,411,682**	**1,251,127,405**
Business receipts	874,111,070	332,200,416	237,665,987	304,244,667	3,216,861,660	1,589,685,527	234,402,131	136,001,422	1,219,281,974
Interest	17,887,138	4,655,673	6,025,499	7,205,966	28,423,862	16,171,014	529,841	966,427	14,674,746
Interest on Government obligations: State and local	307,591	31,918	95,607	180,066	1,427,377	168,964	17,869	21,091	130,004
Rents	10,505,534	3,820,508	4,526,815	2,158,211	10,094,867	3,809,766	311,068	1,062,757	2,435,941
Royalties	398,291	157,636	96,073	144,582	2,114,083	512,025	25,414	52,833	433,777
Net short-term capital gain reduced by net long-term capital loss	475,684	330,356	114,417	30,911	118,171	94,740	*959	6,119	87,662
Net long-term capital gain reduced by net short-term capital loss	5,846,004	2,120,367	2,815,878	909,759	3,819,774	1,126,432	40,501	151,235	934,696
Net gain, noncapital assets	4,383,040	3,189,107	473,737	720,195	3,282,102	1,627,680	97,281	273,658	1,256,740
Dividends received from domestic corporations	784,542	150,120	232,086	402,336	722,999	386,616	17,206	33,548	335,862
Dividends received from foreign corporations	257,729	76,811	117,778	63,140	1,651,562	627,404	4,397	31,289	591,718
Other receipts	21,320,439	6,073,224	7,495,922	7,751,293	40,471,880	15,318,137	2,542,549	1,811,302	10,964,285
Total deductions	**900,960,832**	**351,013,280**	**244,964,601**	**304,982,951**	**3,279,066,687**	**1,616,305,608**	**236,183,395**	**138,282,468**	**1,241,839,745**
Cost of sales and operations	405,924,209	150,429,601	96,739,772	158,754,836	2,482,483,270	1,329,219,175	204,053,928	102,273,828	1,022,891,420
Compensation of officers	8,060,589	4,836,266	1,700,328	1,523,995	50,216,964	24,849,957	2,318,908	4,071,187	18,459,862
Repairs	32,269,962	8,580,716	11,913,082	11,776,164	13,006,326	4,241,486	715,868	452,407	3,073,211
Bad debts	5,454,665	1,121,655	3,224,617	1,108,393	9,356,742	4,078,991	429,371	455,372	3,194,248
Rent paid on business property	27,505,044	18,293,465	5,256,320	3,955,259	58,626,388	13,207,605	1,598,265	1,523,656	10,085,685
Taxes paid	41,202,678	12,510,962	10,489,884	18,201,831	48,238,801	17,307,135	1,974,643	1,886,274	13,446,218
Interest paid	59,190,735	11,423,568	19,124,324	28,642,843	63,914,431	28,386,166	1,963,175	2,460,108	23,962,882
Contributions or gifts	533,768	91,267	206,342	236,159	637,043	254,588	47,776	34,575	172,237
Amortization	4,681,298	710,830	3,370,574	599,894	3,912,246	1,369,243	179,013	125,027	1,065,203
Depreciation	83,019,964	19,070,333	30,524,376	33,425,255	42,253,547	16,532,299	1,737,929	2,415,575	12,378,795
Depletion	695,162	118,377	*557	576,228	92,185	67,791	110	14,440	53,240
Advertising	5,369,694	2,490,334	2,339,632	539,728	41,172,274	12,381,357	849,923	875,203	10,656,231
Pension, profit-sharing, stock bonus, and annuity plans	5,659,124	2,685,944	1,301,375	1,671,806	6,046,217	3,019,951	436,526	464,726	2,118,698
Employee benefit programs	16,770,284	7,334,961	6,292,450	3,142,873	17,383,860	6,179,011	987,817	942,312	4,248,882
Net loss, noncapital assets	4,841,204	118,729	1,296,208	3,426,267	1,851,967	568,815	67,257	80,791	420,767
Other deductions	199,782,452	111,196,270	51,184,761	37,401,420	439,874,427	154,642,037	18,822,885	20,206,986	115,612,166
Total receipts less total deductions	35,316,230	1,792,856	14,695,198	18,828,175	29,921,649	13,222,695	1,805,821	2,129,214	9,287,660
Constructive taxable income from related foreign corporations	409,226	190,545	154,249	64,431	1,693,680	955,494	*5,437	19,008	931,050
Net income (less deficit)	35,413,596	1,947,847	14,753,839	18,711,909	30,094,078	13,977,945	1,793,389	2,125,166	10,059,390
Income subject to tax	45,428,604	6,681,397	18,521,741	20,225,465	42,139,269	16,932,602	1,756,039	2,262,706	12,913,857
Income tax, total [2]	17,114,547	2,625,474	6,887,406	7,601,667	13,839,310	5,524,665	576,583	715,983	4,232,099
Regular tax	15,228,031	2,172,919	6,255,767	6,799,345	13,324,360	5,337,049	561,078	682,855	4,093,116
Personal holding company tax	*5	*5	--	--	*962	*765	--	*1	*764
Recapture of investment credit	47,110	2,127	33,719	11,265	8,367	3,904	361	397	3,147
Alternative minimum tax	1,810,393	437,683	584,125	788,585	461,482	167,831	14,098	31,473	122,260
Environmental tax	88,790	11,832	36,951	40,007	43,736	14,018	1,710	1,393	10,915
Foreign tax credit	138,131	36,416	86,105	15,610	934,596	289,937	*1,501	12,536	275,899
U.S. possessions tax credit	58,332	(1)	58,332	--	30,713	6,539	23	70	6,447
Orphan drug credit	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	12,955	431	--	12,523	547	*521	--	*45	*476
General business credit	977,010	175,920	253,706	547,384	214,024	58,024	3,687	12,517	41,820
Prior year minimum tax credit	46,080	10,149	2,292	33,640	43,439	15,153	*1,679	2,191	11,284
Total income tax after credits	15,882,038	2,402,559	6,486,970	6,992,510	12,615,991	5,154,491	569,693	688,624	3,896,174

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

RETURNS OF ACTIVE CORPORATIONS

Table 6--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 furnishing 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, total	**689,575**	**42,916**	**8,974**	**66,014**	**95,075**	**46,226**	**37,548**	**163,166**	**229,656**	**4,631**
Total assets	**754,713,651**	**37,022,670**	**244,993,615**	**95,389,352**	**106,202,489**	**44,851,101**	**25,874,524**	**90,953,003**	**109,426,896**	**2,130,756**
Cash	38,106,250	2,409,535	6,865,325	4,498,594	6,721,655	2,044,920	2,049,906	5,089,587	8,426,727	231,610
Notes and accounts receivable	132,061,899	6,403,472	71,788,647	6,500,596	13,631,246	5,751,297	5,657,952	6,116,077	16,212,612	556,922
Less: Allowance for bad debts	2,505,689	121,076	946,157	70,836	247,407	164,045	184,639	175,531	595,998	5,858
Inventories	198,940,894	12,790,752	41,823,979	21,012,819	55,264,343	13,949,165	9,740,463	2,781,663	41,577,711	594,503
Investments in Government obligations	1,040,170	49,340	99,032	261,242	158,512	109,233	*42,299	40,596	279,916	*7,277
Tax-exempt securities	1,438,189	16,240	*882,090	261,769	29,839	*8,799	*68,048	43,651	127,754	--
Other current assets	41,367,614	1,321,539	25,694,244	2,504,940	2,542,954	2,055,485	1,091,001	2,610,063	3,547,387	72,848
Loans to stockholders	8,291,737	418,430	1,908,224	418,738	1,333,172	317,996	322,134	1,298,182	2,274,859	*9,162
Mortgage and real estate loans	6,103,441	350,481	4,606,681	155,048	214,886	16,822	39,268	533,717	186,537	*1,868
Other investments	75,207,537	1,992,535	33,471,441	10,718,445	2,584,251	6,094,715	1,366,064	14,116,902	4,863,184	209,944
Depreciable assets	297,011,340	14,557,493	62,573,702	56,793,341	34,038,957	17,241,626	7,997,698	63,724,128	40,084,196	715,020
Less: Accumulated depreciation	127,998,940	7,145,178	21,882,405	24,482,649	16,578,755	6,918,862	3,784,577	26,774,867	20,431,646	370,629
Depletable assets	404,452	71,001	793	*86,856	66,922	*3,472	--	130,957	44,451	12,948
Less: Accumulated depletion	148,955	*8,927	394	*20,795	18,969	*717	--	65,878	33,276	2,108
Land	24,617,893	1,852,174	4,909,815	4,612,372	3,318,710	553,288	414,663	6,976,963	1,979,908	47,699
Intangible assets (amortizable)	30,133,753	612,687	3,084,692	4,270,085	1,495,519	2,755,144	776,772	9,522,639	7,616,216	23,615
Less: Accumulated amortization	6,382,708	128,550	549,875	598,847	565,526	405,667	316,125	1,845,263	1,972,855	*6,824
Other assets	37,024,774	1,580,723	10,663,780	8,467,633	2,212,181	1,438,229	593,599	6,829,416	5,239,213	32,759
Total liabilities	**754,713,651**	**37,022,670**	**244,993,615**	**95,389,352**	**106,202,489**	**44,851,101**	**25,874,524**	**90,953,003**	**109,426,896**	**2,130,756**
Accounts payable	109,850,446	5,414,911	40,110,689	16,637,987	9,189,962	5,970,299	4,709,180	6,065,950	21,751,468	402,717
Mortgages, notes, and bonds payable in less than one year	116,126,882	4,570,960	29,654,971	10,093,204	47,651,044	3,231,198	2,387,534	6,322,764	12,215,208	319,374
Other current liabilities	89,301,518	2,357,074	47,941,323	8,843,900	6,272,518	4,184,676	2,749,221	7,922,076	9,030,731	224,205
Loans from stockholders	33,450,377	1,670,109	3,185,870	2,687,594	5,971,943	2,881,336	1,284,200	7,280,486	8,488,840	138,060
Mortgages, notes, and bonds payable in one year or more	184,041,356	8,483,884	50,426,836	34,736,309	18,578,719	8,662,883	4,995,541	38,060,073	22,097,111	345,908
Other liabilities	40,956,314	1,140,980	17,420,352	6,761,100	1,466,855	2,474,941	800,451	6,336,524	4,555,111	63,404
Capital stock	33,947,811	1,919,622	4,791,554	3,443,193	5,452,957	3,313,646	1,339,442	6,228,737	7,458,660	152,402
Paid-in or capital surplus	71,101,262	2,714,353	25,820,311	6,356,602	4,892,659	5,740,745	2,167,117	11,890,034	11,519,441	416,265
Retained earnings, appropriated	861,611	73,024	*249,364	74,156	96,354	*54,152	95,816	23,277	195,468	--
Retained earnings, unappropriated	88,159,326	9,568,894	27,671,179	7,332,575	10,392,379	9,329,503	6,293,027	3,521,361	14,050,408	113,308
Less: Cost of treasury stock	13,083,253	891,142	2,278,835	1,577,267	1,762,899	992,277	947,005	2,698,278	1,935,551	44,887
Total receipts	**1,673,925,700**	**84,803,488**	**278,616,968**	**343,578,144**	**409,061,333**	**80,144,099**	**58,422,932**	**151,680,764**	**267,617,973**	**5,534,332**
Business receipts	1,621,746,982	83,188,521	261,042,579	336,833,746	401,298,109	77,561,238	56,560,966	143,362,046	261,899,777	5,429,151
Interest	12,233,658	541,261	6,754,980	823,558	942,798	712,532	370,584	955,771	1,132,174	19,189
Interest on Government obligations: State and local	1,258,228	7,172	1,136,805	38,149	7,664	10,250	10,347	9,279	38,561	*186
Rents	6,255,921	222,642	1,527,433	821,508	1,075,356	114,860	108,513	1,900,362	485,246	*29,180
Royalties	1,602,058	57,616	39,407	31,745	17,440	376,146	*65,885	743,517	270,302	--
Net short-term capital gain reduced by net long-term capital loss	23,431	1,843	*5,282	2,798	2,571	*280	*488	6,499	3,671	--
Net long-term capital gain reduced by net short-term capital loss	2,690,623	45,673	911,949	705,418	126,328	59,453	54,274	521,197	266,331	*2,719
Net gain, noncapital assets	1,651,526	76,051	116,500	188,352	440,992	27,138	63,573	423,921	314,998	2,897
Dividends received from domestic corporations	334,703	13,725	167,954	29,992	8,646	57,889	4,626	19,784	32,086	*1,680
Dividends received from foreign corporations	1,024,140	*366	177,476	*474,164	*1,671	*5,233	1,499	347,786	15,945	18
Other receipts	25,104,431	648,617	6,736,601	3,628,713	5,139,759	1,219,080	1,182,176	3,390,601	3,158,883	49,312
Total deductions	**1,657,194,866**	**83,757,717**	**272,434,835**	**339,746,299**	**409,054,134**	**78,807,945**	**57,785,347**	**150,430,617**	**265,177,973**	**5,566,213**
Cost of sales and operations	1,149,383,359	59,034,154	170,653,569	257,420,751	341,710,651	46,808,579	36,136,262	62,438,477	175,180,916	3,880,736
Compensation of officers	25,198,992	2,191,116	861,122	2,239,149	4,793,466	1,445,482	1,678,021	4,076,585	7,914,051	168,015
Repairs	8,739,926	471,353	1,414,921	1,982,422	1,089,808	335,851	247,407	2,056,886	1,141,278	24,914
Bad debts	5,248,873	341,108	2,176,704	279,667	608,774	244,199	352,265	223,016	1,023,139	28,878
Rent paid on business property	45,307,120	1,430,022	7,694,193	6,154,236	4,821,655	5,079,848	2,212,899	8,713,673	9,200,594	111,662
Taxes paid	30,823,109	1,633,230	5,692,617	4,824,759	4,495,619	1,808,649	1,245,360	6,088,263	5,034,612	108,556
Interest paid	35,459,940	1,699,546	11,743,926	4,783,295	5,264,884	1,453,796	888,629	5,095,606	4,530,258	68,326
Contributions or gifts	381,928	15,416	136,334	72,475	21,028	42,386	16,080	27,779	50,431	528
Amortization	2,538,411	76,615	268,125	306,756	254,488	212,059	84,093	650,940	685,336	4,592
Depreciation	25,618,648	1,131,861	4,848,067	4,725,429	3,616,597	1,484,963	697,161	5,100,814	4,013,756	102,599
Depletion	22,947	6,135	*350	*2,578	3,153	1	--	3,348	7,383	1,448
Advertising	28,747,699	1,161,866	6,425,145	3,139,997	4,161,896	1,859,178	2,449,390	4,034,035	5,516,191	43,218
Pension, profit-sharing, stock bonus, and annuity plans	3,003,452	242,221	702,086	637,215	245,018	201,119	131,827	305,530	538,436	22,814
Employee benefit programs	11,184,685	487,980	2,342,755	3,180,758	1,737,750	520,893	304,476	1,123,893	1,486,179	20,163
Net loss, noncapital assets	1,280,018	26,979	256,386	357,138	123,011	98,446	39,732	211,615	166,710	*3,134
Other deductions	284,255,761	13,808,117	57,218,535	49,639,675	36,106,336	17,212,496	11,301,745	50,280,155	48,688,702	976,629
Total receipts less total deductions	16,730,834	1,045,772	6,182,133	3,831,845	7,199	1,336,153	637,585	1,250,147	2,440,000	-31,880
Constructive taxable income from related foreign corporations	738,186	--	161,413	300,695	156	13,699	71	240,939	*21,214	--
Net income (less deficit)	16,148,205	1,037,097	5,206,572	4,092,514	-2,060	1,338,873	627,308	1,466,651	2,381,250	-32,072
Income subject to tax	25,170,616	1,239,186	7,652,289	4,690,980	1,446,746	2,447,124	847,235	2,737,896	4,109,159	36,051
Income tax, total [2]	8,305,909	365,645	2,780,461	1,621,695	398,958	799,950	252,730	918,591	1,167,880	8,735
Regular tax	7,979,216	362,171	2,635,268	1,553,913	375,034	789,132	249,953	864,500	1,149,246	8,094
Personal holding company tax	*198	--	--	--	*198	--	--	--	--	--
Recapture of investment credit	4,463	58	644	881	1,533	151	47	790	360	--
Alternative minimum tax	293,023	2,757	132,288	61,421	21,793	7,740	*2,160	49,856	15,008	*629
Environmental tax	29,705	775	12,262	6,406	420	2,927	570	3,445	2,899	12
Foreign tax credit	644,659	*2	110,678	263,350	*112	6,495	*1,028	249,768	13,228	--
U.S. possessions tax credit	24,173	--	20,076	3,349	717	--	--	32	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	*25	--	(*)	--	*24	--	--	1	--	--
General business credit	155,956	5,834	45,663	38,182	8,795	4,216	2,507	33,303	17,457	*44
Prior year minimum tax credit	28,285	*7	*8,000	13,397	1,083	*226	*120	*2,477	2,976	--
Total income tax after credits	7,452,810	359,802	2,596,045	1,303,418	388,227	789,013	249,075	633,010	1,134,220	8,690

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

RETURNS OF ACTIVE CORPORATIONS

Table 6--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	**609,138**	**11,670**	**21,218**	**16,450**	**8,829**	**68,645**	**421,901**	**60,424**
Total assets	**10,193,295,357**	**4,017,714,771**	**1,783,467,405**	**409,260,883**	**2,129,087,978**	**39,514,972**	**358,293,806**	**1,455,955,542**
Cash	489,499,753	324,356,816	64,113,028	16,055,014	22,477,522	7,848,299	21,234,536	33,414,538
Notes and accounts receivable	2,676,464,195	1,931,234,344	347,931,726	99,176,326	121,804,454	11,597,704	26,640,043	138,079,599
Less: Allowance for bad debts	75,253,945	54,077,037	17,811,024	543,947	1,433,623	136,995	759,635	491,684
Inventories	36,588,933	785,232	4,004,119	1,701,335	3,843,077	20,826	23,123,960	3,110,385
Investments in Government obligations	869,362,164	411,123,827	67,399,009	28,780,192	200,094,778	465,324	1,534,383	159,964,652
Tax-exempt securities	356,352,740	69,439,002	9,931,309	618,355	139,567,669	606,954	703,485	135,485,965
Other current assets	720,547,405	172,948,919	82,100,874	179,097,038	205,067,262	1,937,322	20,548,774	58,847,217
Loans to stockholders	36,710,666	6,616,348	11,995,097	1,111,810	3,417,912	681,345	5,306,733	7,581,420
Mortgage and real estate loans	1,481,574,285	344,299,464	825,864,602	1,552,354	266,160,381	124,973	18,053,478	25,519,031
Other investments	2,680,168,714	393,864,540	278,693,559	59,283,199	1,037,724,503	8,284,554	54,322,085	847,996,274
Depreciable assets	375,817,722	92,447,984	35,517,915	8,185,024	36,706,097	7,662,449	164,844,832	30,453,420
Less: Accumulated depreciation	121,829,102	36,773,963	14,515,719	3,714,818	7,798,806	4,130,438	47,171,484	7,723,874
Depletable assets	2,137,873	17,386	97,628	*53,785	621,813	*41	672,204	675,017
Less: Accumulated depletion	647,296	6,337	19,383	*27,435	320,093	--	168,293	105,754
Land	70,582,123	6,746,290	4,411,355	257,375	2,275,532	237,405	50,729,273	5,924,892
Intangible assets (amortizable)	44,604,601	13,369,475	12,928,223	1,796,485	5,020,891	3,577,391	3,950,857	3,961,278
Less: Accumulated amortization	9,186,447	2,151,979	1,880,307	513,599	1,265,178	1,119,959	1,260,084	995,342
Other assets	559,800,975	343,474,459	72,705,392	16,392,389	95,123,789	1,857,778	15,988,659	14,258,510
Total liabilities	**10,193,295,357**	**4,017,714,771**	**1,783,467,405**	**409,260,883**	**2,129,087,978**	**39,514,972**	**358,293,806**	**1,455,955,542**
Accounts payable	292,738,266	85,991,637	52,112,851	65,728,552	37,231,970	12,850,063	11,360,536	27,462,656
Mortgages, notes, and bonds payable in less than one year	852,270,693	365,192,613	318,354,347	32,676,752	48,218,215	2,503,521	43,024,526	42,300,718
Other current liabilities	4,385,892,815	2,825,554,535	868,344,102	252,517,547	379,711,063	4,916,341	20,941,041	33,908,185
Loans from stockholders	77,955,152	9,234,608	10,497,904	1,464,398	8,740,246	698,209	38,334,585	8,985,202
Mortgages, notes, and bonds payable in one year or more	788,556,220	178,953,393	304,124,347	19,782,674	68,057,296	4,257,033	149,091,379	64,290,099
Other liabilities	1,653,841,200	208,578,906	146,787,988	14,717,042	1,239,757,106	2,575,953	23,812,915	17,611,290
Capital stock	1,104,404,319	58,422,588	15,480,279	4,045,315	18,339,619	1,819,762	28,363,631	977,933,125
Paid-in or capital surplus	1,621,002,051	149,251,467	60,832,406	12,844,205	133,642,071	4,323,522	63,862,071	1,196,246,309
Retained earnings, appropriated	46,403,505	2,755,063	3,372,932	44,943	32,914,245	54,190	1,397,401	5,864,732
Retained earnings, unappropriated	267,459,348	137,311,172	6,181,756	7,844,806	170,735,156	6,601,864	-17,972,040	-43,243,366
Less: Cost of treasury stock	897,228,211	3,531,213	2,621,505	2,405,352	8,259,010	1,085,487	3,922,238	875,403,406
Total receipts	**1,954,709,651**	**521,866,533**	**267,471,280**	**88,886,814**	**764,422,388**	**39,633,224**	**122,535,238**	**149,894,173**
Business receipts	900,908,453	54,917,249	77,676,418	53,476,225	548,632,246	37,248,285	95,047,001	33,911,028
Interest	799,373,481	412,121,910	153,192,221	28,741,366	126,860,517	873,161	6,309,402	71,274,904
Interest on Government obligations: State and local	31,077,645	8,348,639	711,461	167,218	8,576,724	38,211	159,662	13,075,730
Rents	34,822,152	11,894,461	3,349,851	699,432	9,056,454	107,697	7,034,740	2,679,517
Royalties	1,045,856	19,299	37,586	6,099	86,894	*8,213	311,531	576,233
Net short-term capital gain reduced by net long-term capital loss	2,766,801	269,465	133,021	356,675	532,678	2,265	142,070	1,330,627
Net long-term capital gain reduced by net short-term capital loss	21,924,915	2,478,955	1,244,953	434,791	5,359,818	95,349	2,801,213	9,509,837
Net gain, noncapital assets	8,119,769	3,602,779	1,426,764	535,792	767,105	35,462	968,386	783,482
Dividends received from domestic corporations	7,109,916	836,271	834,636	365,379	3,953,855	55,823	178,502	885,450
Dividends received from foreign corporations	1,860,344	346,475	406,609	57,183	623,369	124,629	46,714	255,366
Other receipts	145,700,319	27,031,029	28,457,761	4,046,653	59,972,727	1,044,131	9,536,018	15,612,000
Total deductions	**1,809,867,575**	**502,657,621**	**255,413,482**	**86,565,214**	**739,946,842**	**37,456,528**	**127,106,701**	**60,721,188**
Cost of sales and operations	526,244,728	841,026	44,311,474	19,180,653	394,254,515	5,466,631	42,225,905	19,964,524
Compensation of officers	32,727,414	12,070,900	2,396,214	3,428,493	2,722,386	5,110,252	5,532,178	1,466,991
Repairs	5,934,919	2,450,182	782,984	134,433	272,811	208,998	1,866,030	219,481
Bad debts	48,308,058	29,501,520	14,029,017	516,820	1,742,274	198,305	1,465,507	854,614
Rent paid on business property	23,724,783	7,839,143	2,555,623	2,068,701	5,476,150	1,622,406	3,290,091	872,670
Taxes paid	31,475,306	7,228,694	2,440,475	1,487,489	11,833,531	1,307,402	5,767,984	1,409,732
Interest paid	506,921,011	305,683,274	129,382,792	26,980,500	18,453,774	767,546	15,195,580	10,457,545
Contributions or gifts	780,008	345,285	91,209	47,964	145,491	31,109	54,457	64,492
Amortization	4,956,299	1,319,214	689,469	287,997	1,236,404	319,949	654,272	448,992
Depreciation	34,617,504	16,277,539	4,203,833	1,057,094	5,064,718	771,105	5,519,154	1,724,061
Depletion	175,547	13,867	1,291	112	80,065	*166	45,060	34,984
Advertising	9,135,847	2,737,374	1,915,554	496,560	1,507,572	385,306	1,725,683	367,797
Pension, profit-sharing, stock bonus, and annuity plans	6,477,902	1,783,330	481,515	376,428	2,743,680	524,516	374,036	194,398
Employee benefit programs	13,630,532	5,557,267	1,228,860	759,383	3,927,976	823,618	761,528	571,901
Net loss, noncapital assets	10,439,863	6,683,155	2,601,396	140,901	111,945	19,350	655,474	227,642
Other deductions	554,317,853	102,325,851	48,301,775	29,601,685	290,373,551	19,899,867	41,973,760	21,841,364
Total receipts less total deductions	144,842,076	19,208,913	12,057,799	2,321,600	24,475,546	2,176,696	-4,571,463	89,172,984
Constructive taxable income from related foreign corporations	3,763,743	1,689,157	397,166	163,867	1,080,543	96,791	12,896	323,322
Net income (less deficit)	109,901,881	12,549,431	11,743,435	2,318,249	16,979,252	2,231,432	-4,815,469	68,895,551
Income subject to tax	68,498,149	20,623,413	19,507,435	2,142,991	16,982,240	1,724,328	3,671,260	3,846,483
Income tax, total [2]	22,556,387	7,500,045	4,800,480	838,142	6,419,849	540,903	1,082,094	1,374,873
Regular tax	20,709,720	6,987,657	4,690,309	718,025	5,495,954	534,349	1,021,659	1,261,767
Personal holding company tax	9,532	681	*10	*131	1	*538	3,636	4,534
Recapture of investment credit	7,578	4,514	546	24	1,537	*12	662	283
Alternative minimum tax	1,661,002	454,410	95,518	116,385	886,681	4,499	43,379	60,130
Environmental tax	95,108	29,394	19,008	3,575	35,674	1,502	1,773	4,182
Foreign tax credit	1,641,306	526,445	194,600	71,407	619,009	*76,980	14,457	138,408
U.S. possessions tax credit	10,217	--	8,558	--	979	--	53	627
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	1,329	5	--	4	*373	--	*767	*180
General business credit	196,949	72,381	49,890	29,520	29,087	2,635	7,715	5,721
Prior year minimum tax credit	195,293	56,824	38,433	26,498	54,763	*47	5,415	13,312
Total income tax after credits	20,511,294	6,844,390	4,509,000	710,712	5,715,638	461,241	1,053,687	1,216,625

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

RETURNS OF ACTIVE CORPORATIONS

Table 6--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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	**1,029,447**	**25,308**	**80,827**	**324,126**	**117,980**	**89,135**	**392,073**	**20,017**
Total assets	**572,842,266**	**59,664,534**	**19,598,680**	**196,350,137**	**48,488,413**	**107,947,463**	**140,793,039**	**1,888,616**
Cash	44,479,929	2,700,889	2,000,320	16,761,073	2,940,651	6,061,454	14,015,543	184,809
Notes and accounts receivable	100,100,572	5,307,383	2,717,531	44,615,247	6,259,749	11,938,278	29,262,383	222,090
Less: Allowance for bad debts	4,996,295	280,336	39,534	1,509,001	162,826	658,789	2,345,808	9,349
Inventories	21,060,115	549,964	1,215,172	6,325,876	3,772,951	6,059,330	3,136,822	259,586
Investments in Government obligations	1,966,901	86,281	*28,698	851,385	34,454	163,618	802,466	*5,936
Tax-exempt securities	1,313,337	*40,282	*131,148	698,638	*280	45,772	397,216	--
Other current assets	33,989,504	2,080,943	1,274,876	14,322,366	2,261,520	6,093,194	7,956,605	52,033
Loans to stockholders	7,695,150	534,933	290,515	2,799,492	724,148	738,629	2,607,432	152,791
Mortgage and real estate loans	3,096,497	829,820	62,164	959,931	204,708	533,918	505,957	83,032
Other investments	97,400,061	8,518,683	1,696,251	38,931,913	2,729,499	23,569,960	21,953,755	176,353
Depreciable assets	306,907,591	39,781,734	14,370,589	87,413,420	39,475,652	51,407,152	74,459,044	590,789
Less: Accumulated depreciation	132,880,736	12,249,674	8,001,329	42,961,622	15,700,711	23,464,523	30,502,877	222,103
Depletable assets	348,755	*59,812	*5,252	99,907	*38,550	75,039	70,195	--
Less: Accumulated depletion	83,338	*4,636	*4,097	20,131	*26,293	*21,778	6,402	--
Land	18,607,248	5,822,540	731,732	2,360,857	1,429,530	3,860,198	4,402,390	148,077
Intangible assets (amortizable)	40,039,681	2,166,605	1,106,635	14,015,272	3,290,699	10,804,650	8,655,820	96,196
Less: Accumulated amortization	9,922,312	389,077	320,047	3,626,278	340,688	2,859,157	2,387,065	16,676
Other assets	43,719,607	4,108,390	2,332,803	14,311,792	1,556,541	13,600,517	7,809,564	165,051
Total liabilities	**572,842,266**	**59,664,534**	**19,598,680**	**196,350,137**	**48,488,413**	**107,947,463**	**140,793,039**	**1,888,616**
Accounts payable	47,021,358	2,094,251	1,153,558	21,858,518	3,449,794	7,824,083	10,641,154	187,615
Mortgages, notes, and bonds payable in less than one year	60,943,478	5,143,511	1,068,119	24,629,880	9,420,268	6,431,712	14,249,988	194,307
Other current liabilities	64,168,406	3,798,978	2,340,625	25,703,128	4,748,785	9,990,095	17,586,794	114,380
Loans from stockholders	31,216,350	5,248,659	1,436,535	8,829,681	2,378,457	5,879,832	7,443,186	315,255
Mortgages, notes, and bonds payable in one year or more	177,224,463	27,456,186	5,215,860	52,017,233	16,071,869	31,215,752	45,247,562	508,682
Other liabilities	49,113,865	4,279,243	1,604,273	16,196,005	2,017,350	15,790,485	9,226,509	140,344
Capital stock	36,259,750	5,474,064	1,327,829	10,916,798	2,667,888	6,838,819	9,034,353	195,860
Paid-in or capital surplus	103,700,187	14,797,294	2,021,310	34,977,899	3,001,018	21,532,110	27,370,556	551,104
Retained earnings, appropriated	1,033,937	*37,080	*56,635	503,079	*15,312	134,540	287,290	*10
Retained earnings, unappropriated	13,157,436	-7,663,419	4,086,076	5,065,436	5,387,145	4,595,707	1,686,492	-313,231
Less: Cost of treasury stock	10,996,965	1,001,314	712,140	4,347,521	669,474	2,285,671	1,980,845	5,710
Total receipts	**779,329,609**	**42,363,174**	**35,440,799**	**288,957,357**	**74,603,208**	**77,823,637**	**260,141,435**	**7,321,955**
Business receipts	726,041,364	38,754,465	33,831,149	268,181,855	69,565,461	68,372,993	247,335,441	6,355,113
Interest	9,140,004	906,232	363,678	3,314,230	575,503	1,749,070	2,231,290	90,143
Interest on Government obligations: State and local	386,120	6,310	23,572	240,772	4,213	15,564	95,689	*1,141
Rents	7,773,439	617,011	132,997	4,188,523	1,223,312	724,405	887,191	*36,056
Royalties	2,717,597	57,155	96,001	988,728	*38,081	1,415,406	122,226	*3,037
Net short-term capital gain reduced by net long-term capital loss	74,356	4,530	*5,683	39,751	*793	9,410	14,189	--
Net long-term capital gain reduced by net short-term capital loss	2,645,444	399,645	148,453	413,293	95,900	517,512	1,070,641	*23,669
Net gain, noncapital assets	3,358,824	192,885	72,402	1,012,711	1,348,167	326,731	405,927	*3,134
Dividends received from domestic corporations	415,309	29,915	31,019	118,994	12,171	91,042	132,168	*20
Dividends received from foreign corporations	877,593	34,812	*12,168	613,322	*6,622	115,016	95,654	--
Other receipts	25,899,560	1,360,213	723,675	9,845,178	1,732,985	4,486,488	7,751,020	809,642
Total deductions	**769,035,909**	**43,906,342**	**34,214,009**	**284,738,743**	**73,672,004**	**77,893,135**	**254,611,676**	**7,371,354**
Cost of sales and operations	290,965,307	17,441,717	13,160,000	123,595,112	33,160,268	23,660,783	79,947,427	5,648,046
Compensation of officers	53,507,909	648,473	2,105,741	16,872,207	3,445,110	4,751,150	25,685,227	129,297
Repairs	6,502,267	740,468	378,049	1,670,792	937,541	913,477	1,861,939	31,604
Bad debts	5,865,854	375,119	152,564	1,755,119	253,063	696,668	2,633,321	15,763
Rent paid on business property	30,125,223	1,856,403	1,936,798	9,960,173	3,302,808	2,950,837	10,118,203	116,386
Taxes paid	27,255,340	1,969,610	1,439,320	9,566,944	3,216,832	2,387,526	8,675,108	132,173
Interest paid	27,188,190	3,382,334	792,979	8,264,743	3,546,358	4,554,435	6,647,342	48,175
Contributions or gifts	236,033	7,119	15,336	78,317	16,920	28,504	89,838	*950
Amortization	5,674,905	135,248	224,923	1,284,320	147,039	2,952,181	931,195	5,454
Depreciation	33,670,443	2,226,740	1,220,898	12,071,191	6,413,525	5,184,741	6,553,349	44,348
Depletion	15,588	*24	*1,253	6,665	*555	*3,174	3,917	--
Advertising	11,397,875	960,453	748,209	4,135,327	967,123	2,128,791	2,457,973	43,680
Pension, profit-sharing, stock bonus, and annuity plans	4,960,200	103,248	177,508	1,680,127	361,433	265,956	2,371,927	*25,601
Employee benefit programs	9,730,941	536,535	331,832	3,314,440	730,616	460,630	4,356,886	4,777
Net loss, noncapital assets	950,009	91,940	32,667	412,821	69,575	91,758	251,247	*108,955
Other deductions	260,989,825	13,430,909	11,495,933	90,070,443	17,103,238	26,862,523	102,026,778	1,016,145
Total receipts less total deductions	10,293,701	-1,543,169	1,226,789	4,218,614	931,205	-69,498	5,529,759	-49,398
Constructive taxable income from related foreign corporations	825,576	32,606	7,294	418,340	*9,848	262,263	95,225	--
Net income (less deficit)	10,616,792	-1,517,034	1,206,874	4,393,764	936,836	175,979	5,420,371	-50,540
Income subject to tax	16,191,041	757,189	983,831	6,121,599	1,040,574	2,017,064	5,270,785	66,862
Income tax, total [2]	5,368,531	270,887	308,889	2,042,103	327,169	701,581	1,717,902	15,330
Regular tax	5,041,377	247,353	300,541	1,903,035	272,334	654,343	1,663,772	15,330
Personal holding company tax	*1,496	(1)	*22	--	--	*626	*848	--
Recapture of investment credit	2,792	86	216	783	*555	168	985	--
Alternative minimum tax	302,259	20,838	7,215	132,377	53,229	41,812	46,788	--
Environmental tax	16,829	1,203	896	5,759	982	2,953	5,038	--
Foreign tax credit	602,469	*34,559	9,580	372,965	*324	116,334	68,708	--
U.S. possessions tax credit	15,845	6,014	--	5,316	--	37	4,477	(1)
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	576	--	--	--	--	--	576	--
General business credit	123,628	7,856	3,451	66,477	18,751	4,792	22,302	--
Prior year minimum tax credit	28,452	*897	*625	11,584	3,216	4,679	7,451	--
Total income tax after credits	4,597,561	221,560	295,233	1,585,762	304,878	575,740	1,614,389	15,330

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

[1] Less than $500 per return.

[2] Also includes excess net passive income tax (Form 1120S), branch tax (Form 1120F), tax from Part II (Form 1120-REIT), tax from Part III (Form 1120-REIT), tax from Part IV (Form 1120-REIT), tax from Line 4, Part II (Form 1120-RIC), and adjustments to income tax and to total tax which are 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 WITH NET INCOME

Table 7--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**1,910,670**	**70,965**	**18,436**	**188**	**962**	**15,613**	**1,672**
Total assets	**13,636,523,582**	**43,072,078**	**172,269,275**	**14,691,477**	**19,246,611**	**126,057,367**	**12,273,819**
Cash	573,263,758	3,671,545	6,296,150	614,724	687,439	4,423,459	570,528
Notes and accounts receivable	3,224,189,581	4,319,225	18,321,158	1,226,531	3,405,643	11,585,838	2,103,147
Less: Allowance for bad debts	72,647,254	32,285	188,481	21,403	29,648	110,129	27,300
Inventories	618,158,592	5,571,413	4,961,555	897,302	679,915	2,652,206	732,132
Investments in Government obligations	718,793,418	191,809	854,777	*33,879	213,425	533,729	*73,744
Tax-exempt securities	236,460,930	219,075	217,998	*9,332	*70,050	134,973	*3,644
Other current assets	910,043,092	1,251,396	5,298,658	732,169	1,181,010	3,100,110	285,369
Loans to stockholders	64,821,047	1,065,711	770,327	*7,513	57,953	649,888	54,973
Mortgage and real estate loans	1,077,506,281	377,448	119,764	1,157	*10,924	98,113	*9,569
Other investments	3,262,801,781	4,258,799	71,223,280	3,298,343	4,617,295	60,621,658	2,685,985
Depreciable assets	3,264,116,055	29,459,894	78,780,430	9,377,547	8,140,259	52,892,511	8,370,113
Less: Accumulated depreciation	1,446,700,415	18,801,366	40,016,830	4,718,687	4,230,363	26,521,961	4,545,818
Depletable assets	103,459,031	504,962	23,650,686	2,362,105	3,412,673	16,879,665	996,243
Less: Accumulated depletion	44,430,421	242,771	9,396,408	472,517	1,364,082	7,410,063	149,747
Land	120,397,102	9,231,480	2,890,898	297,256	258,797	1,721,546	613,299
Intangible assets (amortizable)	286,631,516	194,497	4,960,094	*352,365	708,722	3,614,291	284,716
Less: Accumulated amortization	62,127,830	69,656	2,146,482	*54,087	238,616	1,824,837	28,942
Other assets	781,787,319	1,900,901	5,671,700	747,948	1,665,218	3,016,369	242,165
Total liabilities	**13,636,523,582**	**43,072,078**	**172,269,275**	**14,691,477**	**19,246,611**	**126,057,367**	**12,273,819**
Accounts payable	829,697,043	2,291,217	9,857,546	606,627	1,900,420	6,561,078	789,421
Mortgages, notes, and bonds payable in less than one year	1,306,890,581	5,667,816	6,654,462	1,029,861	1,260,159	2,988,723	1,375,718
Other current liabilities	3,718,707,867	1,994,475	10,516,718	1,473,202	1,273,855	7,165,940	603,721
Loans from stockholders	116,128,571	2,127,100	1,931,040	*96,938	801,982	928,894	103,226
Mortgages, notes, and bonds payable in one year or more	1,757,621,387	8,590,278	35,998,354	3,400,958	2,292,326	28,344,613	1,960,457
Other liabilities	1,776,308,605	2,048,737	11,787,990	725,515	2,346,449	8,180,036	535,991
Capital stock	1,234,654,608	5,245,858	6,664,942	743,251	628,506	4,602,835	690,349
Paid-in or capital surplus	2,176,249,746	3,664,262	75,361,870	4,441,929	6,759,156	62,279,705	1,881,080
Retained earnings, appropriated	50,936,738	84,317	204,955	13,621	17,587	127,723	*46,024
Retained earnings, unappropriated	1,600,491,449	12,281,330	17,211,219	2,400,410	2,044,642	7,936,735	4,829,431
Less: Cost of treasury stock	931,163,011	923,313	3,919,821	*240,836	78,472	3,058,915	541,598
Total receipts	**8,597,755,190**	**62,822,076**	**89,305,036**	**9,588,336**	**15,730,922**	**53,937,410**	**10,048,367**
Business receipts	7,448,478,629	58,372,973	77,800,518	8,266,044	14,697,431	45,367,045	9,469,999
Interest	691,139,832	496,358	3,037,063	202,420	363,719	2,316,470	154,454
Interest on Government obligations: State and local	21,348,945	22,821	30,976	*5,898	4,132	17,746	3,199
Rents	75,726,871	341,184	281,837	27,311	34,060	165,031	55,434
Royalties	26,654,264	74,416	332,104	50,998	55,821	211,016	14,270
Net short-term capital gain reduced by net long-term capital loss	2,948,806	24,128	16,145	--	2,036	13,406	*704
Net long-term capital gain reduced by net short-term capital loss	42,389,815	446,623	1,740,074	630,353	79,334	946,690	83,697
Net gain, noncapital assets	24,140,527	289,153	1,062,173	11,940	91,435	899,952	58,846
Dividends received from domestic corporations	11,023,867	56,962	301,565	56,271	17,960	223,526	3,808
Dividends received from foreign corporations	31,719,974	*30,015	264,843	*6,531	61,351	188,817	*8,144
Other receipts	222,183,662	2,667,443	4,437,737	330,571	323,643	3,587,712	195,811
Total deductions	**8,051,106,497**	**58,454,236**	**80,534,184**	**8,441,143**	**15,049,225**	**47,751,917**	**9,291,899**
Cost of sales and operations	4,972,724,908	36,699,599	49,444,354	4,858,649	11,053,735	27,843,447	5,688,522
Compensation of officers	141,736,664	1,657,273	1,037,547	43,946	86,961	676,054	230,586
Repairs	74,511,161	1,140,727	720,340	72,583	155,657	232,757	259,343
Bad debts	47,646,050	76,679	170,148	23,612	6,637	111,218	28,681
Rent paid on business property	119,819,457	1,478,006	795,949	40,377	105,091	549,997	100,484
Taxes paid	192,270,862	1,286,227	2,587,715	415,570	616,507	1,282,132	273,506
Interest paid	550,421,067	1,542,838	4,913,510	464,058	453,120	3,686,471	309,861
Contributions or gifts	4,684,197	32,169	43,952	7,214	6,037	23,341	7,360
Amortization	16,779,978	49,146	317,034	79,620	52,318	171,332	13,764
Depreciation	243,088,128	2,136,312	4,147,646	727,286	407,160	2,346,775	666,425
Depletion	8,054,140	31,890	2,269,427	663,554	432,193	992,907	180,774
Advertising	92,255,904	219,259	96,197	2,024	7,310	61,944	24,918
Pension, profit-sharing, stock bonus, and annuity plans	33,108,515	121,066	264,821	38,303	22,739	152,789	50,990
Employee benefit programs	84,033,050	367,559	789,595	122,058	162,677	398,801	106,058
Net loss, noncapital assets	6,637,300	20,257	46,284	2,441	*5,816	35,280	*2,748
Other deductions	1,463,335,115	11,595,228	12,889,665	879,848	1,475,267	9,186,671	1,347,878
Total receipts less total deductions	546,648,694	4,367,840	8,770,852	1,147,193	681,698	6,185,493	756,468
Constructive taxable income from related foreign corporations	34,733,970	*18,214	331,939	1,492	36,673	293,450	324
Net income	552,526,789	4,328,433	9,071,733	1,142,787	714,156	6,461,196	753,593
Income subject to tax	366,231,157	2,093,405	5,661,551	1,010,984	317,839	3,925,328	407,399
Income tax, total [2]	126,988,960	582,169	2,199,304	414,422	159,889	1,460,464	164,528
Regular tax	119,364,782	566,322	1,897,245	343,240	107,106	1,311,819	135,079
Personal holding company tax	11,719	--	--	--	--	--	--
Recapture of investment credit	115,599	107	293	9	13	241	*30
Alternative minimum tax	6,986,523	14,663	304,884	69,116	50,960	155,444	29,363
Environmental tax	513,067	1,062	10,203	2,056	931	6,572	643
Foreign tax credit	24,983,472	*17,508	788,105	*91,910	9,441	680,039	*6,715
U.S. possessions tax credit	3,194,481	472	--	--	--	--	--
Orphan drug credit	15,637	--	--	--	--	--	--
Nonconventional source fuel credit	81,790	--	16,976	--	*197	16,779	--
General business credit	2,828,942	14,294	39,251	1,605	8,077	27,107	2,462
Prior year minimum tax credit	666,675	2,775	31,312	15,185	*1,065	15,057	5
Total income tax after credits	95,217,965	547,121	1,323,660	305,722	141,109	721,482	155,347

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

RETURNS WITH NET INCOME

Table 7--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	**223,434**	**83,379**	**15,814**	**124,241**	**167,509**	**8,930**	**51**	**3,043**	**7,968**
Total assets	**163,998,149**	**78,500,215**	**33,859,936**	**51,637,998**	**3,170,384,705**	**233,949,319**	**208,812,776**	**25,151,037**	**32,214,514**
Cash	20,940,331	9,046,157	4,176,946	7,717,228	75,174,251	6,962,883	472,851	933,532	1,211,584
Notes and accounts receivable	49,981,460	20,460,822	9,173,341	20,347,297	688,247,867	50,571,714	52,693,377	5,397,534	6,439,766
Less: Allowance for bad debts	356,538	121,330	86,595	148,613	12,847,303	570,642	196,972	112,069	157,857
Inventories	18,784,642	12,908,364	1,484,222	4,392,056	293,983,858	23,346,142	8,159,285	5,423,009	8,141,092
Investments in Government obligations	678,779	224,949	212,926	240,904	17,728,574	1,347,452	108,245	*585,049	*81,398
Tax-exempt securities	754,213	93,569	576,485	84,158	14,626,935	231,069	251,044	*61,885	*10,822
Other current assets	18,037,878	11,106,265	2,568,011	4,363,601	190,456,976	8,588,415	*7,000,432	703,710	1,488,394
Loans to stockholders	2,807,259	972,652	629,072	1,205,534	20,429,979	1,909,220	71,758	134,545	123,460
Mortgage and real estate loans	5,403,436	5,000,819	121,570	281,046	26,201,962	55,845	252,910	*6,553	19,354
Other investments	12,601,515	5,409,967	5,273,052	1,918,497	765,745,131	61,921,831	78,076,919	2,468,783	7,336,252
Depreciable assets	63,119,583	15,151,194	22,815,894	25,152,494	1,355,872,486	93,671,762	18,113,236	15,469,584	8,339,444
Less: Accumulated depreciation	39,065,549	7,970,899	15,076,188	16,018,463	677,856,112	41,340,692	5,913,366	8,315,409	4,046,354
Depletable assets	270,299	*86,176	160,819	23,304	69,009,189	*59,197	193	*12,482	*145
Less: Accumulated depletion	84,555	*42,231	33,439	*8,885	30,617,739	8,084	145	*5,655	--
Land	4,031,736	2,432,040	828,488	771,208	35,343,611	3,649,230	704,732	227,598	194,762
Intangible assets (amortizable)	1,104,370	460,877	121,716	521,777	188,117,296	15,361,199	40,365,690	598,899	1,519,341
Less: Accumulated amortization	321,253	134,263	48,046	138,944	42,614,380	1,420,530	2,383,458	112,808	310,526
Other assets	5,310,545	3,415,085	961,662	933,798	193,382,124	9,613,310	11,036,045	1,673,815	1,823,437
Total liabilities	**163,998,149**	**78,500,215**	**33,859,936**	**51,637,998**	**3,170,384,705**	**233,949,319**	**208,812,776**	**25,151,037**	**32,214,514**
Accounts payable	31,274,752	16,522,728	4,883,810	9,868,215	297,105,434	36,458,137	4,791,456	2,715,788	4,829,942
Mortgages, notes, and bonds payable in less than one year	17,445,595	10,848,851	1,943,560	4,653,184	372,813,276	23,562,526	59,321,719	1,624,749	2,877,694
Other current liabilities	21,693,808	10,192,966	3,945,294	7,555,548	295,204,155	17,164,587	10,267,876	1,728,662	3,242,498
Loans from stockholders	4,684,225	2,668,715	480,296	1,535,214	36,691,900	2,714,085	165,034	254,682	678,519
Mortgages, notes, and bonds payable in one year or more	23,426,483	14,361,686	4,083,077	4,981,721	594,301,307	48,858,195	40,699,389	5,896,718	5,967,820
Other liabilities	8,162,719	3,656,806	2,608,441	1,897,471	346,888,149	19,194,183	14,819,242	1,251,112	1,059,986
Capital stock	4,811,812	1,701,473	1,441,515	1,668,824	125,034,748	9,940,934	4,736,498	940,604	1,380,523
Paid-in or capital surplus	9,719,081	3,724,525	3,975,184	2,019,372	468,216,164	28,008,074	61,352,600	1,779,805	4,369,920
Retained earnings, appropriated	143,507	34,839	*11,716	96,952	7,090,552	557,638	95,524	136	*18,547
Retained earnings, unappropriated	45,488,672	15,518,583	11,402,876	18,567,215	728,912,952	62,480,192	13,706,221	9,306,826	8,607,084
Less: Cost of treasury stock	2,852,505	730,958	915,832	1,205,716	101,873,932	14,989,233	1,142,783	348,046	818,019
Total receipts	**394,770,607**	**173,553,061**	**63,039,423**	**158,178,123**	**3,017,933,534**	**307,065,927**	**74,034,386**	**40,374,488**	**54,535,378**
Business receipts	385,979,796	169,199,848	60,662,595	156,117,353	2,801,844,753	295,591,672	64,188,238	39,479,802	53,015,254
Interest	2,339,086	1,464,799	439,303	434,984	65,319,099	2,591,128	4,591,250	160,761	415,907
Interest on Government obligations: State and local	115,214	31,611	66,577	17,026	1,589,583	36,144	3,795	13,426	14,297
Rents	759,286	469,449	152,567	137,270	31,546,129	1,009,376	702,341	42,708	50,993
Royalties	39,616	10,861	16,777	11,978	21,061,905	1,369,030	458,075	17,649	186,263
Net short-term capital gain reduced by net long-term capital loss	35,356	10,309	6,581	18,465	371,152	38,790	1,889	*1,193	*25,270
Net long-term capital gain reduced by net short-term capital loss	536,358	274,227	102,780	159,351	11,829,898	720,733	942,795	52,866	59,833
Net gain, noncapital assets	606,223	112,369	308,855	185,000	8,837,372	286,777	1,239,213	74,192	50,303
Dividends received from domestic corporations	66,629	31,170	26,788	8,672	3,482,783	370,601	87,745	13,932	7,588
Dividends received from foreign corporations	156,921	71,075	76,989	*8,857	27,114,377	1,720,559	798,960	70,712	130,805
Other receipts	4,136,123	1,877,343	1,179,612	1,079,168	44,936,485	3,331,116	1,020,086	447,245	578,865
Total deductions	**378,941,641**	**167,627,045**	**60,116,483**	**151,198,113**	**2,831,921,935**	**291,630,688**	**66,893,480**	**38,478,488**	**51,512,408**
Cost of sales and operations	299,173,094	141,471,997	47,749,096	109,952,001	1,915,249,216	204,337,265	31,526,494	29,550,304	37,561,397
Compensation of officers	13,223,529	4,269,088	1,436,404	7,518,036	28,168,694	2,022,353	204,131	744,547	1,554,735
Repairs	1,663,947	370,541	487,762	805,644	27,650,228	2,461,509	271,102	175,113	151,369
Bad debts	710,292	192,874	129,584	387,834	7,572,822	284,505	47,853	120,559	176,192
Rent paid on business property	3,142,296	860,777	622,491	1,659,028	27,425,465	2,285,616	421,874	282,440	700,282
Taxes paid	7,629,269	2,141,024	1,108,369	4,379,876	73,372,116	6,460,122	3,913,569	816,421	1,137,097
Interest paid	3,993,392	2,112,606	669,801	1,210,986	110,821,632	7,410,270	9,182,485	854,156	1,493,827
Contributions or gifts	115,272	43,231	28,145	43,896	2,352,245	317,080	106,113	20,536	29,977
Amortization	102,859	46,551	14,168	42,140	6,518,982	681,738	903,698	54,652	118,391
Depreciation	5,743,509	1,352,365	1,749,854	2,641,290	96,148,675	7,059,336	2,297,317	1,163,693	694,310
Depletion	39,792	6,964	29,811	*3,016	5,037,330	16,703	27	*307	*25
Advertising	970,931	378,429	71,265	521,237	47,220,972	13,036,183	4,900,334	303,097	792,942
Pension, profit-sharing, stock bonus, and annuity plans	1,543,794	420,388	288,278	835,128	13,350,739	1,096,779	211,388	141,095	175,813
Employee benefit programs	2,289,168	593,730	398,028	1,297,410	39,505,489	3,198,069	1,027,192	457,495	443,428
Net loss, noncapital assets	82,333	18,216	14,089	50,029	2,074,066	46,269	13	27,686	4,787
Other deductions	38,518,164	13,348,263	5,319,338	19,850,563	429,453,266	40,916,891	11,879,889	3,766,389	6,477,834
Total receipts less total deductions	15,828,966	5,926,017	2,922,940	6,980,009	186,011,599	15,435,239	7,140,906	1,896,000	3,022,970
Constructive taxable income from related foreign corporations	148,120	*41,381	*106,139	600	28,543,506	1,421,792	1,562,995	61,074	174,787
Net income	15,859,977	5,935,316	2,961,655	6,963,006	212,936,099	16,820,536	8,700,106	1,943,560	3,182,086
Income subject to tax	6,895,263	2,293,371	1,849,508	2,752,383	179,370,478	14,381,663	7,881,769	1,163,594	1,845,401
Income tax, total [2]	2,070,033	686,087	622,036	761,910	64,127,729	4,917,604	2,702,576	412,609	620,827
Regular tax	1,983,035	653,750	598,808	730,477	60,663,451	4,855,640	2,679,844	391,022	614,590
Personal holding company tax	*15	*14	--	(1)	116	--	--	--	--
Recapture of investment credit	2,708	330	2,294	*84	52,036	1,928	10,612	136	60
Alternative minimum tax	82,306	31,206	18,877	32,223	3,170,721	42,451	743	20,092	3,583
Environmental tax	2,552	822	1,425	304	260,145	18,381	11,562	1,389	1,948
Foreign tax credit	90,444	30,502	59,798	*144	20,777,364	933,483	374,031	46,221	99,557
U.S. possessions tax credit	6,820	--	6,810	10	3,072,082	371,750	15,219	1,944	39,073
Orphan drug credit	--	--	--	--	15,637	--	--	--	--
Nonconventional source fuel credit	*14	(1)	2	*12	49,393	8	--	--	--
General business credit	39,536	8,035	20,752	9,949	1,229,009	74,854	36,406	8,247	4,459
Prior year minimum tax credit	48,845	15,698	10,801	22,346	270,841	11,199	--	2,284	2,905
Total income tax after credits	1,884,374	631,052	523,873	729,449	38,713,404	3,526,310	2,276,919	353,913	474,832

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

RETURNS WITH NET INCOME

Table 7--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	Chemical 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	**9,949**	**5,292**	**2,147**	**24,704**	**6,443**	**1,159**	**6,607**	**932**	**5,930**
Total assets	**59,890,370**	**12,894,254**	**106,601,555**	**131,858,352**	**412,700,446**	**539,131,246**	**27,371,495**	**15,747,016**	**45,520,182**
Cash	1,832,004	730,343	1,422,370	4,436,312	8,958,764	3,881,600	1,610,511	298,731	1,231,535
Notes and accounts receivable	4,983,589	3,213,415	13,301,934	21,063,621	73,078,556	82,551,392	6,482,553	4,311,829	6,290,922
Less: Allowance for bad debts	103,061	76,175	281,096	1,198,541	1,000,093	686,343	149,042	30,281	199,752
Inventories	5,564,357	2,662,902	9,848,251	7,717,936	35,021,132	20,432,327	4,999,052	2,555,169	4,425,423
Investments in Government obligations	167,071	58,718	286,908	758,263	828,316	285,858	30,034	*13,822	72,288
Tax-exempt securities	*18,190	*3,146	344,637	563,013	794,318	256,159	*59,316	*13,224	*48,932
Other current assets	3,351,316	384,765	2,402,431	5,802,092	23,426,371	20,087,586	810,925	387,387	1,753,003
Loans to stockholders	141,542	33,301	574,776	756,144	4,427,352	5,902,363	229,474	19,222	140,771
Mortgage and real estate loans	1,263,333	*45,708	216,779	96,864	325,138	45,157	*24,141	*3,339	39,507
Other investments	8,434,166	1,136,281	26,256,168	38,120,710	119,483,284	184,977,043	3,010,894	669,138	13,530,522
Depreciable assets	36,617,842	6,833,481	73,222,256	51,873,355	173,604,731	304,542,514	16,548,370	4,080,999	27,069,144
Less: Accumulated depreciation	16,850,019	3,428,411	30,709,538	25,722,590	84,148,186	154,725,136	8,467,565	2,231,747	14,436,570
Depletable assets	6,443,056	*10,448	2,748,994	*20,655	6,765,269	48,888,277	--	--	513,086
Less: Accumulated depletion	224,877	*5,648	450,175	*16,698	3,716,821	24,960,293	--	--	100,877
Land	527,735	174,937	1,043,990	1,656,037	4,185,055	6,627,168	397,565	4,980,298	1,114,497
Intangible assets (amortizable)	255,285	778,894	1,931,864	16,931,893	22,028,230	41,978,243	1,333,661	315,514	2,590,852
Less: Accumulated amortization	61,930	91,607	438,133	3,022,650	4,399,159	22,481,996	367,611	102,140	257,628
Other assets	7,530,771	429,755	4,879,137	12,021,936	33,038,190	21,529,324	819,218	462,512	1,694,529
Total liabilities	**59,890,370**	**12,894,254**	**106,601,555**	**131,858,352**	**412,700,446**	**539,131,246**	**27,371,495**	**15,747,016**	**45,520,182**
Accounts payable	4,825,307	1,388,182	12,575,439	9,799,988	40,745,402	64,610,105	2,757,791	791,995	3,134,923
Mortgages, notes, and bonds payable in less than one year	1,698,721	745,661	5,583,398	5,755,960	33,289,478	18,489,712	2,249,959	392,659	1,919,591
Other current liabilities	3,200,538	1,110,172	6,698,715	11,533,408	31,786,320	35,302,627	2,383,255	1,953,371	2,909,348
Loans from stockholders	461,392	201,511	1,433,273	2,313,761	4,866,122	11,814,943	563,314	*76,341	336,461
Mortgages, notes, and bonds payable in one year or more	18,730,074	2,199,343	24,115,878	32,941,156	76,846,330	88,153,821	5,459,304	5,126,479	9,279,511
Other liabilities	3,365,402	371,661	10,379,026	9,118,967	43,230,268	80,021,644	999,945	4,454,077	2,828,802
Capital stock	2,911,422	595,718	4,071,556	7,346,359	17,465,102	16,647,416	1,039,732	1,710,625	2,067,944
Paid-in or capital surplus	10,568,552	758,361	13,414,156	18,251,031	79,405,154	108,747,831	2,653,882	496,226	13,675,180
Retained earnings, appropriated	59,806	*2,952	*28,513	120,736	760,090	404,649	*11,357	8,714	271,718
Retained earnings, unappropriated	14,678,317	5,820,027	30,391,713	38,708,837	101,716,919	139,658,184	9,683,673	987,452	11,080,486
Less: Cost of treasury stock	609,162	299,332	2,090,113	4,031,852	17,410,759	24,719,686	430,717	250,924	1,983,784
Total receipts	**61,279,638**	**24,946,521**	**100,189,964**	**125,547,532**	**342,423,687**	**530,295,467**	**44,158,424**	**15,660,497**	**41,989,333**
Business receipts	58,614,103	24,387,382	96,709,294	118,354,215	315,465,475	499,684,902	42,881,554	15,043,921	39,454,530
Interest	872,428	76,160	553,196	2,022,201	5,966,896	9,967,186	205,118	261,249	384,795
Interest on Government obligations: State and local	6,269	9,564	29,639	50,663	113,520	43,641	7,110	11,901	7,737
Rents	74,635	18,679	249,279	408,022	767,970	2,344,440	108,661	36,824	119,667
Royalties	64,315	8,370	604,937	473,526	4,134,039	1,563,871	137,374	42,557	195,785
Net short-term capital gain reduced by net long-term capital loss	6,997	*1,626	173	9,545	29,686	119,404	*3	*259	*110
Net long-term capital gain reduced by net short-term capital loss	472,233	105,031	437,371	1,503,719	2,819,519	865,343	160,439	2,668	593,502
Net gain, noncapital assets	96,801	18,760	95,639	373,209	861,613	1,527,791	64,642	17,810	76,588
Dividends received from domestic corporations	35,964	5,494	104,239	104,812	625,555	848,678	9,346	19,391	77,802
Dividends received from foreign corporations	166,804	31,397	744,039	182,326	4,954,486	3,297,097	155,428	*24,097	475,136
Other receipts	869,089	284,060	662,158	2,065,293	6,684,929	10,033,115	428,750	199,821	603,680
Total deductions	**58,457,364**	**23,481,990**	**93,357,281**	**115,259,731**	**310,505,561**	**501,868,548**	**41,182,417**	**14,944,129**	**38,631,571**
Cost of sales and operations	42,587,000	16,714,960	63,572,721	55,606,130	190,321,739	389,233,844	28,884,598	10,393,697	24,996,150
Compensation of officers	859,069	546,654	734,116	3,293,616	1,989,247	562,153	1,094,918	223,704	732,157
Repairs	1,321,585	80,374	2,028,822	807,819	4,409,906	6,913,340	190,044	61,340	870,927
Bad debts	113,775	105,877	150,703	800,114	535,296	321,805	105,653	30,584	120,825
Rent paid on business property	572,346	305,154	860,859	2,105,059	3,198,403	3,927,163	365,001	290,018	449,949
Taxes paid	1,451,829	630,322	2,027,775	3,567,419	6,094,436	18,806,795	943,365	407,803	1,082,720
Interest paid	1,958,780	302,402	2,571,541	4,386,102	10,211,460	18,330,863	810,851	540,051	1,175,333
Contributions or gifts	29,730	17,684	71,287	166,502	499,095	225,671	19,171	11,175	25,626
Amortization	49,713	30,807	144,233	911,336	836,364	967,737	112,781	9,932	67,851
Depreciation	2,238,376	528,198	4,996,900	4,974,410	11,037,191	12,179,427	1,333,871	212,760	1,580,988
Depletion	432,346	750	202,215	17,940	530,790	3,116,872	*409	40,194	111,585
Advertising	268,586	291,844	1,138,807	1,905,662	10,023,599	1,033,211	371,083	293,463	271,535
Pension, profit-sharing, stock bonus, and annuity plans	216,108	142,285	492,249	999,415	1,688,038	1,097,773	270,399	46,321	208,098
Employee benefit programs	631,255	322,643	1,271,499	2,106,383	4,580,599	2,395,216	582,642	203,487	705,435
Net loss, noncapital assets	9,144	9,118	36,696	67,008	116,619	1,099,371	7,628	*4,234	26,980
Other deductions	5,717,724	3,452,917	13,056,859	33,544,818	64,432,780	41,657,306	6,090,003	2,175,365	6,205,412
Total receipts less total deductions	2,822,274	1,464,531	6,832,683	10,287,801	31,918,126	28,426,920	2,976,007	716,368	3,357,762
Constructive taxable income from related foreign corporations	47,645	3,367	604,204	149,114	4,993,577	5,198,857	93,351	*11,451	383,661
Net income	2,860,489	1,458,334	7,407,219	10,384,566	36,796,457	33,582,136	3,056,271	715,918	3,733,687
Income subject to tax	1,863,228	950,134	6,558,560	8,120,884	33,534,803	30,391,435	1,888,822	467,306	3,040,913
Income tax, total [9]	683,214	316,831	2,345,463	2,773,194	11,877,240	11,147,836	647,482	158,053	1,052,769
Regular tax	614,469	314,861	2,221,619	2,720,672	11,402,563	10,322,808	630,234	156,930	1,023,959
Personal holding company tax	--	--	--	--	--	--	--	--	--
Recapture of investment credit	747	283	826	1,230	8,368	5,078	211	28	335
Alternative minimum tax	67,042	*626	115,834	42,189	427,574	766,296	16,162	*513	24,097
Environmental tax	2,967	1,076	10,438	10,228	45,501	53,654	1,826	581	4,006
Foreign tax credit	38,025	*3,566	495,340	225,563	3,607,904	5,376,170	96,127	8,720	310,409
U.S. possessions tax credit	--	22	3,857	2,625	1,773,810	23,059	11,240	17,808	7,787
Orphan drug credit	--	--	--	--	15,551	--	--	--	--
Nonconventional source fuel credit	7	--	1,163	*1	*3,343	44,042	37	--	80
General business credit	13,728	3,817	46,397	38,026	235,934	94,218	17,794	12,741	15,595
Prior year minimum tax credit	*834	*526	*288	4,663	15,994	*43,645	1,207	524	4,672
Total income tax after credits	630,620	308,901	1,798,418	2,502,315	6,224,703	5,566,702	521,077	118,260	714,226

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

RETURNS WITH NET INCOME

Table 7--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	2,518	30,941	15,456	11,063	1,138	2,228	5,566	15,445
Total assets	84,295,277	93,976,516	238,149,063	326,028,580	315,531,973	122,704,601	77,421,629	60,434,506
Cash	1,968,914	4,832,621	8,266,502	13,388,538	4,359,558	1,808,440	4,200,610	2,366,048
Notes and accounts receivable	15,125,008	19,922,922	61,082,228	67,553,052	135,680,526	26,378,590	20,212,420	11,912,918
Less: Allowance for bad debts	261,056	300,308	1,456,579	3,348,137	1,552,104	372,136	322,641	472,418
Inventories	11,427,279	15,444,755	30,131,733	33,702,997	13,937,609	32,852,904	10,426,907	7,763,595
Investments in Government obligations	295,101	469,641	4,588,637	4,920,685	*2,533,221	*62,918	116,081	118,869
Tax-exempt securities	*67,623	294,289	2,645,962	5,635,277	*2,546,468	*29,035	270,858	*481,666
Other current assets	3,469,034	3,110,007	11,563,606	68,589,401	11,702,625	10,475,238	3,130,684	2,229,555
Loans to stockholders	1,611,135	362,613	1,388,967	652,091	975,082	553,736	162,874	259,554
Mortgage and real estate loans	*41,116	152,570	450,366	1,084,561	*21,492,380	*368,802	*69,749	*147,791
Other investments	16,687,902	18,612,005	44,406,875	49,843,316	49,888,483	12,436,981	10,326,657	18,120,921
Depreciable assets	49,732,393	45,952,109	105,007,209	113,305,705	104,064,330	55,632,813	35,743,460	16,447,749
Less: Accumulated depreciation	23,950,736	24,948,705	55,374,437	61,198,219	57,055,384	29,075,787	17,727,934	8,189,326
Depletable assets	2,288,361	222,054	*107,910	*690,456	644	131,963	*1,236	*104,763
Less: Accumulated depletion	631,305	136,571	*16,981	*311,061	456	23,192	*60	*8,840
Land	965,836	1,220,963	1,997,607	1,917,081	1,089,492	1,371,308	804,270	493,449
Intangible assets (amortizable)	1,848,651	2,628,230	10,778,819	9,995,219	6,088,160	2,572,827	4,271,035	3,944,790
Less: Accumulated amortization	456,229	347,551	1,859,390	1,605,268	625,738	795,064	759,608	715,357
Other assets	4,066,249	6,484,870	14,440,030	21,212,885	20,407,079	8,295,223	6,495,029	5,428,779
Total liabilities	84,295,277	93,976,516	238,149,063	326,028,580	315,531,973	122,704,601	77,421,629	60,434,506
Accounts payable	10,480,425	8,684,360	22,571,884	22,980,795	16,677,336	11,465,211	10,620,979	4,199,986
Mortgages, notes, and bonds payable in less than one year	3,914,706	7,265,227	29,555,762	70,480,410	79,129,826	11,604,508	7,392,119	5,958,892
Other current liabilities	6,234,547	7,646,634	29,738,136	35,679,840	43,237,139	32,013,978	7,083,329	4,289,175
Loans from stockholders	3,163,918	1,101,628	1,084,790	1,459,886	1,258,022	276,275	1,695,985	771,957
Mortgages, notes, and bonds payable in one year or more	16,586,177	14,491,911	39,295,821	46,534,810	69,392,345	19,704,593	14,468,769	9,552,863
Other liabilities	15,585,718	7,993,620	18,025,905	59,768,478	35,151,770	8,196,765	4,773,879	6,297,679
Capital stock	5,139,967	4,671,753	15,921,870	9,949,863	4,986,050	6,743,222	4,344,697	2,422,892
Paid-in or capital surplus	21,950,900	15,354,507	24,867,402	21,335,751	18,900,503	6,017,156	7,700,291	8,608,881
Retained earnings, appropriated	130,727	146,255	2,075,472	665,237	*243,073	120,836	*1,210,114	158,457
Retained earnings, unappropriated	2,720,148	30,302,043	62,264,429	65,720,545	47,624,304	29,703,994	23,960,390	19,791,165
Less: Cost of treasury stock	1,611,958	3,681,422	7,252,409	8,547,037	1,068,394	3,141,938	5,828,924	1,617,441
Total receipts	103,359,770	129,479,426	231,711,534	250,054,798	230,771,120	161,964,232	82,065,782	66,025,630
Business receipts	99,820,042	124,955,073	194,521,084	226,919,880	201,597,863	151,833,005	76,245,404	63,082,058
Interest	1,271,103	1,205,226	4,756,202	7,136,478	19,429,453	2,241,466	647,905	562,991
Interest on Government obligations: State and local	14,853	47,597	287,069	532,293	204,496	15,650	53,717	86,204
Rents	96,178	339,942	11,724,099	5,837,898	4,859,230	1,660,936	938,502	155,749
Royalties	99,887	288,720	8,159,808	1,625,391	128,800	240,598	966,227	296,682
Net short-term capital gain reduced by net long-term capital loss	*11,985	907	41,632	43,269	*531	9,709	397	27,776
Net long-term capital gain reduced by net short-term capital loss	319,178	296,699	642,640	965,710	84,554	431,158	85,707	268,200
Net gain, noncapital assets	75,073	344,350	329,671	1,324,683	1,372,888	443,711	93,788	69,871
Dividends received from domestic corporations	103,082	53,878	221,873	252,740	125,653	104,696	26,236	283,478
Dividends received from foreign corporations	507,898	617,320	6,562,822	1,919,421	1,445,130	1,306,121	1,736,240	267,580
Other receipts	1,040,492	1,329,714	4,464,634	3,497,036	1,522,521	3,677,182	1,271,659	925,040
Total deductions	98,131,210	120,967,461	215,631,127	232,809,235	228,050,958	152,863,911	75,598,467	61,665,909
Cost of sales and operations	79,345,097	86,409,315	125,095,808	140,326,357	159,670,401	114,819,048	43,091,733	41,205,158
Compensation of officers	810,544	3,959,795	2,793,012	2,463,256	497,809	497,691	1,014,416	1,570,768
Repairs	844,879	720,742	1,274,383	1,639,194	1,689,677	1,168,437	301,460	268,207
Bad debts	91,255	283,559	973,557	1,135,835	1,595,422	206,899	162,539	210,017
Rent paid on business property	659,018	1,119,933	2,856,142	2,925,533	1,374,914	1,319,701	772,248	633,812
Taxes paid	1,753,367	3,104,353	5,235,502	5,595,432	4,559,552	3,059,978	1,457,496	1,266,762
Interest paid	2,058,606	2,760,520	7,618,742	15,106,951	16,774,026	3,208,064	2,445,132	1,621,468
Contributions or gifts	33,518	60,897	248,255	132,568	81,289	74,618	143,879	37,574
Amortization	164,606	177,523	322,820	388,173	59,002	103,464	222,057	192,103
Depreciation	2,903,120	3,426,078	7,531,176	12,170,519	12,679,300	3,461,344	2,206,005	1,474,356
Depletion	452,144	10,517	49,967	*15,311	*4,862	29,413	109	*4,843
Advertising	194,098	1,026,973	2,329,956	2,566,011	2,438,505	363,326	2,348,239	1,323,516
Pension, profit-sharing, stock bonus, and annuity plans	638,506	692,038	1,432,563	1,798,490	279,067	872,793	617,549	233,972
Employee benefit programs	1,520,989	1,989,523	4,616,094	4,791,679	3,251,114	3,343,021	1,292,600	775,127
Net loss, noncapital assets	89,453	22,370	269,778	135,533	9,135	14,980	30,272	46,993
Other deductions	6,572,007	15,203,325	52,983,373	41,618,391	23,086,882	20,321,134	19,492,736	10,801,232
Total receipts less total deductions	5,228,560	8,511,965	16,080,407	17,245,562	2,720,161	9,100,321	6,467,315	4,359,721
Constructive taxable income from related foreign corporations	343,477	417,953	5,029,048	1,875,712	4,388,761	581,801	984,916	215,963
Net income	5,557,185	8,881,228	20,822,646	18,588,949	6,904,426	9,652,312	7,398,513	4,489,476
Income subject to tax	4,005,860	5,927,790	18,242,611	15,568,876	6,298,357	8,056,094	6,442,940	2,739,439
Income tax, total [2]	1,471,731	1,974,869	6,511,838	5,459,093	3,103,111	2,772,451	2,236,917	942,020
Regular tax	1,353,275	1,929,803	6,170,765	5,283,467	2,150,711	2,737,053	2,180,103	909,062
Personal holding company tax	--	--	116	--	--	--	--	--
Recapture of investment credit	336	653	7,572	4,142	5,822	1,875	1,730	62
Alternative minimum tax	110,783	38,666	310,317	150,700	932,655	23,596	47,377	29,427
Environmental tax	7,338	5,798	23,131	21,884	14,771	12,688	7,756	3,221
Foreign tax credit	355,549	367,010	4,167,438	1,208,468	1,730,382	351,871	825,366	156,165
U.S. possessions tax credit	202	3,920	117,622	268,700	9,737	993	346,759	55,955
Orphan drug credit	--	--	--	--	--	--	*86	--
Nonconventional source fuel credit	--	42	254	417	--	--	--	--
General business credit	83,536	20,174	131,393	230,040	64,260	41,962	44,152	10,434
Prior year minimum tax credit	5,987	11,249	18,258	16,253	*549	92,389	33,986	*3,427
Total income tax after credits	1,026,458	1,572,475	2,076,873	3,734,414	1,298,163	2,285,216	986,568	716,040

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

RETURNS WITH NET INCOME

Table 7--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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	81,418	64,458	8,845	8,115	527,128	187,270	15,464	32,788	139,018
Total assets	1,193,283,288	175,610,755	436,860,513	580,812,020	943,135,395	409,085,158	39,385,582	54,069,655	315,629,921
Cash	19,774,955	8,227,093	6,812,331	4,735,531	57,074,330	28,895,955	2,217,913	3,738,449	22,939,593
Notes and accounts receivable	131,953,117	25,007,516	70,536,159	36,409,442	235,491,223	128,476,975	11,598,247	14,466,324	102,412,404
Less: Allowance for bad debts	3,512,844	556,532	1,663,443	1,292,869	3,877,982	2,209,223	227,088	271,242	1,710,893
Inventories	23,655,312	3,425,574	5,468,572	14,761,165	240,630,729	106,430,260	9,882,547	17,575,977	78,971,736
Investments in Government obligations	4,629,899	1,520,379	1,391,922	1,717,599	3,352,502	2,435,549	136,176	447,159	1,852,214
Tax-exempt securities	2,913,456	670,994	651,832	1,590,630	1,906,328	514,080	*38,415	*16,953	458,712
Other current assets	45,162,172	6,724,859	13,098,300	25,339,013	59,383,540	24,212,382	1,153,420	1,984,349	21,074,613
Loans to stockholders	1,569,827	834,847	313,725	421,255	7,869,233	3,178,370	585,859	414,584	2,177,927
Mortgage and real estate loans	3,534,335	606,397	113,977	2,813,961	6,440,257	899,407	153,336	131,259	614,812
Other investments	167,730,326	18,978,182	92,942,169	55,809,975	98,973,457	40,095,128	2,468,119	6,571,735	31,055,273
Depreciable assets	1,047,904,231	156,375,318	328,797,731	562,731,182	310,050,328	106,974,026	15,343,021	14,267,817	77,363,189
Less: Accumulated depreciation	370,492,278	64,222,208	127,998,827	178,271,244	145,765,885	55,680,092	7,567,289	7,528,471	40,584,332
Depletable assets	7,644,773	429,762	*1,773	7,213,238	1,036,424	830,813	*14,745	119,281	696,787
Less: Accumulated depletion	3,098,574	181,407	*1,131	2,916,036	501,753	415,446	*9,909	38,067	367,471
Land	10,589,494	3,152,722	2,567,927	4,868,845	23,258,841	6,919,778	775,538	780,112	5,364,128
Intangible assets (amortizable)	27,500,562	4,432,072	16,841,605	6,226,885	21,254,562	8,898,661	1,957,848	679,261	6,261,552
Less: Accumulated amortization	3,448,274	583,982	1,596,512	1,267,779	4,519,003	1,923,329	289,937	179,446	1,453,946
Other assets	79,272,800	10,769,169	28,582,401	39,921,230	31,078,267	10,551,865	1,154,622	893,620	8,503,623
Total liabilities	1,193,283,288	175,610,755	436,860,513	580,812,020	943,135,395	409,085,158	39,385,582	54,069,655	315,629,921
Accounts payable	69,189,787	17,973,069	25,345,986	25,870,732	170,098,154	88,437,672	8,245,049	10,066,772	70,125,851
Mortgages, notes, and bonds payable in less than one year	63,755,881	9,081,503	32,668,989	22,005,388	142,400,130	70,841,027	3,462,426	8,292,264	59,086,337
Other current liabilities	92,714,432	18,953,152	30,143,381	43,617,899	102,894,336	33,047,519	3,637,917	3,929,305	25,480,297
Loans from stockholders	4,037,374	2,105,873	921,628	1,009,873	22,552,734	10,338,829	814,312	1,047,396	8,477,121
Mortgages, notes, and bonds payable in one year or more	340,666,129	43,580,784	106,305,798	190,779,548	159,738,899	49,961,778	7,940,766	6,882,215	35,138,797
Other liabilities	165,274,317	24,359,343	54,377,532	86,537,442	30,093,352	11,588,192	1,789,720	3,454,395	6,344,077
Capital stock	122,503,511	5,859,147	35,321,179	81,323,185	38,483,062	20,391,356	1,521,162	2,517,001	16,353,194
Paid-in or capital surplus	167,979,384	16,611,234	95,513,793	55,854,356	68,989,953	23,611,416	2,436,574	3,025,507	18,149,336
Retained earnings, appropriated	2,724,928	313,150	577,291	1,834,487	1,165,537	509,334	99,897	71,308	338,129
Retained earnings, unappropriated	179,586,855	40,321,779	63,401,271	75,863,806	223,042,255	106,331,354	10,158,145	15,848,474	80,324,735
Less: Cost of treasury stock	15,149,311	3,548,278	7,716,336	3,884,696	16,323,017	5,973,320	720,387	1,064,983	4,187,951
Total receipts	710,023,438	217,262,066	224,580,630	268,180,742	2,358,156,788	1,187,295,174	187,412,281	109,925,291	889,957,603
Business receipts	667,869,072	206,816,009	206,278,933	254,774,130	2,298,010,517	1,165,030,493	184,417,185	106,960,352	873,652,955
Interest	12,658,156	2,665,518	4,523,840	5,468,798	15,301,331	5,868,147	387,325	649,428	4,831,394
Interest on Government obligations: State and local	299,710	26,818	94,722	178,171	1,394,319	146,694	16,762	19,202	110,729
Rents	8,292,722	1,888,846	4,348,224	2,055,653	7,134,270	2,363,590	255,623	545,050	1,562,917
Royalties	348,051	123,723	92,309	132,019	1,467,672	270,272	*24,701	24,344	221,227
Net short-term capital gain reduced by net long-term capital loss	125,146	3,897	93,045	28,205	96,161	77,261	*816	*5,704	70,740
Net long-term capital gain reduced by net short-term capital loss	4,095,038	815,357	2,432,709	846,972	2,962,056	809,749	26,370	126,277	657,103
Net gain, noncapital assets	2,732,177	1,773,569	300,948	657,661	2,131,847	1,018,868	85,389	205,553	727,926
Dividends received from domestic corporations	586,184	74,152	166,112	345,919	613,599	303,781	16,735	32,231	254,816
Dividends received from foreign corporations	172,020	43,066	104,098	24,856	1,526,711	515,922	*3,495	30,542	481,884
Other receipts	12,845,162	3,031,111	6,145,692	3,668,358	27,518,304	10,890,397	2,177,880	1,326,607	7,385,910
Total deductions	658,569,345	207,955,904	204,367,198	246,246,243	2,292,745,511	1,158,924,613	184,769,323	106,084,378	868,070,912
Cost of sales and operations	310,311,456	92,677,903	87,699,407	129,934,146	1,763,469,522	968,411,076	160,155,693	79,972,815	728,282,568
Compensation of officers	5,279,965	3,243,853	845,478	1,190,634	35,353,509	18,560,829	1,773,113	3,169,520	13,618,197
Repairs	26,396,947	4,356,064	11,628,641	10,412,243	9,035,343	3,137,348	586,850	349,115	2,201,383
Bad debts	4,262,822	536,322	2,852,804	873,696	5,870,117	2,325,077	257,508	278,423	1,789,146
Rent paid on business property	16,461,296	9,361,802	4,383,751	2,715,742	37,676,801	8,619,782	1,195,332	1,070,356	6,354,094
Taxes paid	33,377,055	8,293,071	9,578,491	15,505,494	33,942,377	12,771,671	1,591,036	1,452,472	9,728,163
Interest paid	40,319,962	6,019,177	12,178,473	22,122,313	33,721,801	13,126,673	1,325,540	1,455,021	10,346,112
Contributions or gifts	528,209	88,634	206,230	233,346	633,605	253,564	47,644	34,539	171,381
Amortization	2,558,123	366,856	1,729,854	461,414	1,708,829	660,514	111,347	62,110	487,057
Depreciation	66,049,041	11,097,201	27,109,019	27,842,821	27,710,609	10,348,234	1,379,539	1,616,176	7,352,519
Depletion	467,073	75,540	65	391,467	68,739	57,219	58	14,317	42,844
Advertising	3,583,157	1,337,321	1,834,894	410,941	27,108,337	7,628,090	597,449	579,159	6,451,482
Pension, profit-sharing, stock bonus, and annuity plans	4,381,012	1,791,380	1,175,346	1,414,287	4,952,073	2,408,274	351,082	393,261	1,663,931
Employee benefit programs	12,922,335	4,336,894	5,835,666	2,749,776	12,435,077	4,331,167	792,170	690,540	2,848,458
Net loss, noncapital assets	1,390,577	51,864	1,070,366	268,348	662,071	134,699	7,657	33,787	93,255
Other deductions	130,280,313	64,322,023	36,238,712	29,719,577	298,396,702	106,150,394	14,597,305	14,912,766	76,640,323
Total receipts less total deductions	51,454,093	9,306,162	20,213,433	21,934,498	65,411,277	28,370,561	2,642,957	3,840,913	21,886,691
Constructive taxable income from related foreign corporations	340,479	165,948	111,115	63,416	1,412,078	691,903	*5,393	18,717	667,793
Net income	51,490,850	9,441,913	20,229,824	21,819,112	65,383,876	28,895,607	2,631,588	3,839,064	22,424,955
Income subject to tax	45,428,604	6,681,397	18,521,741	20,225,465	42,122,909	16,932,602	1,756,039	2,262,706	12,913,857
Income tax, total [2]	16,718,464	2,484,241	6,776,784	7,457,440	13,714,438	5,465,438	572,936	713,913	4,178,589
Regular tax	15,227,584	2,172,788	6,255,767	6,799,029	13,310,705	5,329,790	561,078	682,828	4,085,884
Personal holding company tax	*5	*5	--	--	*962	*765	--	*1	*764
Recapture of investment credit	45,828	1,245	33,578	11,005	6,608	3,692	358	362	2,971
Alternative minimum tax	1,387,366	298,950	441,892	646,524	352,763	115,876	10,467	29,265	76,144
Environmental tax	86,164	11,052	36,056	39,057	43,174	13,788	1,697	1,390	10,701
Foreign tax credit	138,131	36,416	86,105	15,610	934,596	289,937	*1,501	12,536	275,899
U.S. possessions tax credit	58,332	(1)	58,332	--	30,713	6,539	23	70	6,447
Orphan drug credit	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	12,955	431	--	12,523	547	*521	--	*45	*476
General business credit	977,010	175,920	253,706	547,384	213,340	57,980	3,687	12,517	41,776
Prior year minimum tax credit	46,080	10,149	2,292	33,640	43,439	15,153	*1,679	2,191	11,284
Total income tax after credits	15,485,956	2,261,325	6,376,349	6,848,282	12,491,805	5,095,308	566,046	686,554	3,842,708

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

RETURNS WITH NET INCOME

Table 7--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 furnishing 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, total	**337,901**	**23,840**	**5,227**	**32,217**	**48,183**	**21,822**	**19,578**	**69,416**	**117,618**	**1,957**
Total assets	**532,881,010**	**24,333,403**	**208,180,677**	**75,569,838**	**59,310,818**	**30,999,106**	**18,085,855**	**46,403,833**	**69,997,480**	**1,169,226**
Cash	28,049,035	1,867,628	5,339,148	3,496,602	4,649,169	1,497,211	1,478,830	3,513,939	6,206,508	129,341
Notes and accounts receivable	106,675,695	4,656,430	66,667,752	5,368,845	7,988,869	3,982,257	4,370,943	2,458,018	11,182,581	338,552
Less: Allowance for bad debts	1,665,053	67,979	819,779	49,843	107,481	121,518	133,940	91,628	272,885	*3,706
Inventories	133,842,132	8,468,549	34,054,142	16,521,908	29,550,531	9,655,384	6,535,632	1,490,008	27,565,978	358,336
Investments in Government obligations	915,969	44,429	*67,850	248,428	139,577	109,036	*42,087	29,689	234,873	*984
Tax-exempt securities	1,392,248	*10,829	*881,216	261,730	*13,640	*8,745	*68,021	34,299	113,768	--
Other current assets	35,152,865	1,099,062	24,822,709	1,965,065	1,483,361	1,501,218	782,211	1,302,250	2,196,989	18,292
Loans to stockholders	4,689,138	314,109	613,062	261,108	724,612	234,205	204,678	803,277	1,534,086	*1,725
Mortgage and real estate loans	5,538,982	265,486	4,606,670	65,305	153,752	11,113	25,237	321,463	89,957	*1,868
Other investments	58,740,884	1,263,636	29,449,724	9,866,489	1,526,523	4,692,484	1,219,078	7,824,164	2,898,786	137,445
Depreciable assets	202,739,942	9,509,481	48,648,571	44,862,961	19,835,356	12,221,801	5,271,550	36,156,622	26,233,599	336,359
Less: Accumulated depreciation	89,890,111	4,904,200	17,582,165	19,481,778	10,096,925	4,902,779	2,564,132	16,684,659	13,673,474	195,681
Depletable assets	205,611	*45,081	793	*6,815	25,204	*117	--	95,603	*31,998	--
Less: Accumulated depletion	86,307	*8,301	394	*4,024	*9,251	*29	--	*37,196	*27,111	--
Land	16,322,069	1,118,473	3,401,084	3,745,779	1,837,895	239,229	258,599	4,329,173	1,391,835	16,993
Intangible assets (amortizable)	12,339,034	260,195	1,697,115	2,178,065	615,613	1,179,126	195,960	3,343,822	2,869,137	*16,867
Less: Accumulated amortization	2,589,846	48,692	182,556	391,679	237,891	208,374	35,625	709,892	775,137	*5,828
Other assets	20,508,723	439,187	6,515,735	6,648,062	1,218,264	899,879	366,725	2,224,880	2,195,991	17,679
Total liabilities	**532,881,010**	**24,333,403**	**208,180,677**	**75,569,838**	**59,310,818**	**30,999,106**	**18,085,855**	**46,403,833**	**69,997,480**	**1,169,226**
Accounts payable	81,453,794	3,334,663	35,434,779	13,112,709	5,390,970	4,211,299	2,980,148	3,061,712	13,927,514	206,688
Mortgages, notes, and bonds payable in less than one year	71,420,996	2,710,302	25,684,392	8,486,584	23,470,688	1,598,265	1,274,860	2,639,515	5,556,391	138,107
Other current liabilities	69,752,798	1,553,729	43,801,289	7,209,606	3,273,555	2,912,985	1,871,985	3,367,022	5,762,627	94,019
Loans from stockholders	12,150,054	800,803	1,085,286	1,097,973	2,072,891	1,336,468	559,856	1,651,489	3,545,289	*63,852
Mortgages, notes, and bonds payable in one year or more	109,685,888	4,063,545	37,336,247	26,052,644	7,871,926	4,535,383	2,758,922	15,941,737	11,125,484	91,233
Other liabilities	18,484,464	582,970	6,097,473	4,077,293	861,044	1,951,494	663,475	2,400,688	1,850,027	*20,696
Capital stock	17,958,913	1,074,802	2,972,498	2,211,546	2,510,258	2,278,430	806,757	2,777,058	3,327,564	132,793
Paid-in or capital surplus	45,070,917	1,554,657	23,250,090	4,459,429	1,741,401	2,749,947	1,265,824	4,961,847	5,087,723	307,619
Retained earnings, appropriated	656,202	*65,862	*226,510	73,735	60,658	*18,755	*60,966	*19,380	130,336	--
Retained earnings, unappropriated	116,574,544	9,024,548	34,483,118	10,008,508	13,215,929	10,231,573	6,630,284	11,766,031	21,214,552	136,357
Less: Cost of treasury stock	10,327,559	432,480	2,191,004	1,220,190	1,158,501	825,493	787,222	2,182,645	1,530,026	*22,137
Total receipts	**1,168,337,248**	**60,465,147**	**231,004,538**	**271,392,457**	**231,953,718**	**59,707,309**	**40,830,296**	**86,880,011**	**186,103,773**	**2,524,366**
Business receipts	1,130,529,762	59,194,888	217,001,014	265,525,369	227,439,430	57,660,518	39,374,697	82,112,982	182,220,863	2,450,262
Interest	9,422,744	462,225	5,713,704	702,523	587,859	603,434	286,640	392,984	673,375	10,440
Interest on Government obligations: State and local	1,247,625	7,090	1,136,805	36,672	3,091	10,081	8,951	8,384	36,552	--
Rents	4,742,817	175,610	1,128,025	723,778	726,549	74,457	50,941	1,537,823	325,635	*27,863
Royalties	1,197,400	57,532	27,217	19,717	*1,479	366,661	*64,927	474,813	185,054	--
Net short-term capital gain reduced by net long-term capital loss	18,900	*1,782	*5,282	2,637	*2,521	*181	*488	2,388	*3,623	--
Net long-term capital gain reduced by net short-term capital loss	2,149,792	20,182	884,242	688,626	66,660	19,866	44,631	294,124	131,461	*2,515
Net gain, noncapital assets	1,111,034	63,140	95,941	155,916	280,209	4,822	39,750	240,902	230,353	*1,945
Dividends received from domestic corporations	308,139	10,645	159,501	29,572	4,634	56,311	3,290	14,960	29,225	*1,679
Dividends received from foreign corporations	1,010,789	*366	177,257	*474,164	*458	*1,461	1,499	340,710	14,872	--
Other receipts	16,598,246	471,687	4,675,549	3,033,482	2,840,826	909,517	954,483	1,459,941	2,252,761	29,661
Total deductions	**1,131,401,441**	**58,416,198**	**221,810,093**	**265,576,965**	**228,560,745**	**56,737,975**	**39,377,237**	**82,109,519**	**178,812,708**	**2,419,457**
Cost of sales and operations	793,351,519	42,186,427	141,322,111	202,452,207	191,287,252	34,424,897	24,986,473	34,384,150	122,308,001	1,706,928
Compensation of officers	16,710,945	1,557,847	680,354	1,366,584	3,131,335	936,320	1,147,208	2,682,866	5,208,431	81,734
Repairs	5,888,904	335,200	1,134,189	1,506,700	640,960	232,369	167,497	1,142,385	729,604	9,091
Bad debts	3,526,187	220,628	1,862,136	172,207	268,872	183,566	248,436	66,946	503,397	18,853
Rent paid on business property	29,015,357	889,648	6,298,788	4,299,691	2,508,888	3,548,446	1,446,719	4,593,513	5,429,667	41,662
Taxes paid	21,117,451	1,109,139	4,709,505	3,817,132	2,643,825	1,310,052	818,595	3,366,450	3,342,753	53,255
Interest paid	20,574,522	871,384	8,073,663	3,590,188	2,443,501	895,612	492,734	2,068,765	2,138,676	20,606
Contributions or gifts	379,596	15,276	136,334	72,377	20,120	42,381	16,043	27,586	49,479	*444
Amortization	1,044,596	18,218	131,750	145,246	95,082	93,816	51,952	232,706	275,826	*3,718
Depreciation	17,330,802	740,910	3,873,277	3,655,757	2,155,321	1,111,344	443,885	2,837,673	2,512,634	31,572
Depletion	11,520	*4,615	268	*1,606	*722	(1)	--	*1,140	*3,169	--
Advertising	19,449,691	705,412	5,302,392	2,426,083	2,188,899	1,228,399	1,652,670	2,349,433	3,596,402	30,556
Pension, profit-sharing, stock bonus, and annuity plans	2,533,633	198,657	657,275	589,280	174,543	170,048	102,983	218,985	421,861	10,165
Employee benefit programs	8,095,831	291,302	2,000,984	2,653,711	961,675	369,688	196,147	620,609	1,001,715	8,080
Net loss, noncapital assets	527,062	6,803	44,482	250,727	27,565	50,240	25,303	74,820	47,122	*310
Other deductions	191,843,825	9,264,734	45,582,587	38,577,469	20,012,186	12,140,797	7,580,591	27,441,491	31,243,970	402,483
Total receipts less total deductions	36,935,807	2,048,949	9,194,445	5,815,492	3,392,973	2,969,334	1,453,059	4,770,491	7,291,065	104,908
Constructive taxable income from related foreign corporations	720,175	--	156,225	300,695	--	13,676	71	229,119	20,389	--
Net income	36,383,367	2,041,648	8,213,865	6,078,729	3,388,738	2,972,200	1,444,179	4,977,870	7,266,138	104,903
Income subject to tax	25,154,257	1,238,788	7,652,289	4,690,980	1,446,746	2,447,124	847,235	2,737,896	4,093,197	36,051
Income tax, total [2]	8,240,502	365,112	2,780,320	1,612,476	393,461	799,703	251,267	879,587	1,158,574	8,498
Regular tax	7,972,821	362,036	2,635,268	1,553,747	374,366	789,132	249,953	864,500	1,143,819	8,094
Personal holding company tax	*198	--	--	--	*198	--	--	--	--	--
Recapture of investment credit	2,916	49	610	846	577	55	*9	496	275	--
Alternative minimum tax	236,490	2,370	132,181	52,762	17,819	7,594	*739	11,398	11,627	*398
Environmental tax	29,381	775	12,262	6,368	420	2,922	567	3,193	2,874	6
Foreign tax credit	644,659	*2	110,676	263,350	*112	6,495	*1,028	249,768	13,228	--
U.S. possessions tax credit	24,173	--	20,076	3,349	717	--	--	32	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	*25	--	(1)	--	*24	--	--	1	--	--
General business credit	155,316	5,834	45,663	38,182	8,795	4,216	2,507	33,303	16,816	*44
Prior year minimum tax credit	26,285	*7	*6,000	13,397	1,083	*226	*120	*2,477	2,976	--
Total income tax after credits	7,388,043	359,269	2,595,904	1,294,199	382,730	788,767	247,612	594,006	1,125,555	8,454

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

RETURNS WITH NET INCOME

Table 7--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	**269,667**	**9,305**	**10,404**	**8,093**	**5,815**	**42,425**	**162,567**	**31,058**
Total assets	**7,620,086,132**	**3,064,159,647**	**1,348,310,775**	**274,623,895**	**1,588,788,488**	**30,021,220**	**115,864,698**	**1,198,317,409**
Cash	358,563,606	237,102,993	45,215,410	12,686,732	16,475,783	5,818,687	12,083,843	29,180,158
Notes and accounts receivable	2,033,916,846	1,436,646,225	290,202,426	74,456,262	87,861,563	8,856,849	9,991,476	125,902,043
Less: Allowance for bad debts	49,212,290	34,279,295	12,634,612	491,900	1,206,954	101,904	340,400	157,225
Inventories	17,765,590	473,613	2,868,732	1,239,474	2,961,173	8,693	9,047,532	1,166,373
Investments in Government obligations	690,083,737	323,462,889	50,691,039	18,757,715	148,207,262	381,102	846,623	147,737,106
Tax-exempt securities	214,768,567	57,841,112	9,432,948	402,137	117,003,370	549,083	500,986	29,038,931
Other current assets	568,825,505	149,826,121	61,335,259	128,676,377	169,683,538	1,365,223	7,689,511	50,249,477
Loans to stockholders	25,483,435	3,857,887	9,917,061	998,744	2,718,719	378,973	1,986,891	5,625,159
Mortgage and real estate loans	1,033,859,031	236,325,961	597,659,249	929,840	172,825,161	109,834	5,270,322	20,738,665
Other investments	2,105,746,214	307,336,183	218,068,930	23,050,500	771,392,810	7,427,577	16,360,551	762,109,662
Depreciable assets	208,534,646	68,493,525	26,687,707	6,104,539	29,929,981	5,550,060	53,213,694	18,555,140
Less: Accumulated depreciation	74,851,470	26,835,745	11,453,592	2,786,081	5,842,519	2,925,179	20,283,455	4,724,899
Depletable assets	1,189,336	13,759	53,457	*53,510	400,152	*41	366,875	301,543
Less: Accumulated depletion	430,083	4,591	*16,923	*27,307	205,240	--	102,754	73,267
Land	26,674,233	5,148,863	2,291,325	144,399	1,950,360	206,536	13,737,384	3,195,364
Intangible assets (amortizable)	26,516,091	8,369,293	9,294,926	792,691	3,510,685	1,461,507	1,172,135	1,914,852
Less: Accumulated amortization	4,581,033	1,098,795	1,251,365	278,682	811,386	436,077	301,365	403,363
Other assets	437,234,172	291,479,647	49,948,799	9,914,945	71,934,029	1,370,214	4,624,850	7,961,689
Total liabilities	**7,620,086,132**	**3,064,159,647**	**1,348,310,775**	**274,623,895**	**1,588,788,488**	**30,021,220**	**115,864,698**	**1,198,317,409**
Accounts payable	224,325,237	65,265,898	45,591,022	58,178,160	21,383,486	9,162,993	4,605,232	20,138,445
Mortgages, notes, and bonds payable in less than one year	670,203,923	305,856,107	271,580,827	23,092,778	26,282,772	1,921,806	12,616,147	28,853,485
Other current liabilities	3,155,666,426	2,101,740,450	559,233,107	153,503,385	304,760,232	3,461,078	7,177,477	25,790,697
Loans from stockholders	34,513,338	7,217,839	8,667,848	529,926	6,672,682	302,212	8,229,737	2,893,095
Mortgages, notes, and bonds payable in one year or more	518,157,305	137,077,548	241,610,304	12,651,155	57,004,792	2,692,940	35,249,157	31,871,409
Other liabilities	1,181,577,129	165,558,791	118,560,071	9,205,170	869,163,055	2,148,921	7,398,932	9,542,189
Capital stock	914,207,678	43,625,417	12,101,136	2,217,923	14,920,681	1,421,459	8,775,046	831,146,017
Paid-in or capital surplus	1,333,561,230	113,308,832	48,959,266	7,368,351	106,239,778	2,412,817	15,718,639	1,039,553,547
Retained earnings, appropriated	38,953,579	2,218,561	2,297,049	*38,554	27,865,756	52,574	978,280	5,502,804
Retained earnings, unappropriated	331,372,370	125,181,153	42,102,591	10,041,505	162,314,652	7,349,276	17,268,326	-32,885,133
Less: Cost of treasury stock	782,452,082	2,890,949	2,392,446	2,203,011	7,819,398	904,857	2,152,275	764,089,145
Total receipts	**1,440,750,897**	**373,591,938**	**216,991,569**	**59,393,609**	**577,165,184**	**28,779,134**	**66,732,638**	**118,096,825**
Business receipts	669,691,919	40,682,192	70,695,912	40,341,803	419,823,732	27,064,395	52,374,295	18,709,590
Interest	586,147,211	292,921,446	114,851,386	14,547,626	92,268,784	674,052	2,621,344	68,262,573
Interest on Government obligations: State and local	17,554,526	6,505,942	515,086	119,395	7,835,116	31,676	88,559	2,458,751
Rents	22,501,691	8,440,562	2,732,081	305,503	5,367,462	80,879	3,554,548	2,020,657
Royalties	891,966	16,726	35,045	*2,967	72,411	*8,213	247,671	508,933
Net short-term capital gain reduced by net long-term capital loss	2,241,126	125,224	115,654	256,960	348,742	2,007	95,475	1,297,064
Net long-term capital gain reduced by net short-term capital loss	18,609,669	1,884,485	881,590	307,902	4,484,126	81,228	2,000,101	8,970,237
Net gain, noncapital assets	6,256,391	2,794,017	1,062,835	504,426	660,152	19,626	603,527	611,806
Dividends received from domestic corporations	5,573,300	638,097	725,794	272,484	2,940,902	50,083	151,755	794,185
Dividends received from foreign corporations	1,689,053	290,353	354,229	24,437	611,494	123,594	36,804	248,143
Other receipts	109,594,044	19,292,894	25,021,954	2,710,105	42,752,264	643,380	4,958,558	14,214,887
Total deductions	**1,260,712,962**	**345,947,419**	**192,320,716**	**55,601,319**	**548,240,850**	**25,749,565**	**57,997,748**	**34,855,345**
Cost of sales and operations	398,749,171	588,628	42,434,189	15,351,869	302,600,547	3,771,918	23,062,247	10,939,772
Compensation of officers	23,260,608	9,818,144	1,717,584	2,108,387	1,978,251	3,520,534	3,155,565	962,143
Repairs	3,844,857	1,851,193	570,980	94,249	215,452	145,143	854,886	112,953
Bad debts	26,376,707	17,082,894	7,189,476	239,745	1,256,941	99,604	284,428	223,620
Rent paid on business property	15,345,738	5,409,364	1,789,877	1,303,757	3,970,294	1,103,787	1,389,335	379,324
Taxes paid	21,938,936	5,497,559	1,838,555	827,984	9,286,636	941,662	2,711,384	835,156
Interest paid	341,969,396	211,864,848	93,476,396	13,403,436	12,395,307	516,942	4,500,913	5,811,554
Contributions or gifts	745,549	333,013	89,280	47,735	127,287	29,821	53,988	64,426
Amortization	3,019,332	964,359	462,990	122,875	994,390	162,107	140,643	171,968
Depreciation	22,729,415	11,305,032	3,323,672	732,713	3,737,082	540,229	2,181,575	909,112
Depletion	130,394	12,533	1,023	95	57,052	*7	31,419	28,266
Advertising	6,469,418	2,075,815	1,667,594	414,651	1,128,300	240,058	775,263	167,736
Pension, profit-sharing, stock bonus, and annuity plans	4,807,040	1,311,701	391,647	278,489	2,144,307	364,199	206,112	110,583
Employee benefit programs	9,330,238	4,096,878	908,852	535,119	2,612,428	544,931	396,977	235,054
Net loss, noncapital assets	1,992,281	1,129,300	590,055	87,095	91,227	5,435	32,359	56,810
Other deductions	380,003,882	72,606,158	35,868,546	20,053,123	205,645,347	13,763,188	18,220,653	13,846,867
Total receipts less total deductions	180,037,935	27,644,519	24,670,852	3,792,290	28,924,335	3,029,569	8,734,890	83,241,481
Constructive taxable income from related foreign corporations	3,273,985	1,379,677	390,595	143,998	996,642	96,146	*11,293	255,634
Net income	158,458,842	22,518,254	24,546,292	3,816,892	22,085,780	3,094,039	8,636,670	73,760,916
Income subject to tax	68,410,667	20,612,450	19,506,981	2,142,991	16,910,611	1,724,328	3,666,823	3,846,483
Income tax, total [2]	22,303,823	7,366,932	4,798,109	837,162	6,327,360	540,615	1,065,320	1,368,326
Regular tax	20,675,413	6,981,364	4,690,181	718,025	5,475,042	534,118	1,014,918	1,261,767
Personal holding company tax	9,247	681	*10	*131	1	*538	3,485	4,400
Recapture of investment credit	6,556	3,953	379	11	1,441	*9	*524	240
Alternative minimum tax	1,462,501	335,225	93,531	115,421	816,025	4,445	40,182	57,672
Environmental tax	93,491	28,630	18,999	3,572	34,849	1,502	1,764	4,176
Foreign tax credit	1,635,162	526,387	194,600	71,407	612,922	*76,980	14,457	138,408
U.S. possessions tax credit	10,217	--	8,558	--	979	--	53	627
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	1,329	5	--	4	*373	--	*767	*180
General business credit	195,105	70,762	49,866	29,520	29,029	2,635	7,571	5,721
Prior year minimum tax credit	195,160	56,824	38,433	26,498	54,670	*47	5,375	13,312
Total income tax after credits	20,266,851	6,712,953	4,506,653	709,732	5,629,386	460,953	1,037,096	1,210,077

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

RETURNS WITH NET INCOME

Table 7—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							
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	546,268	10,552	42,820	176,028	69,818	41,397	205,653	5,848
Total assets	329,823,016	24,972,254	15,087,737	114,071,120	28,682,095	59,362,958	87,646,852	471,544
Cash	31,649,292	1,427,645	1,609,166	11,986,453	2,238,630	4,759,240	9,628,158	119,297
Notes and accounts receivable	61,884,320	2,932,700	2,204,329	29,655,014	4,091,758	4,779,126	18,221,394	74,365
Less: Allowance for bad debts	2,619,512	135,045	28,261	659,638	97,058	211,073	1,488,436	*19
Inventories	12,760,733	277,164	993,189	4,163,469	2,548,378	2,852,980	1,925,553	44,762
Investments in Government obligations	1,267,647	53,706	*20,179	480,426	34,018	148,921	530,398	*5,694
Tax-exempt securities	1,054,360	*9,236	*128,880	550,041	*108	41,028	325,066	--
Other current assets	21,615,189	653,966	1,090,248	10,255,537	1,603,973	2,872,533	5,138,934	11,778
Loans to stockholders	4,789,054	251,040	214,044	1,679,258	549,988	476,844	1,617,879	*36,222
Mortgage and real estate loans	1,526,273	221,066	31,560	544,191	121,797	319,568	288,090	*43,777
Other investments	56,504,703	4,406,950	1,425,348	19,079,057	1,325,410	14,528,162	15,739,776	*18,357
Depreciable assets	170,219,510	16,453,015	10,044,242	46,828,801	25,018,736	25,603,085	46,271,631	174,947
Less: Accumulated depreciation	79,740,418	6,131,088	5,641,898	24,780,892	10,777,205	12,391,065	20,018,271	110,508
Depletable assets	153,361	*58,285	*5,252	*13,840	*37,009	*30,165	*8,811	--
Less: Accumulated depletion	58,537	*4,407	*4,097	*6,351	*26,141	*16,519	*1,022	--
Land	8,354,998	1,925,383	531,142	1,196,824	675,467	1,427,007	2,599,176	*21,810
Intangible assets (amortizable)	16,977,692	291,870	683,245	7,011,015	798,323	3,576,511	4,616,728	*6,353
Less: Accumulated amortization	4,426,470	141,973	195,209	1,843,721	143,775	1,120,352	981,440	*1,279
Other assets	27,910,822	2,422,742	1,976,378	7,917,795	682,680	11,686,797	3,224,429	25,987
Total liabilities	329,823,016	24,972,254	15,087,737	114,071,120	28,682,095	59,362,958	87,646,852	471,544
Accounts payable	25,497,204	958,532	811,531	13,461,071	2,042,318	2,419,700	5,804,050	57,713
Mortgages, notes, and bonds payable in less than one year	27,941,974	1,001,166	655,121	12,117,452	5,530,324	2,064,808	6,573,104	*7,525
Other current liabilities	38,008,641	1,436,651	1,977,940	15,205,016	2,613,604	5,633,085	11,142,344	14,876
Loans from stockholders	9,504,163	955,790	593,831	3,195,945	897,442	1,175,728	2,685,426	86,696
Mortgages, notes, and bonds payable in one year or more	76,673,000	10,529,814	3,355,955	20,489,062	8,145,179	11,209,513	22,943,477	*69,631
Other liabilities	30,444,057	1,476,715	1,166,731	9,236,098	1,192,888	11,635,621	5,736,003	32,156
Capital stock	17,669,798	2,576,169	763,042	5,897,685	1,181,636	2,607,401	4,643,865	33,198
Paid-in or capital surplus	48,766,288	4,975,417	1,549,257	15,125,566	1,473,876	11,643,917	13,998,255	*8,485
Retained earnings, appropriated	569,362	*22	*28,119	280,655	*15,251	128,971	116,344	*1
Retained earnings, unappropriated	62,415,357	1,876,439	4,780,423	22,250,760	6,075,920	12,061,648	15,370,166	180,435
Less: Cost of treasury stock	7,666,828	814,461	594,215	3,188,191	486,343	1,217,436	1,366,182	*2,202
Total receipts	517,679,263	21,328,329	25,859,598	201,927,774	50,848,249	45,714,384	172,000,929	6,313,551
Business receipts	483,375,282	19,161,971	24,488,695	189,283,152	47,196,023	39,853,297	163,392,143	5,533,799
Interest	5,759,280	463,530	333,682	1,733,287	431,775	1,301,685	1,495,320	82,248
Interest on Government obligations: State and local	340,654	2,594	23,161	223,593	2,999	12,565	75,742	*1,141
Rents	4,867,224	348,345	106,515	2,493,727	946,343	411,721	560,573	*2,528
Royalties	2,438,534	*25,712	95,938	856,461	*38,081	1,337,799	84,542	--
Net short-term capital gain reduced by net long-term capital loss	39,592	*3,944	*5,683	14,903	*793	1,934	12,334	--
Net long-term capital gain reduced by net short-term capital loss	2,146,862	349,772	133,595	290,170	24,948	480,788	867,589	*23,236
Net gain, noncapital assets	2,224,516	102,583	47,395	602,551	903,124	249,697	319,166	*675
Dividends received from domestic corporations	342,824	25,259	29,974	89,317	5,694	86,666	105,913	*20
Dividends received from foreign corporations	766,034	32,138	*9,024	553,115	*6,622	102,954	62,181	--
Other receipts	15,378,461	812,482	585,934	5,787,497	1,291,847	1,875,277	5,025,425	669,904
Total deductions	483,060,691	19,887,588	24,050,347	189,365,397	48,557,257	41,729,602	159,470,499	6,165,992
Cost of sales and operations	194,620,358	8,676,264	9,669,712	86,038,185	22,411,140	14,074,764	53,750,293	5,008,138
Compensation of officers	33,668,462	325,890	1,351,319	11,650,895	2,306,444	2,825,364	15,208,550	87,077
Repairs	4,041,552	325,970	269,835	1,002,499	673,466	494,168	1,275,614	17,220
Bad debts	2,600,460	57,109	123,885	684,989	169,896	137,322	1,427,259	*6,002
Rent paid on business property	17,427,386	894,803	1,228,150	6,028,793	1,921,634	1,544,510	5,809,495	66,519
Taxes paid	18,030,191	932,269	1,009,963	6,812,217	2,338,952	1,285,267	5,651,523	106,977
Interest paid	13,125,423	1,273,648	534,078	3,499,143	2,217,901	2,041,425	3,559,226	13,113
Contributions or gifts	232,569	7,111	14,819	77,655	16,754	28,411	87,818	*627
Amortization	2,504,406	36,769	172,798	561,198	65,464	1,180,919	487,259	*1,268
Depreciation	18,396,371	926,275	825,384	6,259,121	3,992,009	2,404,744	3,988,838	26,551
Depletion	9,495	--	*1,253	1,408	2	*3,018	3,814	--
Advertising	6,565,721	398,991	518,206	2,704,317	572,281	1,008,927	1,362,999	21,913
Pension, profit-sharing, stock bonus, and annuity plans	3,664,458	67,863	144,894	1,326,693	330,707	168,242	1,626,060	*23,512
Employee benefit programs	6,392,257	250,133	285,732	2,352,174	500,861	236,113	2,767,244	*1,332
Net loss, noncapital assets	261,214	7,134	22,464	136,107	22,566	27,686	45,256	*108,216
Other deductions	161,520,368	5,707,359	7,877,855	60,230,003	11,017,180	14,268,720	62,419,251	677,528
Total receipts less total deductions	34,618,573	1,440,741	1,809,251	12,562,377	2,290,991	3,984,782	12,530,431	147,559
Constructive taxable income from related foreign corporations	665,649	16,548	7,294	392,287	*913	*169,699	78,908	--
Net income	34,850,560	1,454,546	1,789,747	12,729,895	2,288,906	4,140,977	12,446,490	146,418
Income subject to tax	16,181,418	757,189	983,831	6,111,976	1,040,574	2,017,064	5,270,785	66,862
Income tax, total [2]	5,257,669	268,149	308,807	1,984,204	313,884	682,014	1,700,610	15,330
Regular tax	5,025,697	246,535	300,517	1,894,667	271,842	653,468	1,658,668	15,330
Personal holding company tax	*1,374	--	*21	--	--	*505	*848	--
Recapture of investment credit	1,464	46	211	724	*3	*43	437	--
Alternative minimum tax	211,319	19,082	7,162	82,693	41,205	25,163	36,014	--
Environmental tax	16,274	1,196	895	5,455	887	2,851	4,990	--
Foreign tax credit	602,162	*34,559	9,580	372,658	*324	116,334	68,708	--
U.S. possessions tax credit	15,845	6,014	--	5,318	--	37	4,477	(1)
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	576	--	--	--	--	--	576	--
General business credit	121,398	7,856	3,451	64,247	18,751	4,792	22,302	--
Prior year minimum tax credit	28,224	*597	*625	11,355	3,216	4,679	7,451	--
Total income tax after credits	4,489,465	218,822	295,151	1,530,629	291,593	556,173	1,597,096	15,330

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

[1] Less than $500 per return.

[2] Also includes excess net passive income tax (Form 1120S), branch tax (Form 1120F), tax from Part II (Form 1120-REIT), tax from Part III (Form 1120-REIT), tax from Part IV (Form 1120-REIT), tax from Line 4, Part II (Form 1120-RIC), and adjustments to income tax and to total tax which are 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, FORM 1120A

Table 8--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**273,603**	**10,121**	**3,348**	**--**	**--**	**3,061**	*287
Total assets	**11,878,313**	**660,464**	**120,144**	**--**	**--**	**81,456**	*38,688
Cash	2,294,757	104,723	27,710	--	--	*19,794	*7,917
Notes and accounts receivable	1,170,165	37,113	*26,618	--	--	*25,687	*931
Less: Allowance for bad debts	13,965	--	--	--	--	--	--
Inventories	1,252,734	*24,906	--	--	--	--	--
Investments in Government obligations	9,068	*347	--	--	--	--	--
Tax-exempt securities	52,690	--	--	--	--	--	--
Other current assets	764,071	7,108	*11,799	--	--	--	*11,799
Loans to stockholders	623,036	51,986	*9,994	--	--	*9,994	--
Mortgage and real estate loans	317,936	*2,100	--	--	--	--	--
Depreciable, depletable, and intangible assets	8,090,468	681,757	*146,086	--	--	*139,749	*6,337
Less: Accumulated depreciation, depletion, and amortization	4,641,255	519,073	*125,251	--	--	*119,361	*5,890
Land	952,450	221,539	*14,861	--	--	--	*14,861
Other assets	1,006,159	47,957	*8,326	--	--	*5,594	*2,732
Total liabilities	**11,878,313**	**660,464**	**120,144**	**--**	**--**	**81,456**	*38,688
Accounts payable	1,254,657	35,697	*15,610	--	--	*15,610	--
Other current liabilities	855,281	12,754	*10,390	--	--	*10,390	--
Loans from stockholders	2,655,641	183,035	*49,144	--	--	*42,326	*6,817
Mortgages, notes, and bonds payable in one year or more	3,777,448	161,266	*25,671	--	--	*15,507	*10,164
Other liabilities	1,050,622	24,553	--	--	--	--	--
Capital stock	2,463,296	253,366	*9,379	--	--	*6,647	*2,732
Paid-in or capital surplus	1,218,819	36,044	*6,894	--	--	*6,894	--
Retained earnings, unappropriated	-919,402	-15,130	3,056	--	--	*-15,918	*18,975
Less: Cost of treasury stock	483,460	*31,123	--	--	--	--	--
Total receipts	**24,887,597**	**870,090**	**208,992**	**--**	**--**	**207,406**	*1,586
Business receipts	23,930,614	810,520	*196,576	--	--	*196,576	--
Interest	164,758	7,802	*1,419	--	--	*1,087	*332
Interest on Government obligations:							
State and local	64,823	--	--	--	--	--	--
Rents	213,983	*21,658	*1,138	--	--	--	*1,138
Royalties	*7,191	*21	*2,602	--	--	*2,602	--
Net short-term capital gain reduced by net long-term capital loss	*1,422	*842	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	40,627	*2,741	*6,817	--	--	*6,817	--
Net gain, noncapital assets	39,352	*4,624	--	--	--	--	--
Dividends received from domestic corporations	17,289	*344	*116	--	--	--	*116
Other receipts	407,538	21,537	*323	--	--	*323	--
Total deductions	**25,261,619**	**877,007**	**223,138**	**--**	**--**	**219,733**	*3,404
Cost of sales and operations	9,807,747	368,975	*63,532	--	--	*63,532	--
Compensation of officers	2,613,661	69,426	*9,220	--	--	*9,220	--
Repairs	405,938	30,637	*6,451	--	--	*6,364	*87
Bad debts	90,091	*1,755	*21,270	--	--	*21,270	--
Rent paid on business property	1,337,354	61,412	*5,416	--	--	*5,416	--
Taxes paid	954,257	35,626	*5,181	--	--	*4,750	*431
Interest paid	371,461	28,348	*1,581	--	--	*1,242	*339
Contributions or gifts	8,943	*119	--	--	--	--	--
Amortization	40,841	*297	*803	--	--	*803	--
Depreciation	718,760	45,829	*4,183	--	--	*3,778	*405
Depletion	*16,751	--	*15,577	--	--	*15,577	--
Advertising	360,496	3,008	*216	--	--	*216	--
Pension, profit-sharing, stock bonus, and annuity plans	85,540	--	*3,508	--	--	*3,508	--
Employee benefit programs	229,115	*3,515	--	--	--	--	--
Net loss, noncapital assets	26,236	--	--	--	--	--	--
Other deductions	8,194,427	228,062	86,199	--	--	*84,057	*2,142
Total receipts less total deductions	-374,022	-6,917	-14,146	--	--	-12,327	*-1,818
Net income (less deficit)	-438,845	-6,917	-14,146	--	--	-12,327	*-1,818
Income subject to tax	586,582	38,328	*4,097	--	--	*4,097	--
Income tax, total [2]	93,720	5,993	*615	--	--	*615	--
Regular tax	93,620	5,993	*615	--	--	*615	--
Recapture of investment credit	*101	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--
General business credit	2,077	*15	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120A

Table 8--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	24,652	8,427	*973	15,252	14,591	*917	--	--	*296
Total assets	885,091	396,133	*35,957	453,001	824,356	*24,535	--	--	*19,102
Cash	213,081	58,412	*15,585	139,084	143,294	*456	--	--	*4,657
Notes and accounts receivable	103,373	*45,553	*440	57,380	139,425	*190	--	--	*5,874
Less: Allowance for bad debts	*1,823	*1,823	--	--	*353	--	--	--	--
Inventories	140,468	*70,170	--	70,298	119,789	*1,223	--	--	*592
Investments in Government obligations	--	--	--	--	*78	--	--	--	--
Tax-exempt securities	--	--	--	--	*9	--	--	--	--
Other current assets	69,403	*50,072	*1,091	18,239	67,148	--	--	--	--
Loans to stockholders	74,890	*42,148	*5,727	*27,016	68,141	--	--	--	--
Mortgage and real estate loans	*4,618	*4,618	--	--	*4,596	--	--	--	--
Depreciable, depletable, and intangible assets	652,143	119,751	*30,285	502,106	629,796	*908	--	--	*10,210
Less: Accumulated depreciation, depletion, and amortization	443,736	56,571	*17,172	369,993	411,363	*16	--	--	*3,546
Land	*17,296	*14,809	--	*2,488	*16,820	--	--	--	--
Other assets	55,377	*48,994	(1)	6,383	46,976	*21,774	--	--	*1,315
Total liabilities	885,091	396,133	*35,957	453,001	824,356	*24,535	--	--	*19,102
Accounts payable	179,914	111,387	--	68,527	110,960	*1,507	--	--	*1,101
Other current liabilities	166,280	118,151	--	48,129	116,384	*1,198	--	--	--
Loans from stockholders	119,150	*45,606	--	73,544	187,166	*32,878	--	--	--
Mortgages, notes, and bonds payable in one year or more	220,860	62,471	*11,453	146,936	158,380	*13,744	--	--	--
Other liabilities	30,195	*11,428	(1)	18,767	49,492	--	--	--	--
Capital stock	102,141	30,836	*3,371	67,934	199,321	*39,435	--	--	*30
Paid-in or capital surplus	39,311	*15,475	*-1,498	*25,334	147,193	*4,443	--	--	*17,840
Retained earnings, unappropriated	44,040	10,671	*22,631	10,738	-99,164	*-68,670	--	--	*132
Less: Cost of treasury stock	*16,804	*9,896	--	*6,908	*45,375	--	--	--	--
Total receipts	2,999,161	1,145,583	*70,912	1,782,666	1,509,842	*2,904	--	--	*36,426
Business receipts	2,913,876	1,130,567	*70,912	1,712,397	1,494,841	*2,898	--	--	*36,426
Interest	11,251	5,278	--	5,974	6,617	*5	--	--	--
Interest on Government obligations:									
State and local	*40,393	*282	--	*40,111	*826	--	--	--	--
Rents	*7,856	*885	--	*6,971	*493	--	--	--	--
Royalties	--	--	--	--	*6	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*3,335	--	--	*3,335	*121	--	--	--	--
Net gain, noncapital assets	*5,437	--	--	*5,437	*957	--	--	--	--
Dividends received from domestic corporations	*19	--	--	*19	*918	--	--	--	--
Other receipts	16,994	*8,570	(1)	*8,423	5,064	--	--	--	--
Total deductions	2,995,582	1,150,636	*65,606	1,779,340	1,604,416	*13,756	--	--	*35,742
Cost of sales and operations	1,529,061	743,972	*28,339	756,749	628,110	*49	--	--	*6,086
Compensation of officers	187,463	*37,319	--	150,144	190,180	--	--	--	*8,877
Repairs	27,714	*4,341	*2,562	20,811	15,631	--	--	--	*447
Bad debts	*360	*314	--	*46	*6,536	--	--	--	--
Rent paid on business property	45,813	*6,612	--	39,201	71,345	*112	--	--	*5,397
Taxes paid	115,539	33,358	*1,656	80,526	66,773	*224	--	--	*1,461
Interest paid	32,509	9,482	*1,189	21,838	17,257	*487	--	--	--
Contributions or gifts	558	*113	--	*445	365	--	--	--	*9
Amortization	*187	*3	*70	*114	502	*47	--	--	--
Depreciation	61,494	14,128	*4,516	42,850	54,074	--	--	--	*1,023
Depletion	--	--	--	--	--	--	--	--	--
Advertising	28,348	3,942	*1,648	22,757	10,872	--	--	--	--
Pension, profit-sharing, stock bonus, and annuity plans	*257	*257	--	--	*771	--	--	--	--
Employee benefit programs	11,426	*3,022	--	*8,404	*12,843	--	--	--	--
Net loss, noncapital assets	*6,506	*6,506	--	--	*521	--	--	--	--
Other deductions	948,347	287,267	*25,626	635,455	528,638	*12,837	--	--	*12,442
Total receipts less total deductions	3,579	-5,054	*5,307	3,326	-94,574	*-10,852	--	--	*684
Net income (less deficit)	-36,814	-5,336	*5,307	-36,785	-95,400	*-10,852	--	--	*684
Income subject to tax	63,024	27,670	*5,308	30,047	49,745	--	--	--	*155
Income tax, total [2]	10,172	4,870	*796	4,507	8,649	--	--	--	*23
Regular tax	10,172	4,870	*796	4,507	8,649	--	--	--	*23
Recapture of investment credit	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--
General business credit	*801	--	--	*801	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120A

Table 8--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	Chemical 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	*734	*261	*361	*1,716	*661	*188	*1,000	--	--
Total assets	*40,326	--	*5,638	*51,251	*17,155	*41,280	*29,961	--	--
Cash	*3,277	--	--	*2,777	*638	*5,948	*2,592	--	--
Notes and accounts receivable	*5,885	--	*5,155	*20,040	*4,505	*3,854	*1,147	--	--
Less: Allowance for bad debts	--	--	--	*26	--	--	--	--	--
Inventories	*1,892	--	--	*5,204	*1,742	*1,707	*8,951	--	--
Investments in Government obligations	--	--	--	--	--	--	--	--	--
Tax-exempt securities	--	--	--	*9	--	--	--	--	--
Other current assets	*871	--	*120	*234	*2,715	*29,229	*228	--	--
Loans to stockholders	*6,959	--	--	*187	*7,319	--	--	--	--
Mortgage and real estate loans	--	--	--	*2	--	--	--	--	--
Depreciable, depletable, and intangible assets	*10,963	--	*369	*72,067	*4,123	*2,868	*28,544	--	--
Less: Accumulated depreciation, depletion, and amortization	*4,016	--	*6	*49,770	*3,887	*2,327	*16,082	--	--
Land	*14,212	--	--	*41	--	--	*276	--	--
Other assets	*284	--	--	*507	(1)	(1)	*4,305	--	--
Total liabilities	*40,326	--	*5,638	*51,251	*17,155	*41,280	*29,961	--	--
Accounts payable	*4,489	--	*5,527	*1,430	*10,319	*810	*9,667	--	--
Other current liabilities	*392	--	*771	*115	*2,000	*1,779	*301	--	--
Loans from stockholders	*3,265	--	--	*7,046	--	--	*387	--	--
Mortgages, notes, and bonds payable in one year or more	*18,327	--	--	*9,667	*879	--	*18,197	--	--
Other liabilities	--	--	--	*18	(1)	(1)	--	--	--
Capital stock	*2,440	--	*4	*11,648	*6,323	*94	*6,102	--	--
Paid-in or capital surplus	*13,236	--	--	--	--	--	*6,139	--	--
Retained earnings, unappropriated	*-1,822	--	*-,664	*21,327	*-2,366	*38,596	*-8,065	--	--
Less: Cost of treasury stock	--	--	--	--	--	--	*2,768	--	--
Total receipts	*70,472	*557	*5,151	*132,599	*63,910	*28,770	*125,075	--	--
Business receipts	*70,346	*557	*5,151	*132,124	*63,909	*27,201	*123,839	--	--
Interest	--	--	--	*475	*1	--	*2	--	--
Interest on Government obligations:									
State and local	--	--	--	--	--	*643	*144	--	--
Rents	--	--	--	--	--	--	--	--	--
Royalties	--	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	--	--	--	--	--	--	--	--
Net gain, noncapital assets	--	--	--	--	--	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	*918	--	--	--
Other receipts	*126	--	--	--	(1)	*8	*1,089	--	--
Total deductions	*72,255	*1,813	*5,816	*134,369	*65,136	*27,383	*127,415	--	--
Cost of sales and operations	*13,633	*1,813	*3,929	*34,209	*33,563	*7,174	*60,488	--	--
Compensation of officers	*5,218	--	--	*9,460	*12,397	*8,625	*3,031	--	--
Repairs	*1,445	--	--	*560	*1,833	--	*4,133	--	--
Bad debts	--	--	--	--	--	--	--	--	--
Rent paid on business property	*10,947	--	*241	*6,033	*2,190	*2,132	*7,854	--	--
Taxes paid	*2,210	--	--	*17,702	*2,219	*1,497	*2,512	--	--
Interest paid	*1,875	--	--	*29	--	--	*1,027	--	--
Contributions or gifts	--	--	--	--	--	*10	--	--	--
Amortization	*11	--	*6	--	--	--	--	--	--
Depreciation	*2,049	--	--	*7,482	*184	*673	*3,200	--	--
Depletion	--	--	--	--	--	--	--	--	--
Advertising	*1,016	--	--	*24	*15	--	*418	--	--
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	--	--	--	--	--
Employee benefit programs	--	--	--	*4,490	--	--	--	--	--
Net loss, noncapital assets	--	--	--	--	--	--	--	--	--
Other deductions	*33,852	--	*1,640	*54,379	*12,736	*7,273	*44,753	--	--
Total receipts less total deductions	*-1,784	*-1,256	*-,664	*-1,770	*-1,226	*1,387	*-2,340	--	--
Net income (less deficit)	*-1,784	*-1,256	*-,664	*-1,770	*-1,226	*744	*-2,484	--	--
Income subject to tax	*775	--	--	*4,935	--	*102	*1,103	--	--
Income tax, total [2]	*116	--	--	*740	--	*15	*165	--	--
Regular tax	*116	--	--	*740	--	*15	*165	--	--
Recapture of investment credit	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120A

Table 8--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	*188	*1,704	2,324	1,710	*153	--	*1,193	*1,184
Total assets	*9,004	*144,747	160,002	115,870	*24,599	--	*39,408	*101,477
Cash	*795	*49,248	21,313	*23,175	*2,000	--	*21,051	*5,367
Notes and accounts receivable	*1,609	*25,726	*39,787	*13,746	--	--	*6,969	*4,939
Less: Allowance for bad debts	--	*127	--	*200	--	--	--	--
Inventories	*2,283	*5,289	*32,591	*25,454	--	--	*7,376	*25,486
Investments in Government obligations	--	--	--	*78	--	--	--	--
Tax-exempt securities	--	--	--	--	--	--	--	--
Other current assets	*749	*3,527	*332	*1,217	*10,006	--	--	*17,919
Loans to stockholders	*499	*25,054	*4,089	*5,055	*8,000	--	--	*11,000
Mortgage and real estate loans	--	--	--	--	*4,593	--	--	--
Depreciable, depletable, and intangible assets	*6,652	*194,865	132,030	*102,951	*1,968	--	*10,726	*50,551
Less: Accumulated depreciation, depletion, and amortization	*3,715	*165,172	75,745	*57,346	*1,968	--	*6,727	*21,040
Land	--	--	--	--	--	--	--	*2,292
Other assets	*132	*6,338	*5,605	*1,739	--	--	*12	*4,963
Total liabilities	*9,004	*144,747	160,002	115,870	*24,599	--	*39,408	*101,477
Accounts payable	*5	*12,076	*8,252	*23,646	--	--	*11,453	*20,677
Other current liabilities	--	*12,996	*8,325	*45,545	--	--	--	*42,961
Loans from stockholders	--	*4,950	*59,090	*34,364	--	--	*8,435	*36,753
Mortgages, notes, and bonds payable in one year or more	*923	*40,101	*17,141	*32,693	*141	--	--	*6,566
Other liabilities	--	*1,104	*38,191	*9,130	--	--	--	*1,049
Capital stock	*984	*13,334	22,049	*62,528	--	--	*1,030	*33,322
Paid-in or capital surplus	*110	*16,396	*7,569	*40,367	--	--	*24,715	*16,377
Retained earnings, unappropriated	*6,982	*43,790	-330	*-102,862	*24,458	--	*-6,224	*-43,446
Less: Cost of treasury stock	--	--	*284	*29,541	--	--	--	*12,782
Total receipts	*10,002	*366,235	225,190	183,190	*1,087	--	*92,561	*165,714
Business receipts	*8,997	*364,942	223,664	178,994	*987	--	*92,121	*162,684
Interest	*216	*849	*1,209	*1,059	*99	--	*440	*2,262
Interest on Government obligations:								
State and local	--	--	*39	--	--	--	--	--
Rents	--	*65	--	--	--	--	--	*428
Royalties	--	--	*6	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	*68	*53	--	--	--	--	--
Net gain, noncapital assets	*790	*167	--	--	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	--	--	--
Other receipts	--	*143	*219	*3,137	*2	--	--	*340
Total deductions	*10,024	*369,624	235,959	237,315	*1,091	--	*106,920	*159,799
Cost of sales and operations	*1,404	*182,964	71,630	74,739	*833	--	*72,513	*63,086
Compensation of officers	*1,505	*43,815	*39,193	*32,730	--	--	--	*25,329
Repairs	--	*3,026	*2,793	*1,196	--	--	*5	*193
Bad debts	--	*2,438	*321	*3,777	--	--	--	--
Rent paid on business property	*451	*10,552	*7,952	*7,603	--	--	*4,319	*5,562
Taxes paid	*134	*13,848	10,659	*6,594	--	--	*604	*7,110
Interest paid	*150	*3,991	*2,262	*5,238	--	--	*496	*1,701
Contributions or gifts	--	*79	*67	*11	--	--	--	*189
Amortization	--	--	*37	*227	--	--	*173	--
Depreciation	*851	*11,477	10,499	*11,078	--	--	*1,490	*4,069
Depletion	--	--	--	--	--	--	--	--
Advertising	*16	*603	*2,242	*2,101	--	--	*4,184	*252
Pension, profit-sharing, stock bonus, and annuity plans	*188	--	*583	--	--	--	--	--
Employee benefit programs	--	*1,300	*959	*2,617	--	--	--	*3,476
Net loss, noncapital assets	--	*245	*276	--	--	--	--	--
Other deductions	*5,324	*95,286	86,486	89,403	*257	--	*23,136	*48,833
Total receipts less total deductions	*-21	*-3,390	-10,769	-54,125	*-4	--	*-14,359	*5,915
Net income (less deficit)	*-21	*-3,390	-10,808	-54,125	*-4	--	*-14,359	*5,915
Income subject to tax	--	*9,328	*15,267	*1,206	--	--	*3,956	*12,918
Income tax, total [2]	--	*971	*2,512	*181	--	--	*593	*3,332
Regular tax	--	*971	*2,512	*181	--	--	*593	*3,332
Recapture of investment credit	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120A

Table 8--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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	**13,536**	**10,976**	*907	*1,653	**59,308**	**19,552**	*1,581	3,083	14,888
Total assets	**601,578**	**488,581**	*6,105	*106,892	**2,902,470**	**834,877**	*22,423	149,839	662,615
Cash	76,343	61,549	*174	*14,620	452,137	191,600	*10,477	38,357	142,765
Notes and accounts receivable	60,577	59,217	*704	*656	305,643	184,074	*5,772	*23,149	155,154
Less: Allowance for bad debts	*118	*118	--	--	*2,104	*320	--	--	*320
Inventories	*15,196	*12,961	--	*2,235	790,464	232,450	*4,791	*35,074	192,584
Investments in Government obligations	*49	*49	--	--	--	--	--	--	--
Tax-exempt securities	--	--	--	--	*102	*102	--	--	*102
Other current assets	48,421	13,733	--	*34,688	78,382	46,360	--	*15,444	30,916
Loans to stockholders	*23,214	*20,973	*2,241	--	111,939	53,956	--	*23,862	30,094
Mortgage and real estate loans	*23,204	*23,204	--	--	*45,897	*13,901	--	--	*13,901
Depreciable, depletable, and intangible assets	536,008	417,055	*9,920	*109,033	1,487,006	226,074	*8,200	*16,383	201,491
Less: Accumulated depreciation, depletion, and amortization	288,268	225,226	*7,869	*55,173	693,238	133,141	*8,198	*8,798	116,145
Land	*28,925	*28,925	--	--	92,791	*3,966	--	*1,736	*2,230
Other assets	78,027	76,259	*935	*833	233,452	15,855	*1,381	*4,632	9,842
Total liabilities	**601,578**	**488,581**	*6,105	*106,892	**2,902,470**	**834,877**	*22,423	149,839	662,615
Accounts payable	62,940	56,046	*5,625	*269	408,689	194,840	*239	*53,577	141,023
Other current liabilities	14,113	10,923	*1,427	*1,763	196,429	58,886	*10	*848	58,028
Loans from stockholders	130,768	128,586	*1,867	*314	1,024,033	290,708	*6,754	*17,884	266,070
Mortgages, notes, and bonds payable in one year or more	236,267	234,561	*1,706	--	869,050	82,758	*628	--	82,130
Other liabilities	22,378	*19,867	*2,511	(1)	90,183	12,150	--	*692	11,458
Capital stock	115,000	84,510	*1,148	*29,342	643,719	192,160	*462	13,152	178,545
Paid-in or capital surplus	55,580	*23,522	*3,560	*28,499	299,178	76,825	*6,434	*29,520	40,872
Retained earnings, unappropriated	-33,938	-67,902	*-12,741	*46,705	-426,936	-72,116	*7,896	34,165	-114,177
Less: Cost of treasury stock	*1,531	*1,531	--	--	205,980	*5,439	--	--	*5,439
Total receipts	**1,251,838**	**1,126,888**	*74,680	*50,269	**7,065,162**	**2,044,839**	*117,000	163,851	1,763,988
Business receipts	1,235,147	1,110,667	*74,680	*49,799	6,882,387	2,002,943	*116,783	160,331	1,725,830
Interest	976	*527	--	*448	24,300	7,723	*133	*1,507	6,084
Interest on Government obligations:									
State and local	*180	*180	--	--	*4,050	--	--	--	--
Rents	*5,522	*5,522	--	--	*10,903	*4,791	--	--	*4,791
Royalties	--	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	*41	*41	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*6,298	*6,298	--	--	*3,625	*876	--	*876	--
Net gain, noncapital assets	--	--	--	--	*990	*990	--	*945	*44
Dividends received from domestic corporations	*40	*40	--	--	*5,010	*5,010	--	*88	*4,922
Other receipts	3,634	*3,612	(1)	*21	133,897	22,506	*85	*105	22,316
Total deductions	**1,246,337**	**1,125,041**	*76,999	*44,298	**7,201,295**	**2,076,393**	*117,604	166,101	1,792,688
Cost of sales and operations	466,634	405,562	*46,404	*14,668	3,916,850	1,258,980	*92,422	113,044	1,053,514
Compensation of officers	*65,858	*64,945	--	*913	449,717	127,166	*1,741	*10,850	114,574
Repairs	50,204	47,784	*719	*1,701	70,621	11,949	*949	*489	10,510
Bad debts	*7,604	*7,310	--	*294	8,488	*3,501	--	*1,134	*2,368
Rent paid on business property	50,637	48,699	*1,938	--	443,474	62,046	*2,351	*5,054	54,641
Taxes paid	52,007	45,478	*1,478	*5,051	236,630	39,787	*2,262	*3,671	33,854
Interest paid	27,139	26,346	*636	*156	81,182	12,354	--	*859	11,495
Contributions or gifts	*874	*874	--	--	1,310	471	*70	*50	*352
Amortization	*4,704	*4,223	--	*482	12,116	*250	--	*38	*212
Depreciation	63,371	60,051	*518	*2,801	136,242	26,065	*153	*1,764	24,149
Depletion	--	--	--	--	--	--	--	--	--
Advertising	5,377	5,294	*83	--	156,101	12,913	*429	*812	11,672
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	*3,071	*1,350	--	*872	*478
Employee benefit programs	*2,016	*2,016	--	--	30,509	12,719	--	*2,527	*10,192
Net loss, noncapital assets	*4,822	*1,578	*3,244	--	*7,039	--	--	--	--
Other deductions	445,091	404,882	*21,979	*18,231	1,647,947	506,841	*17,227	24,936	464,678
Total receipts less total deductions	5,500	1,847	*-2,318	*5,971	-136,133	-31,554	*-,604	-2,249	-28,701
Net income (less deficit)	5,320	1,667	*-2,318	*5,971	-140,183	-31,554	*-,604	-2,249	-28,701
Income subject to tax	34,181	28,346	--	*5,835	110,036	42,608	*2,571	*4,876	35,161
Income tax, total [2]	5,247	4,372	--	*875	16,948	6,720	*386	*1,010	5,324
Regular tax	5,247	4,372	--	*875	16,948	6,720	*386	*1,010	5,324
Recapture of investment credit	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	*120	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120A

Table 8--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 furnishing 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, total	39,481	*2,441	*698	2,700	3,329	*2,799	*862	12,218	14,433	*275
Total assets	2,062,817	*64,979	*75,894	253,024	160,394	*113,907	*75,871	764,427	554,320	*4,777
Cash	260,537	*8,756	*8,245	14,253	32,121	*32,962	*10,212	79,914	74,073	--
Notes and accounts receivable	119,255	*6,092	*3,084	*1,418	*9,743	*2,223	*5,092	*53,061	38,541	*2,314
Less: Allowance for bad debts	*1,785	--	--	--	--	*139	--	--	*1,646	--
Inventories	557,771	*24,346	*48,459	32,553	79,078	*66,548	*31,235	35,789	239,765	*243
Investments in Government obligations	--	--	--	--	--	--	--	--	--	--
Tax-exempt securities	--	--	--	--	--	--	--	--	--	--
Other current assets	32,022	*1,322	--	*13,914	*754	*1,185	*2,312	10,142	*2,392	--
Loans to stockholders	57,983	--	*580	*12,408	*4,917	--	--	*12,540	*27,537	--
Mortgage and real estate loans	*31,996	--	--	--	*1,795	--	--	*18,096	*12,105	--
Depreciable, depletable, and intangible assets	1,260,238	*42,122	*33,145	223,685	59,422	*18,114	*18,683	642,163	222,905	*694
Less: Accumulated depreciation, depletion, and amortization	560,097	*31,194	*20,093	101,870	*36,911	*10,773	*7,108	202,382	149,765	--
Land	88,825	*10,424	*2,399	*10,525	*238	--	--	*34,944	*30,296	--
Other assets	216,071	*3,111	*75	*46,139	*9,237	*3,788	*15,444	80,160	58,118	*1,527
Total liabilities	2,062,817	*64,979	*75,894	253,024	160,394	*113,907	*75,871	764,427	554,320	*4,777
Accounts payable	212,832	*3,883	*4,090	35,564	*11,209	*19,092	*22,687	19,845	96,462	*1,017
Other current liabilities	135,553	*3,027	*1,068	*22,367	*11,211	*5,526	*3,632	53,274	35,447	*1,990
Loans from stockholders	733,325	--	*9,995	*76,006	*204,830	*44,742	*2,460	209,558	185,734	--
Mortgages, notes, and bonds payable in one year or more	784,861	*19,824	*28,271	91,858	*28,671	*1,407	*58,272	384,218	172,340	*1,431
Other liabilities	78,032	*3,832	(1)	*1,399	--	*685	*940	44,658	26,517	(1)
Capital stock	451,560	*14,390	*22,914	40,750	105,387	*24,139	*14,316	148,749	80,913	--
Paid-in or capital surplus	222,353	*10,629	*-485	*32,120	*4,071	--	*15,731	79,742	80,544	--
Retained earnings, unappropriated	-355,158	*10,977	*10,041	-47,042	-25,049	*18,315	*-42,167	-163,227	-117,007	*339
Less: Cost of treasury stock	200,541	*1,583	--	--	*179,935	--	--	*12,390	*6,631	--
Total receipts	5,004,074	*334,896	*162,205	517,671	468,713	*287,767	*143,374	1,403,201	1,686,247	*16,248
Business receipts	4,863,202	*333,059	*161,197	513,532	462,310	*273,769	*138,504	1,386,388	1,594,444	*16,241
Interest	16,570	*316	*26	*325	*3,128	*214	*2,892	5,025	4,644	*7
Interest on Government obligations:										
State and local	*4,050	--	--	--	*3,018	--	*175	--	*857	--
Rents	*6,112	--	*982	--	--	--	--	*4,365	*765	--
Royalties	--	--	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*2,749	--	--	--	--	--	--	*1,213	*1,536	--
Net gain, noncapital assets	--	--	--	--	--	--	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	--	--	--	--	--
Other receipts	111,391	*1,521	--	*3,815	*257	*13,784	*1,803	6,210	84,002	--
Total deductions	5,109,792	*332,499	*155,395	538,178	464,436	*285,761	*158,476	1,459,079	1,715,966	*15,110
Cost of sales and operations	2,652,103	*235,783	*97,161	342,584	300,759	*167,528	*93,120	596,046	819,122	*5,767
Compensation of officers	322,551	*21,525	*13,355	*23,264	*21,443	*5,721	*9,698	76,034	151,512	--
Repairs	58,220	*3,013	*99	3,884	*13,525	*1,429	*1,612	22,896	11,762	*452
Bad debts	4,956	*12	--	*408	*515	*44	*283	*2,196	*1,498	*31
Rent paid on business property	380,850	*3,948	*4,392	*55,410	17,237	*26,743	*7,660	148,603	116,859	*579
Taxes paid	196,827	*3,701	*5,218	13,120	11,021	*11,147	*2,958	72,815	76,845	*16
Interest paid	68,825	*2,570	*3,812	*6,230	*4,986	*660	*6,377	26,901	17,290	*3
Contributions or gifts	839	*15	*80	*143	(1)	*191	--	*154	*256	--
Amortization	11,865	--	--	*451	*27	*45	*57	*4,488	*6,797	--
Depreciation	110,176	*9,782	*1,585	11,914	*6,496	*2,619	*2,230	52,888	22,663	--
Depletion	--	--	--	--	--	--	--	--	--	--
Advertising	143,028	*3,753	*2,388	*6,416	4,224	*5,452	*5,217	12,924	102,655	*160
Pension, profit-sharing, stock bonus, and annuity plans	*1,720	--	--	--	--	--	--	*46	*1,675	--
Employee benefit programs	17,766	*1,091	*2,254	--	*3,287	--	*128	*7,495	*3,511	*23
Net loss, noncapital assets	*7,039	--	--	*4,515	--	--	--	--	*2,524	--
Other deductions	1,133,027	*47,306	*25,052	69,840	80,916	*64,184	*29,138	435,594	380,997	*8,079
Total receipts less total deductions	-105,718	*2,397	*6,809	-20,507	4,277	*2,006	*-15,102	-55,879	-29,719	*1,139
Net income (less deficit)	-109,768	*2,397	*6,809	-20,507	1,259	*2,006	*-15,277	-55,879	-30,576	*1,139
Income subject to tax	67,060	*5,329	*719	*2,336	*8,312	*3,411	*1,154	*14,270	31,529	*368
Income tax, total [8]	10,173	*799	*108	*350	*1,247	*512	*173	*2,256	4,729	*55
Regular tax	10,173	*799	*108	*350	*1,247	*512	*173	*2,256	4,729	*55
Recapture of investment credit	--	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--	--
General business credit	*120	--	--	--	--	--	--	--	*120	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120A

Table 8--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	43,206	*409	1,724	*1,215	*1,499	4,181	29,733	4,447
Total assets	2,617,296	*6,847	114,568	*56,082	*34,039	188,856	2,010,261	206,643
Cash	609,351	*3,776	*30,675	*6,082	*24,660	39,509	473,315	31,334
Notes and accounts receivable	186,268	--	*42,229	*4,165	--	*34,682	94,579	*10,612
Less: Allowance for bad debts	*3,451	--	--	--	--	*800	*2,652	--
Inventories	*45,596	--	--	--	--	--	*45,596	--
Investments in Government obligations	*200	--	--	--	--	--	--	*200
Tax-exempt securities	*24,227	--	--	*10,367	--	--	*13,861	--
Other current assets	132,489	--	*509	*6,879	*1,005	*111	109,831	*14,154
Loans to stockholders	143,117	--	*7,758	*17,324	*3,869	*17,616	82,726	*13,825
Mortgage and real estate loans	150,011	--	*11,482	*4,352	--	*4,029	103,708	*26,439
Depreciable, depletable, and intangible assets	1,383,247	*3,071	*28,145	*5,390	*9,765	69,650	1,240,797	*26,430
Less: Accumulated depreciation, depletion, and amortization	747,410	--	*14,699	*2,831	*5,259	46,106	663,904	*14,611
Land	436,320	--	*2,712	--	--	*19,243	414,365	--
Other assets	257,330	--	*5,756	*4,354	--	*50,921	98,039	*98,260
Total liabilities	2,617,296	*6,847	114,568	*56,082	*34,039	188,856	2,010,261	206,643
Accounts payable	156,138	--	*2,294	*4,579	*10	*70,364	77,195	*1,696
Other current liabilities	161,992	*4,087	*1,406	*442	*1,959	*4,107	133,767	*16,224
Loans from stockholders	326,370	--	*8,055	--	*86	*3,915	247,568	*66,746
Mortgages, notes, and bonds payable in one year or more	1,137,936	*27,793	*57,141	*9,191	--	*104,795	903,264	*35,752
Other liabilities	686,596	--	*410	--	--	*15,126	664,365	*6,695
Capital stock	502,231	--	*18,186	*1,951	*481	9,137	450,392	22,084
Paid-in or capital surplus	345,208	--	*27,866	*33,302	*628	*44,651	197,709	*41,052
Retained earnings, unappropriated	-597,943	*-25,033	11,078	*6,617	*30,875	-56,545	-581,328	16,393
Less: Cost of treasury stock	101,233	--	*11,868	--	--	*6,695	82,670	--
Total receipts	2,243,070	*69	*79,330	*36,419	*19,645	634,701	1,453,525	19,381
Business receipts	1,870,408	--	*61,821	*30,148	*18,485	523,329	1,230,696	*5,929
Interest	62,968	*69	*12,428	*1,937	*1,160	*2,727	39,222	*5,425
Interest on Government obligations:								
State and local	*10,990	--	--	*3	--	--	*10,987	--
Rents	135,597	--	*3,099	--	--	*1,434	129,968	*1,096
Royalties	*4,539	--	--	--	--	--	*3,081	*1,459
Net short-term capital gain reduced by net long-term capital loss	*158	--	--	--	--	--	*158	--
Net long-term capital gain reduced by net short-term capital loss	*12,097	--	*739	--	--	--	*10,809	*549
Net gain, noncapital assets	*10,111	--	*441	*2,157	--	--	*7,220	*294
Dividends received from domestic corporations	*4,821	--	--	--	--	*20	*2,669	*2,131
Other receipts	131,380	--	*802	*2,174	--	*107,190	18,715	*2,498
Total deductions	2,233,184	--	97,583	*42,987	*10,464	647,476	1,416,532	18,142
Cost of sales and operations	434,406	--	*28,617	*6,306	*1,734	*102,611	295,138	--
Compensation of officers	230,597	--	*6,860	*4,979	--	102,178	116,580	--
Repairs	105,042	--	*377	*17	*70	*2,388	102,076	*114
Bad debts	20,231	--	*15,322	--	--	*3,676	*1,234	--
Rent paid on business property	78,039	--	*10,604	*3,923	*656	*24,761	37,772	*324
Taxes paid	88,619	--	*2,021	*433	*1,214	13,224	70,787	939
Interest paid	85,073	--	*6,817	*2,434	*12	*17,277	52,518	*6,015
Contributions or gifts	1,263	--	*3	--	--	*724	*536	--
Amortization	2,971	--	*2,090	*17	--	--	*726	*138
Depreciation	68,372	--	*782	*784	*1,839	*5,683	57,263	*2,021
Depletion	*818	--	--	--	--	--	--	*818
Advertising	29,192	--	*89	*912	--	*10,204	17,977	*9
Pension, profit-sharing, stock bonus, and annuity plans	*46,791	--	--	--	--	*36,391	*10,400	--
Employee benefit programs	91,414	--	*41	--	--	*79,823	*11,550	--
Net loss, noncapital assets	*71	--	--	--	--	--	--	*71
Other deductions	950,284	--	*23,961	*23,182	*4,939	248,535	641,974	7,693
Total receipts less total deductions	9,886	*69	-18,253	*-6,568	*9,181	-12,774	36,992	1,239
Net income (less deficit)	-1,104	*69	-18,253	*-6,571	*9,181	-12,774	26,005	1,239
Income subject to tax	114,330	*69	*923	*2,257	*9,630	*23,316	76,360	*1,775
Income tax, total [2]	17,729	*10	*139	*339	*1,444	*3,605	11,926	*266
Regular tax	17,729	*10	*139	*339	*1,444	*3,605	11,926	*266
Recapture of investment credit	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--
General business credit	*456	--	--	--	--	*398	*58	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120A

Table 8--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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	99,884	*1,114	6,569	30,814	10,631	10,142	40,615	4,957
Total assets	3,121,212	*51,484	194,364	751,262	434,594	318,165	1,371,343	145,703
Cash	639,230	*12,981	29,591	177,160	68,847	47,045	303,605	28,887
Notes and accounts receivable	294,839	*6,010	*1,497	96,176	55,975	*13,784	121,396	*16,308
Less: Allowance for bad debts	*6,116	–	–	*21	–	*12	*6,083	–
Inventories	106,328	*370	5,674	13,631	55,502	14,628	16,523	*9,988
Investments in Government obligations	8,394	–	–	*1,535	*2,720	*2	*4,136	–
Tax-exempt securities	*28,352	–	–	*19,983	–	*2	*8,367	–
Other current assets	349,012	*30	*6,707	47,569	17,967	68,509	208,230	*310
Loans to stockholders	132,980	*136	*1,044	62,482	*14,916	*3,748	50,654	*6,775
Mortgage and real estate loans	52,629	*7,351	–	*27,869	–	*8,567	*8,842	*34,880
Depreciable, depletable, and intangible assets	2,534,456	*40,729	203,916	557,143	487,467	287,365	957,836	*39,967
Less: Accumulated depreciation, depletion, and amortization	1,406,717	*28,029	97,646	334,147	305,148	167,768	473,980	*6,198
Land	110,371	*4,063	*8,554	*3,212	*26,265	*21,262	47,015	*13,526
Other assets	277,453	*7,842	*35,026	78,670	10,082	*21,032	124,802	*1,260
Total liabilities	3,121,212	*51,484	194,364	751,262	434,594	318,165	1,371,343	145,703
Accounts payable	275,193	*222	*4,463	85,773	39,041	*22,997	122,697	*9,517
Other current liabilities	171,853	*6,745	6,331	50,993	28,660	10,840	68,285	*5,085
Loans from stockholders	614,379	*15,478	79,956	123,053	52,247	110,344	233,301	*21,597
Mortgages, notes, and bonds payable in one year or more	920,979	*20,457	*87,145	129,401	130,186	136,835	416,956	*47,039
Other liabilities	123,192	–	*2,579	26,536	*11,594	*17,231	65,252	*24,032
Capital stock	617,356	*1,323	57,383	150,976	52,183	173,305	182,187	20,783
Paid-in or capital surplus	287,866	–	*-1,771	103,436	26,247	36,825	123,328	*1,545
Retained earnings, unappropriated	190,505	*7,261	-41,721	116,127	97,310	-162,214	173,742	16,106
Less: Cost of treasury stock	81,413	–	–	35,325	*2,875	*27,800	*15,414	(1)
Total receipts	8,559,984	*79,111	487,840	2,352,661	1,817,924	462,671	3,359,778	179,458
Business receipts	8,350,744	*66,403	472,459	2,305,488	1,799,431	450,989	3,255,973	176,115
Interest	46,464	*1,215	*257	10,618	*2,309	7,392	24,673	*2,962
Interest on Government obligations:								
State and local	8,384	–	–	*1,631	–	–	*6,752	–
Rents	30,815	–	*14,937	*9,594	*3,092	*1,151	*2,040	–
Royalties	*23	–	–	*15	–	–	*8	–
Net short-term capital gain reduced by net long-term capital loss	*380	–	–	–	–	–	*380	–
Net long-term capital gain reduced by net short-term capital loss	*5,592	*120	–	–	*1,088	–	*4,385	–
Net gain, noncapital assets	*17,233	*11,363	–	*2,536	*619	*1,257	*1,458	–
Dividends received from domestic corporations	6,021	–	–	*456	*768	(1)	4,797	–
Other receipts	94,327	*10	*187	22,321	*10,618	*1,881	59,311	*381
Total deductions	8,713,690	*69,763	502,863	2,403,885	1,802,165	497,207	3,437,807	166,970
Cost of sales and operations	2,315,217	*11,831	89,234	610,512	832,066	173,838	597,738	*84,963
Compensation of officers	1,401,151	*2,599	58,327	445,469	139,531	*21,378	735,849	*10,051
Repairs	97,832	*5,694	4,488	12,635	20,597	14,306	40,112	*1,806
Bad debts	22,980	*87	*284	*11,558	*1,087	*1,692	8,272	*868
Rent paid on business property	572,126	*22,418	57,982	149,944	86,379	54,144	201,259	*9,092
Taxes paid	349,558	*2,096	26,077	107,418	67,597	20,474	125,896	4,325
Interest paid	97,173	*2,539	8,485	18,188	15,883	5,249	46,829	*1,200
Contributions or gifts	4,281	–	*455	741	*1,421	*60	1,604	*171
Amortization	19,261	*51	*4,479	3,274	*1,263	*1,483	8,711	–
Depreciation	278,219	*3,783	21,295	74,846	49,233	25,409	103,654	*6,977
Depletion	*355	–	*355	–	–	–	–	–
Advertising	127,292	*673	8,139	40,432	10,588	22,888	44,571	*90
Pension, profit-sharing, stock bonus, and annuity plans	31,142	–	–	*4,804	–	–	*26,338	–
Employee benefit programs	77,393	–	*2,600	23,062	*9,332	–	42,399	–
Net loss, noncapital assets	*7,276	–	–	*3,396	*596	*3,095	*189	–
Other deductions	3,312,432	*17,993	222,663	897,605	566,592	153,196	1,454,383	47,428
Total receipts less total deductions	-153,706	*9,347	-15,023	-51,224	15,759	-34,537	-78,029	12,488
Net income (less deficit)	-162,090	*9,347	-15,023	-52,856	15,759	-34,537	-84,781	12,488
Income subject to tax	160,022	*4,210	*11,443	49,505	22,255	16,575	56,034	*12,819
Income tax, total [2]	26,445	*698	*1,809	7,667	3,338	2,487	10,446	*1,923
Regular tax	26,344	*698	*1,809	7,567	3,338	2,487	10,446	*1,923
Recapture of investment credit	*101	–	–	*101	–	–	–	–
Alternative minimum tax	–	–	–	–	–	–	–	–
General business credit	*685	*675	–	–	–	–	*10	–
Prior year minimum tax credit	–	–	–	–	–	–	–	–

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

[1] 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, FORM 1120A

Table 9--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**118,458**	**4,660**	*1,269	--	--	*1,269	--
Total assets	**6,014,785**	**291,924**	*41,057	--	--	*41,057	--
Cash	1,559,429	76,813	*5,021	--	--	*5,021	--
Notes and accounts receivable	668,376	*21,439	*19,759	--	--	*19,759	--
Less: Allowance for bad debts	10,519	--	--	--	--	--	--
Inventories	582,143	*11,835	--	--	--	--	--
Investments in Government obligations	7,139	--	--	--	--	--	--
Tax-exempt securities	*25,167	--	--	--	--	--	--
Other current assets	323,826	*5,066	--	--	--	--	--
Loans to stockholders	384,048	*37,989	*9,553	--	--	*9,553	--
Mortgage and real estate loans	171,969	--	--	--	--	--	--
Depreciable, depletable, and intangible assets	3,837,820	300,308	*52,438	--	--	*52,438	--
Less: Accumulated depreciation, depletion, and amortization	2,362,291	228,011	*51,127	--	--	*51,127	--
Land	409,653	*58,945	--	--	--	--	--
Other assets	418,024	*7,538	*5,414	--	--	*5,414	--
Total liabilities	**6,014,785**	**291,924**	*41,057	--	--	*41,057	--
Accounts payable	487,365	*18,224	*7,008	--	--	*7,008	--
Other current liabilities	324,916	6,382	*225	--	--	*225	--
Loans from stockholders	1,048,735	*40,122	*19,800	--	--	*19,800	--
Mortgages, notes, and bonds payable in one year or more	1,349,448	*46,468	*10,615	--	--	*10,615	--
Other liabilities	257,206	*2,192	--	--	--	--	--
Capital stock	840,338	25,172	*4,764	--	--	*4,764	--
Paid-in or capital surplus	429,372	*7,506	*4,762	--	--	*4,762	--
Retained earnings, unappropriated	1,593,012	152,140	*-6,116	--	--	*-6,116	--
Less: Cost of treasury stock	315,613	*6,284	--	--	--	--	--
Total receipts	**13,311,263**	**454,721**	*105,387	--	--	*105,387	--
Business receipts	12,801,074	413,993	*97,202	--	--	*97,202	--
Interest	110,205	6,177	*1,045	--	--	*1,045	--
Interest on Government obligations:							
State and local	12,935	--	--	--	--	--	--
Rents	121,540	*17,833	--	--	--	--	--
Royalties	*4,474	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	*1,223	*842	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	27,633	*1,059	*6,817	--	--	*6,817	--
Net gain, noncapital assets	32,132	*4,597	--	--	--	--	--
Dividends received from domestic corporations	11,577	*255	--	--	--	--	--
Other receipts	188,470	*9,964	*322	--	--	*322	--
Total deductions	**12,494,559**	**408,072**	*96,176	--	--	*96,176	--
Cost of sales and operations	4,817,456	123,501	*21,658	--	--	*21,658	--
Compensation of officers	1,447,270	*51,239	*7,084	--	--	*7,084	--
Repairs	173,599	18,933	*2,354	--	--	*2,354	--
Bad debts	16,216	*1,138	--	--	--	--	--
Rent paid on business property	662,294	39,182	*1,950	--	--	*1,950	--
Taxes paid	485,006	17,633	*1,222	--	--	*1,222	--
Interest paid	150,377	11,038	*605	--	--	*605	--
Contributions or gifts	8,153	*119	--	--	--	--	--
Amortization	10,154	*260	--	--	--	--	--
Depreciation	355,880	25,542	*1,425	--	--	*1,425	--
Depletion	*14,069	--	*12,895	--	--	*12,895	--
Advertising	221,775	*1,676	*42	--	--	*42	--
Pension, profit-sharing, stock bonus, and annuity plans	25,974	--	*3,508	--	--	*3,508	--
Employee benefit programs	82,010	*2,726	--	--	--	--	--
Net loss, noncapital assets	*3,900	--	--	--	--	--	--
Other deductions	4,020,426	115,084	*43,432	--	--	*43,432	--
Total receipts less total deductions	816,704	46,649	*9,211	--	--	*9,211	--
Net income	803,769	46,649	*9,211	--	--	*9,211	--
Income subject to tax	586,582	38,328	*4,097	--	--	*4,097	--
Income tax, total *	93,720	5,993	*615	--	--	*615	--
Regular tax	93,620	5,993	*615	--	--	*615	--
Recapture of investment credit	*101	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--
General business credit	2,077	*15	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120A

Table 9--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	8,735	3,030	*973	4,733	6,212	*183	--	--	*296
Total assets	414,409	181,238	*35,957	197,216	483,994	*21,581	--	--	*19,102
Cash	128,119	36,059	*15,585	76,474	106,669	*189	--	--	*4,657
Notes and accounts receivable	49,769	*35,549	*440	*13,780	71,180	--	--	--	*5,874
Less: Allowance for bad debts	*1,823	*1,823	--	--	*127	--	--	--	--
Inventories	69,212	*45,575	--	*23,638	59,974	--	--	--	*592
Investments in Government obligations	--	--	--	--	*78	--	--	--	--
Tax-exempt securities	--	--	--	--	--	--	--	--	--
Other current assets	9,302	*2,754	*1,091	*5,457	*50,165	--	--	--	--
Loans to stockholders	*25,066	*1,725	*5,727	*17,614	43,921	--	--	--	--
Mortgage and real estate loans	*4,618	*4,618	--	--	--	--	--	--	--
Depreciable, depletable, and intangible assets	275,599	*30,586	*30,285	214,727	294,334	--	--	--	*10,210
Less: Accumulated depreciation, depletion, and amortization	186,477	*8,724	*17,172	160,581	176,867	--	--	--	*3,546
Land	*10,304	*8,768	--	*1,536	*2,568	--	--	--	--
Other assets	30,720	*26,149	(1)	*4,571	32,099	*21,392	--	--	*1,315
Total liabilities	414,409	181,238	*35,957	197,216	483,994	*21,581	--	--	*19,102
Accounts payable	98,809	*78,695	--	*20,115	50,938	--	--	--	*1,101
Other current liabilities	39,890	*29,623	--	*10,267	31,719	*78	--	--	--
Loans from stockholders	51,499	*37,400	--	*14,099	*50,666	*32,878	--	--	--
Mortgages, notes, and bonds payable in one year or more	85,672	*41,472	*11,453	*32,746	74,969	*5,239	--	--	--
Other liabilities	25,286	*8,345	(1)	*16,941	3,178	--	--	--	--
Capital stock	49,539	7,152	*3,371	39,016	67,295	*36,815	--	--	*30
Paid-in or capital surplus	*17,306	*11,878	*-1,498	*6,927	*49,207	--	--	--	*17,840
Retained earnings, unappropriated	48,455	-31,282	*22,631	57,106	201,104	*-53,429	--	--	*132
Less: Cost of treasury stock	*2,049	*2,049	--	--	*45,082	--	--	--	--
Total receipts	1,089,702	393,531	*70,912	625,259	1,035,868	*2,828	--	--	*36,426
Business receipts	1,070,854	388,945	*70,912	610,996	1,025,342	*2,828	--	--	*36,426
Interest	6,445	*3,262	--	*3,183	*3,676	--	--	--	--
Interest on Government obligations:									
State and local	*315	--	--	*315	*787	--	--	--	--
Rents	*6,037	*834	--	*5,203	*428	--	--	--	--
Royalties	--	--	--	--	*6	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*2,730	--	--	*2,730	*68	--	--	--	--
Net gain, noncapital assets	*2,487	--	--	*2,487	*167	--	--	--	--
Dividends received from domestic corporations	*19	--	--	*19	*918	--	--	--	--
Other receipts	*815	*489	(1)	*326	*4,477	--	--	--	--
Total deductions	1,007,756	359,891	*65,606	582,259	974,889	*202	--	--	*35,742
Cost of sales and operations	425,492	239,908	*28,339	157,245	406,016	--	--	--	*6,086
Compensation of officers	98,842	*12,935	--	85,908	142,207	--	--	--	*8,877
Repairs	11,244	*105	*2,562	8,577	7,949	--	--	--	*447
Bad debts	*33	--	--	*33	*2,438	--	--	--	--
Rent paid on business property	19,031	*2,377	--	*16,654	45,490	--	--	--	*5,397
Taxes paid	40,057	10,677	*1,656	27,725	30,204	*88	--	--	*1,461
Interest paid	13,611	*4,165	*1,189	8,256	7,588	--	--	--	--
Contributions or gifts	*379	*37	--	*343	365	--	--	--	*9
Amortization	*73	*3	*70	--	*179	--	--	--	--
Depreciation	26,814	2,522	*4,516	19,775	34,360	--	--	--	*1,023
Depletion	--	--	--	--	--	--	--	--	--
Advertising	7,615	*2,392	*1,648	*3,575	7,577	--	--	--	--
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	*583	--	--	--	--
Employee benefit programs	*2,373	*1,144	--	*1,230	*5,473	--	--	--	--
Net loss, noncapital assets	--	--	--	--	*245	--	--	--	--
Other deductions	362,191	83,626	*25,626	252,939	284,217	*114	--	--	*12,442
Total receipts less total deductions	81,946	33,640	*5,307	42,999	60,978	*2,626	--	--	*684
Net income	81,631	33,640	*5,307	42,684	60,192	*2,626	--	--	*684
Income subject to tax	63,024	27,670	*5,308	30,047	49,745	--	--	--	*155
Income tax, total *	10,172	4,870	*796	4,507	8,649	--	--	--	*23
Regular tax	10,172	4,870	*796	4,507	8,649	--	--	--	*23
Recapture of investment credit	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--
General business credit	*801	--	--	*801	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120A

Table 9--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	Chemical 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	*261	--	--	*1,315	--	*188	*525	--	--
Total assets	*10,903	--	--	*27,518	--	*41,280	*21,221	--	--
Cash	*854	--	--	*1,291	--	*5,948	*2,560	--	--
Notes and accounts receivable	--	--	--	*1,629	--	*3,854	*1,147	--	--
Less: Allowance for bad debts	--	--	--	--	--	--	--	--	--
Inventories	--	--	--	*5,046	--	*1,707	*6,672	--	--
Investments in Government obligations	--	--	--	--	--	--	--	--	--
Tax-exempt securities	--	--	--	--	--	--	--	--	--
Other current assets	*871	--	--	--	--	*29,229	*228	--	--
Loans to stockholders	*5,211	--	--	*124	--	--	--	--	--
Mortgage and real estate loans	--	--	--	--	--	--	--	--	--
Depreciable, depletable, and intangible assets	*7,507	--	--	*43,275	--	*2,868	*22,999	--	--
Less: Accumulated depreciation, depletion, and amortization	*3,539	--	--	*24,125	--	*2,327	*15,048	--	--
Land	--	--	--	--	--	--	*276	--	--
Other assets	--	--	--	*279	--	(1)	*2,386	--	--
Total liabilities	*10,903	--	--	*27,518	--	*41,280	*21,221	--	--
Accounts payable	*1,599	--	--	*1,064	--	*810	*9,667	--	--
Other current liabilities	--	--	--	*115	--	*1,779	*275	--	--
Loans from stockholders	--	--	--	--	--	--	*387	--	--
Mortgages, notes, and bonds payable in one year or more	*5,329	--	--	*3,384	--	--	*5,492	--	--
Other liabilities	--	--	--	(1)	--	(1)	--	--	--
Capital stock	*1,305	--	--	*10,120	--	*94	*525	--	--
Paid-in or capital surplus	--	--	--	--	--	--	*6,139	--	--
Retained earnings, unappropriated	*2,670	--	--	*12,834	--	*38,596	*1,505	--	--
Less: Cost of treasury stock	--	--	--	--	--	--	*2,768	--	--
Total receipts	*38,761	--	--	*70,595	--	*28,770	*122,719	--	--
Business receipts	*36,635	--	--	*70,120	--	*27,201	*121,486	--	--
Interest	--	--	--	*475	--	--	--	--	--
Interest on Government obligations:									
State and local	--	--	--	--	--	*643	*144	--	--
Rents	--	--	--	--	--	--	--	--	--
Royalties	--	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	--	--	--	--	--	--	--	--
Net gain, noncapital assets	--	--	--	--	--	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	*918	--	--	--
Other receipts	*126	--	--	--	--	*8	*1,089	--	--
Total deductions	*34,172	--	--	*65,661	--	*27,383	*121,460	--	--
Cost of sales and operations	*642	--	--	*18,630	--	*7,174	*58,730	--	--
Compensation of officers	*5,218	--	--	*4,085	--	*8,625	*3,031	--	--
Repairs	*1,131	--	--	*560	--	--	*3,867	--	--
Bad debts	--	--	--	--	--	--	--	--	--
Rent paid on business property	*8,109	--	--	*4,108	--	*2,132	*7,734	--	--
Taxes paid	*1,125	--	--	*1,577	--	*1,497	*2,381	--	--
Interest paid	*581	--	--	*29	--	--	*507	--	--
Contributions or gifts	--	--	--	--	--	*10	--	--	--
Amortization	--	--	--	--	--	--	--	--	--
Depreciation	*1,587	--	--	*4,524	--	*673	*2,781	--	--
Depletion	--	--	--	--	--	--	--	--	--
Advertising	--	--	--	*24	--	--	*418	--	--
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	--	--	--	--	--
Employee benefit programs	--	--	--	*1,104	--	--	--	--	--
Net loss, noncapital assets	--	--	--	--	--	--	--	--	--
Other deductions	*15,780	--	--	*31,020	--	*7,273	*42,010	--	--
Total receipts less total deductions	*2,589	--	--	*4,934	--	*1,387	*1,259	--	--
Net income	*2,589	--	--	*4,934	--	*744	*1,115	--	--
Income subject to tax	*775	--	--	*4,935	--	*102	*1,103	--	--
Income tax, total [2]	*116	--	--	*740	--	*15	*165	--	--
Regular tax	*116	--	--	*740	--	*15	*165	--	--
Recapture of investment credit	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120A

Table 9--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	--	*1,132	*885	*500	--	--	*676	*251
Total assets	--	*124,339	*75,626	*54,308	--	--	*36,923	*51,192
Cash	--	*47,847	*15,148	*3,097	--	--	*20,761	*4,316
Notes and accounts receivable	--	*22,096	*26,590	*82	--	--	*6,969	*2,939
Less: Allowance for bad debts	--	*127	--	--	--	--	--	--
Inventories	--	*5,174	*14,642	*17,623	--	--	*7,376	*1,143
Investments in Government obligations	--	--	--	*78	--	--	--	--
Tax-exempt securities	--	--	--	--	--	--	--	--
Other current assets	--	*1,157	*200	*644	--	--	--	*17,836
Loans to stockholders	--	*22,392	*1,096	*4,528	--	--	--	*10,571
Mortgage and real estate loans	--	--	--	--	--	--	--	--
Depreciable, depletable, and intangible assets	--	*72,891	*34,916	*64,515	--	--	*7,400	*27,753
Less: Accumulated depreciation, depletion, and amortization	--	*53,429	*16,973	*36,361	--	--	*5,583	*15,936
Land	--	--	--	--	--	--	--	*2,292
Other assets	--	*6,338	*8	*101	--	--	--	*279
Total liabilities	--	*124,339	*75,626	*54,308	--	--	*36,923	*51,192
Accounts payable	--	*6,286	*4,250	*14,721	--	--	*11,440	--
Other current liabilities	--	*8,654	*2,719	*14,122	--	--	--	*3,976
Loans from stockholders	--	--	--	*16,708	--	--	*694	--
Mortgages, notes, and bonds payable in one year or more	--	*13,432	*3,960	*32,693	--	--	--	*5,441
Other liabilities	--	*1,104	*2,016	--	--	--	--	*57
Capital stock	--	*4,119	*2,737	*8,610	--	--	*551	*2,390
Paid-in or capital surplus	--	--	*7,085	*13,818	--	--	*4,325	--
Retained earnings, unappropriated	--	*90,745	*52,860	*-16,823	--	--	*19,913	*52,101
Less: Cost of treasury stock	--	--	--	*29,541	--	--	--	*12,773
Total receipts	--	*259,388	*156,705	*114,871	--	--	*92,121	*114,684
Business receipts	--	*258,165	*156,411	*111,656	--	--	*92,121	*112,292
Interest	--	*845	*287	*104	--	--	--	*1,964
Interest on Government obligations:								
State and local	--	--	--	--	--	--	--	--
Rents	--	--	--	--	--	--	--	*428
Royalties	--	--	*6	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	*68	--	--	--	--	--	--
Net gain, noncapital assets	--	*167	--	--	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	--	--	--
Other receipts	--	*143	--	*3,111	--	--	--	--
Total deductions	--	*250,060	*141,438	*110,448	--	--	*88,044	*100,281
Cost of sales and operations	--	*136,379	*45,267	*35,086	--	--	*72,513	*25,509
Compensation of officers	--	*29,289	*33,731	*24,021	--	--	--	*25,329
Repairs	--	*1,021	*809	*26	--	--	*5	*82
Bad debts	--	*2,438	--	--	--	--	--	--
Rent paid on business property	--	*5,015	*5,512	*2,774	--	--	*3,648	*1,061
Taxes paid	--	*6,730	*8,623	*1,862	--	--	*586	*4,274
Interest paid	--	*657	*980	*4,154	--	--	--	*680
Contributions or gifts	--	*79	*67	*11	--	--	--	*189
Amortization	--	--	--	*6	--	--	*173	--
Depreciation	--	*8,545	*5,056	*7,119	--	--	*384	*2,668
Depletion	--	--	--	--	--	--	--	--
Advertising	--	*586	*1,821	*529	--	--	*4,184	*16
Pension, profit-sharing, stock bonus, and annuity plans	--	--	*583	--	--	--	--	--
Employee benefit programs	--	--	*893	--	--	--	--	*3,476
Net loss, noncapital assets	--	*245	--	--	--	--	--	--
Other deductions	--	*59,076	*38,096	*34,859	--	--	*6,552	*36,996
Total receipts less total deductions	--	*9,328	*15,267	*4,423	--	--	*4,078	*14,403
Net income	--	*9,328	*15,267	*4,423	--	--	*4,078	*14,403
Income subject to tax	--	*9,328	*15,267	*1,206	--	--	*3,956	*12,918
Income tax, total [2]	--	*971	*2,512	*181	--	--	*593	*3,332
Regular tax	--	*971	*2,512	*181	--	--	*593	*3,332
Recapture of investment credit	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120A

Table 9--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			
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	**4,746**	**3,720**	--	*1,026	**21,872**	**6,606**	*435	*1,144	**5,027**
Total assets	**318,955**	**239,254**	--	*79,700	**1,239,660**	**448,000**	*12,463	*64,986	**370,551**
Cash	42,846	39,263	--	*3,583	276,376	110,735	*2,979	*16,107	91,649
Notes and accounts receivable	*44,962	*44,403	--	*558	153,836	111,556	*5,772	*13,806	91,978
Less: Allowance for bad debts	*118	*118	--	--	*139	--	--	--	--
Inventories	*2,235	--	--	*2,235	377,836	115,420	*3,712	*7,137	104,571
Investments in Government obligations	--	--	--	--	--	--	--	--	--
Tax-exempt securities	--	--	--	--	--	--	--	--	--
Other current assets	*38,864	*4,176	--	*34,688	29,273	*19,751	--	*15,444	*4,307
Loans to stockholders	*20,973	*20,973	--	--	54,133	*26,494	--	*618	*25,876
Mortgage and real estate loans	*15,036	*15,036	--	--	*14,774	*12,978	--	--	*12,978
Depreciable, depletable, and intangible assets	212,999	138,902	--	*74,097	635,526	119,730	*3,011	*9,302	107,417
Less: Accumulated depreciation, depletion, and amortization	97,241	60,948	--	*36,294	385,186	76,572	*3,011	*3,113	70,447
Land	*15,295	*15,295	--	--	37,498	*1,449	--	*1,449	--
Other assets	*23,105	*22,273	--	*833	45,733	6,459	--	*4,237	*2,221
Total liabilities	**318,955**	**239,254**	--	*79,700	**1,239,660**	**448,000**	*12,463	*64,986	**370,551**
Accounts payable	*17,827	*17,558	--	*269	143,589	68,018	--	*9,314	58,704
Other current liabilities	8,247	*6,484	--	*1,763	84,419	39,863	*10	*805	39,048
Loans from stockholders	*5,968	*5,654	--	*314	541,613	199,923	*6,754	*9,864	183,305
Mortgages, notes, and bonds payable in one year or more	74,403	74,403	--	--	286,354	*24,599	--	--	*24,599
Other liabilities	*16,825	*16,825	--	([1])	20,363	*2,292	--	--	*2,292
Capital stock	60,920	31,578	--	*29,342	178,163	58,862	*44	*8,814	50,004
Paid-in or capital surplus	*9,836	*9,836	--	--	51,728	19,268	*392	*3,842	*15,034
Retained earnings, unappropriated	126,461	78,448	--	*48,012	79,546	36,067	*5,263	*32,348	-1,544
Less: Cost of treasury stock	*1,531	*1,531	--	--	*146,115	*892	--	--	*892
Total receipts	**568,400**	**528,501**	--	*39,899	**3,714,799**	**1,103,200**	*59,331	*144,823	**899,046**
Business receipts	559,973	520,201	--	*39,772	3,573,468	1,065,687	*59,198	*142,627	863,862
Interest	*338	*232	--	*106	12,117	4,927	*133	*287	4,507
Interest on Government obligations:									
State and local	--	--	--	--	*857	--	--	--	--
Rents	*5,522	*5,522	--	--	*5,773	*4,791	--	--	*4,791
Royalties	--	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*218	*218	--	--	*2,089	*876	--	*876	--
Net gain, noncapital assets	--	--	--	--	*990	*990	--	*945	*44
Dividends received from domestic corporations	--	--	--	--	*5,010	*5,010	--	*88	*4,922
Other receipts	*2,348	*2,327	--	*21	114,495	*20,919	--	--	*20,919
Total deductions	**522,331**	**488,681**	--	*33,650	**3,559,047**	**1,047,613**	*56,760	*139,668	**851,185**
Cost of sales and operations	216,120	210,373	--	*5,747	1,969,925	610,859	*47,796	*98,568	464,494
Compensation of officers	*54,204	*53,291	--	*913	243,160	83,994	*1,741	*9,977	72,276
Repairs	15,661	13,960	--	*1,701	32,929	5,331	--	*374	4,956
Bad debts	*1,624	*1,330	--	*294	3,365	*1,979	--	*1,134	*846
Rent paid on business property	*17,410	*17,410	--	--	183,419	31,324	*822	*3,422	27,080
Taxes paid	23,351	18,499	--	*4,851	121,341	17,659	*240	*3,372	14,047
Interest paid	*6,663	*6,506	--	*156	27,589	4,818	--	*450	4,368
Contributions or gifts	*845	*845	--	--	1,195	*448	*70	*48	*331
Amortization	*1,297	*815	--	*482	*3,772	*66	--	*31	*36
Depreciation	28,022	26,647	--	*1,375	60,826	15,816	*153	*1,578	14,086
Depletion	--	--	--	--	--	--	--	--	--
Advertising	*959	*959	--	--	107,476	8,112	*344	*774	6,993
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	*1,396	*1,350	--	*872	*478
Employee benefit programs	*769	*769	--	--	21,311	*7,865	--	*2,275	*5,589
Net loss, noncapital assets	--	--	--	--	*147	--	--	--	--
Other deductions	155,408	137,277	--	*18,131	781,196	257,992	*5,593	*16,794	235,605
Total receipts less total deductions	46,068	39,820	--	*6,249	155,752	55,587	*2,571	*5,155	47,861
Net income	46,068	39,820	--	*6,249	154,895	55,587	*2,571	*5,155	47,861
Income subject to tax	34,181	28,346	--	*5,835	110,036	42,608	*2,571	*4,876	35,161
Income tax, total [2]	5,247	4,372	--	*875	16,948	6,720	*386	*1,010	5,324
Regular tax	5,247	4,372	--	*875	16,948	6,720	*386	*1,010	5,324
Recapture of investment credit	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	*120	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120A

Table 9--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									Wholesale and retail trade not allocable
	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 furnishing stores	Eating and drinking places	Miscellaneous retail stores	
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total	14,991	*570	*698	*860	*2,030	*1,721	*282	3,409	5,422	*275
Total assets	786,883	*31,703	*75,894	*62,818	*87,153	*61,305	*18,204	220,423	229,381	*4,777
Cash	165,641	*4,324	*8,245	*11,003	*12,087	*27,880	*6,231	39,066	56,806	--
Notes and accounts receivable	39,968	*4,214	*3,084	*955	*363	*2,223	*3,746	*12,473	*12,908	*2,314
Less: Allowance for bad debts	*139	--	--	--	--	*139	--	--	--	--
Inventories	262,173	*4,390	*48,459	*7,138	*47,247	*24,185	*5,539	12,617	112,598	*243
Investments in Government obligations	--	--	--	--	--	--	--	--	--	--
Tax-exempt securities	--	--	--	--	--	--	--	--	--	--
Other current assets	9,522	--	--	*1,791	*382	*785	*1,285	*3,688	*1,592	--
Loans to stockholders	*27,840	--	*580	--	*4,917	--	--	*12,129	*10,013	--
Mortgage and real estate loans	*1,795	--	--	--	*1,795	--	--	--	--	--
Depreciable, depletable, and intangible assets	515,102	*26,058	*33,145	*91,628	*24,232	*12,052	*1,403	230,240	96,344	*694
Less: Accumulated depreciation, depletion, and amortization	308,615	*20,335	*20,093	*62,764	*12,908	*8,383	--	110,297	73,835	--
Land	*36,050	*10,217	*2,399	*6,460	--	--	--	*13,926	*3,048	--
Other assets	37,747	*2,836	*75	*6,608	*9,039	*2,703	--	*6,582	9,906	*1,527
Total liabilities	786,883	*31,703	*75,894	*62,818	*87,153	*61,305	*18,204	220,423	229,381	*4,777
Accounts payable	74,554	*2,819	*4,090	*4,258	*381	*14,997	*10,477	*4,965	32,568	*1,017
Other current liabilities	42,566	*528	*1,068	*1,610	*2,444	*5,526	*3,061	*11,906	*16,423	*1,990
Loans from stockholders	341,690	--	*9,995	*38,001	*175,191	*31,147	--	*39,248	48,108	--
Mortgages, notes, and bonds payable in one year or more	260,325	*9,574	*28,271	*20,847	*18,780	*619	--	*122,799	59,436	*1,431
Other liabilities	18,070	*3,831	(1)	--	--	*436	*940	*12,861	*1	(1)
Capital stock	119,301	*1,444	*22,914	*3,017	*33,423	*2,350	*2,573	34,825	18,754	--
Paid-in or capital surplus	32,460	--	*-485	*3,590	*4,071	--	--	*14,682	*10,602	--
Retained earnings, unappropriated	43,140	*13,506	*10,041	*-8,503	*-10,841	*6,230	*1,154	-18,537	50,091	*339
Less: Cost of treasury stock	*145,223	--	--	--	*136,296	--	--	*2,326	*6,601	--
Total receipts	2,595,351	*152,820	*162,205	*165,331	*383,355	*174,027	*35,020	544,268	978,325	*16,248
Business receipts	2,491,539	*152,547	*161,197	*161,606	*382,506	*160,036	*34,917	540,672	898,059	*16,241
Interest	7,184	*154	*26	*309	*749	*207	--	*2,212	*3,526	*7
Interest on Government obligations:										
State and local	*857	--	--	--	--	--	--	--	*857	--
Rents	*982	--	*982	--	--	--	--	--	--	--
Royalties	--	--	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*1,213	--	--	--	--	--	--	*1,213	--	--
Net gain, noncapital assets	--	--	--	--	--	--	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	--	--	--	--	--
Other receipts	93,576	*120	--	*3,416	*100	*13,784	*103	*170	75,883	--
Total deductions	2,496,324	*147,492	*155,395	*161,287	*370,046	*169,323	*33,866	520,488	938,427	*15,110
Cost of sales and operations	1,353,300	*103,673	*97,161	*91,321	*252,626	*96,942	*21,348	200,086	490,143	*5,767
Compensation of officers	159,166	*10,376	*13,355	*10,611	*21,443	*1,264	*2,758	*24,845	74,513	--
Repairs	27,146	*603	*99	*1,523	*10,614	*477	*1,437	7,228	5,164	*452
Bad debts	*1,356	*12	--	*408	*127	*44	--	*45	*720	*31
Rent paid on business property	151,516	*1,370	*4,392	*12,786	*13,631	*17,328	*2,117	49,310	50,582	*579
Taxes paid	103,666	*2,490	*5,218	*4,789	*9,592	*7,104	*188	20,446	53,839	*16
Interest paid	22,768	*1,953	*3,812	*2,143	*1,551	*312	--	*7,287	5,711	*3
Contributions or gifts	746	*15	*80	*55	(1)	*191	--	*154	*251	--
Amortization	*3,706	--	--	--	--	*45	--	*195	*3,466	--
Depreciation	45,009	*2,646	*1,585	*3,725	*5,295	*1,714	--	*22,796	7,248	--
Depletion	--	--	--	--	--	--	--	--	--	--
Advertising	99,205	*3,086	*2,388	*1,177	*3,836	*4,989	*3,366	*1,813	78,549	*160
Pension, profit-sharing, stock bonus, and annuity plans	*46	--	--	--	--	--	--	*46	--	--
Employee benefit programs	*13,423	--	*2,254	--	*3,287	--	*128	*4,523	*3,232	*23
Net loss, noncapital assets	*147	--	--	--	--	--	--	--	*147	--
Other deductions	515,125	*21,268	*25,052	*32,749	*48,044	*38,914	*2,523	181,715	164,861	*8,079
Total receipts less total deductions	99,027	*5,329	*6,809	*4,044	*13,309	*4,704	*1,154	23,780	39,898	*1,139
Net income	98,170	*5,329	*6,809	*4,044	*13,309	*4,704	*1,154	23,780	39,041	*1,139
Income subject to tax	67,060	*5,329	*719	*2,336	*8,312	*3,411	*1,154	*14,270	31,529	*368
Income tax, total [2]	10,173	*799	*108	*350	*1,247	*512	*173	*2,256	4,729	*55
Regular tax	10,173	*799	*108	*350	*1,247	*512	*173	*2,256	4,729	*55
Recapture of investment credit	--	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--	--
General business credit	*120	--	--	--	--	--	--	--	*120	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120A

Table 9--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	23,451	*409	*950	*781	*690	*1,777	16,703	*2,141
Total assets	1,508,947	*6,847	*59,969	*32,177	*25,996	*140,805	1,164,164	*78,989
Cash	503,984	*3,776	*29,424	*1,023	*23,059	*34,600	387,583	*24,518
Notes and accounts receivable	121,747	–	*27,690	*1,931	–	*23,580	66,944	*1,601
Less: Allowance for bad debts	*2,209	–	–	–	–	*800	*1,409	–
Inventories	–	–	–	–	–	–	–	–
Investments in Government obligations	*200	–	–	–	–	–	–	*200
Tax-exempt securities	*24,226	–	–	*10,367	–	–	*13,859	–
Other current assets	82,782	–	*509	*6,879	*970	*19	53,282	*1,122
Loans to stockholders	75,926	–	*223	*4,367	–	–	57,511	*13,825
Mortgage and real estate loans	*58,599	–	–	*4,352	–	*4,029	*44,255	*5,963
Depreciable, depletable, and intangible assets	781,847	*3,071	*2,190	*4,740	*3,974	*36,686	711,081	*20,105
Less: Accumulated depreciation, depletion, and amortization	482,349	–	*927	*2,210	*2,007	*27,445	438,676	*11,084
Land	222,829	–	–	–	–	*19,243	203,586	–
Other assets	141,365	–	*859	*727	–	*50,892	66,148	*22,739
Total liabilities	1,508,947	*6,847	*59,969	*32,177	*25,996	*140,805	1,164,164	*78,989
Accounts payable	56,914	–	–	*1,027	–	*8,807	47,080	–
Other current liabilities	74,814	*4,087	*625	*442	*1,959	*3,087	59,996	*4,618
Loans from stockholders	138,580	–	*4,755	–	*86	*202	118,823	*14,714
Mortgages, notes, and bonds payable in one year or more	368,121	*27,793	*18,470	*9,191	–	*29,486	270,748	*12,432
Other liabilities	91,735	–	*320	–	–	*15,125	74,259	*2,031
Capital stock	233,235	–	*17,070	*211	*281	*3,494	202,833	*9,346
Paid-in or capital surplus	154,126	–	–	–	–	*35,774	116,992	*1,360
Retained earnings, unappropriated	442,636	*-25,033	*18,729	*21,305	*23,670	*46,525	322,952	*34,488
Less: Cost of treasury stock	*51,214	–	–	–	–	*1,694	*49,520	–
Total receipts	1,332,087	*69	*64,289	*25,192	*13,430	*373,875	841,327	*13,906
Business receipts	1,151,169	–	*53,159	*18,924	*12,270	*370,089	690,841	*5,886
Interest	48,010	*69	*10,715	*1,937	*1,160	*2,318	29,223	*2,589
Interest on Government obligations:								
State and local	*9,789	–	–	–	–	–	*9,789	–
Rents	75,011	–	–	–	–	*1,434	72,481	*1,096
Royalties	*4,445	–	–	–	–	–	*2,986	*1,459
Net short-term capital gain reduced by net long-term capital loss	–	–	–	–	–	–	–	–
Net long-term capital gain reduced by net short-term capital loss	*10,972	–	–	–	–	–	*10,423	*549
Net gain, noncapital assets	*7,607	–	*415	*2,157	–	–	*5,035	–
Dividends received from domestic corporations	*3,905	–	–	–	–	–	*2,465	*1,440
Other receipts	21,179	–	(1)	*2,174	–	*34	18,084	*887
Total deductions	1,181,367	–	*61,237	*20,933	*3,799	*350,460	735,948	*8,990
Cost of sales and operations	246,876	–	*26,566	*6,306	–	*87,425	126,579	–
Compensation of officers	82,168	–	*6,830	*4,979	–	*34,231	38,129	–
Repairs	28,958	–	*371	*17	–	*1,096	27,393	*82
Bad debts	*4,627	–	*2,241	–	–	*1,682	*703	–
Rent paid on business property	41,620	–	*6,606	*2,174	*336	*15,374	17,129	–
Taxes paid	52,611	–	*1,118	*420	*1,121	*6,957	42,570	*425
Interest paid	40,832	–	*2,977	*2,434	*12	*12,696	20,876	*1,837
Contributions or gifts	1,263	–	*3	–	–	*724	*536	–
Amortization	*178	–	*38	–	–	–	*2	*138
Depreciation	39,793	–	*441	*784	*1,204	*3,524	33,025	*816
Depletion	*818	–	–	–	–	–	–	*818
Advertising	14,787	–	*89	–	–	*5,381	9,308	*9
Pension, profit-sharing, stock bonus, and annuity plans	*2,039	–	–	–	–	–	*2,039	–
Employee benefit programs	*6,796	–	–	–	–	*2,372	*4,424	–
Net loss, noncapital assets	–	–	–	–	–	–	–	–
Other deductions	618,000	–	*13,957	*3,819	*1,127	*178,997	415,235	*4,866
Total receipts less total deductions	150,720	*69	*3,052	*4,259	*9,630	*23,415	105,379	*4,916
Net income	140,931	*69	*3,052	*4,259	*9,630	*23,415	95,591	*4,916
Income subject to tax	114,330	*69	*923	*2,257	*9,630	*23,316	76,360	*1,775
Income tax, total [2]	17,729	*10	*139	*339	*1,444	*3,605	11,926	*266
Regular tax	17,729	*10	*139	*339	*1,444	*3,605	11,926	*266
Recapture of investment credit	–	–	–	–	–	–	–	–
Alternative minimum tax	–	–	–	–	–	–	–	–
General business credit	*456	–	–	–	–	*398	*58	–
Prior year minimum tax credit	–	–	–	–	–	–	–	–

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

RETURNS WITH NET INCOME, FORM 1120A

Table 9–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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	45,713	*695	*1,963	15,350	5,897	4,349	17,459	*1,801
Total assets	1,603,644	*38,932	*98,913	417,871	272,785	161,291	613,852	*112,197
Cash	391,648	*10,764	*19,179	110,471	41,243	37,805	172,185	*27,953
Notes and accounts receivable	169,432	*4,672	*1,497	50,135	*38,626	*1,270	73,232	*16,254
Less: Allowance for bad debts	*6,104	–	–	*21	–	–	*6,083	–
Inventories	51,910	*370	*1,440	*5,803	32,566	*910	*10,821	*9,140
Investments in Government obligations	*6,861	–	–	*4	*2,720	–	*4,136	–
Tax-exempt securities	*942	–	–	*8	–	–	*934	–
Other current assets	128,065	*30	*2,598	10,487	*16,305	*28,031	70,614	*310
Loans to stockholders	109,713	*136	–	55,007	*14,918	*3,734	*35,921	*6,775
Mortgage and real estate loans	*44,062	*7,351	–	*27,869	–	–	*8,842	*34,880
Depreciable, depletable, and intangible assets	1,275,707	*37,591	*106,660	246,099	285,862	177,051	422,444	*9,063
Less: Accumulated depreciation, depletion, and amortization	748,834	*26,564	*54,377	142,902	182,152	122,289	220,550	*6,198
Land	48,687	*4,063	*2,170	*45	*13,880	*18,456	*10,073	*13,526
Other assets	131,555	*520	*19,745	54,866	*8,819	*16,323	31,282	*494
Total liabilities	1,603,644	*38,932	*98,913	417,871	272,785	161,291	613,852	*112,197
Accounts payable	84,546	*222	*1,331	38,623	19,512	*5,846	19,012	*9,511
Other current liabilities	74,707	*468	*917	27,281	14,601	*1,585	29,853	*4,514
Loans from stockholders	200,488	*9,620	*18,608	49,643	*22,459	*20,934	79,224	–
Mortgages, notes, and bonds payable in one year or more	395,845	*20,457	*55,714	63,491	*45,625	*51,224	159,335	*7,001
Other liabilities	74,833	–	*123	15,536	*11,593	*13,029	34,551	*22,795
Capital stock	204,498	*904	*8,746	60,598	34,282	37,063	62,904	*16,751
Paid-in or capital surplus	134,046	–	*3,746	23,006	*25,951	*5,756	75,587	*855
Retained earnings, unappropriated	498,015	*7,261	*9,727	160,404	100,112	51,995	168,516	*50,771
Less: Cost of treasury stock	63,338	–	–	*20,714	*1,351	*26,142	*15,131	–
Total receipts	4,852,941	*79,111	*235,815	1,522,799	1,005,038	340,855	1,669,324	*157,359
Business receipts	4,754,622	*66,403	*235,598	1,486,509	988,722	332,493	1,644,896	*154,451
Interest	29,708	*1,215	*91	6,790	*1,478	*6,752	13,383	*2,589
Interest on Government obligations: State and local	*1,188	–	–	*377	–	–	*810	–
Rents	*10,935	–	–	*5,899	*3,092	–	*1,944	–
Royalties	*23	–	–	*15	–	–	*8	–
Net short-term capital gain reduced by net long-term capital loss	*380	–	–	–	–	–	*380	–
Net long-term capital gain reduced by net short-term capital loss	*3,678	*120	–	–	–	–	*3,558	–
Net gain, noncapital assets	*16,285	*11,363	–	*2,306	*619	*1,257	*740	–
Dividends received from domestic corporations	*1,470	–	–	–	*768	–	*702	–
Other receipts	34,651	*10	*126	20,903	*10,358	*352	2,901	*220
Total deductions	4,602,162	*64,003	*220,577	1,450,590	973,176	321,851	1,571,964	*142,758
Cost of sales and operations	1,334,223	*11,831	*22,512	418,446	418,023	108,084	355,328	*73,644
Compensation of officers	758,314	*2,599	*25,414	319,608	*61,331	*15,724	333,638	*10,051
Repairs	53,832	*5,564	*2,995	5,078	12,676	*8,397	19,122	*1,739
Bad debts	2,124	*87	*156	*840	*250	*339	*651	*868
Rent paid on business property	306,784	*21,523	*18,389	103,735	41,337	*41,698	80,102	*7,409
Taxes paid	194,559	*2,096	*12,611	61,830	44,848	16,668	56,507	*4,028
Interest paid	41,470	*2,539	*5,295	5,616	5,514	*1,733	20,773	*981
Contributions or gifts	3,815	–	*364	727	*1,390	*60	1,274	*171
Amortization	4,396	*51	*404	*1,505	*1,180	*9	*1,248	–
Depreciation	132,121	*3,783	*8,442	36,419	30,466	8,862	44,149	*6,977
Depletion	*355	–	*355	–	–	–	–	–
Advertising	81,582	*655	*797	31,354	4,872	*19,872	24,232	*80
Pension, profit-sharing, stock bonus, and annuity plans	*18,449	–	–	*1,707	–	–	*16,741	–
Employee benefit programs	42,562	–	*983	*14,699	*6,306	–	20,575	–
Net loss, noncapital assets	*3,508	–	–	*2,630	*596	*93	*189	–
Other deductions	1,624,067	*13,278	*121,859	446,594	344,387	100,514	597,436	*36,830
Total receipts less total deductions	250,779	*15,107	*15,238	72,210	31,861	19,004	97,360	*14,601
Net income	249,592	*15,107	*15,238	71,832	31,861	19,004	96,549	*14,601
Income subject to tax	160,022	*4,210	*11,443	49,505	22,255	16,575	56,034	*12,819
Income tax, total [2]	26,445	*698	*1,809	7,667	3,338	2,487	10,446	*1,923
Regular tax	26,344	*698	*1,809	7,567	3,338	2,487	10,446	*1,923
Recapture of investment credit	*101	–	–	*101	–	–	–	–
Alternative minimum tax	–	–	–	–	–	–	–	–
General business credit	*685	*675	–	–	–	–	*10	–
Prior year minimum tax credit	–	–	–	–	–	–	–	–

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

[1] 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, FORM 1120F

Table 10--Income Statements and Selected Tax Items, by Major Industry

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

Item	All Industries	Major Industry					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	9,479	261	358	*24	--	327	*7
Total receipts	114,087,017	88,821	631,308	*38,245	--	265,134	*327,929
Business receipts	47,585,800	79,817	620,686	*37,254	--	258,486	*324,946
Interest	62,041,722	1,023	1,287	*728	--	561	--
Interest on Government obligations: State and local	78,816	--	--	--	--	--	--
Rents	406,686	1,116	*180	178	--	*2	--
Royalties	12,167	*132	*8	--	--	*6	--
Net short-term capital gain reduced by net long-term capital loss	18,696	--	*34	--	--	*34	--
Net long-term capital gain reduced by net short-term capital loss	314,129	*733	*98	87	--	*12	--
Net gain, noncapital assets	195,808	*3,610	*1,415	--	--	*1,059	*356
Dividends received from domestic corporations	59,723	*14	1	--	--	1	--
Dividends received from foreign corporations	41	--	--	--	--	--	--
Other receipts	3,373,431	2,376	7,600	--	--	4,974	*2,627
Total deductions	115,508,929	118,633	596,573	*39,116	--	256,988	*300,469
Cost of sales and operations	39,106,705	17,503	337,720	*21,782	--	94,329	*221,608
Compensation of officers	355,708	*774	*10,231	--	--	*10,231	--
Repairs	143,767	736	*6,053	--	--	399	*5,654
Bad debts	2,515,130	*67	*2,123	--	--	*584	*1,539
Rent paid on business property	750,742	*1,829	*11,714	--	--	*9,053	*2,661
Taxes paid	753,457	2,848	9,085	(*)	--	8,589	*496
Interest paid	58,021,583	7,257	*7,304	980	--	*623	*5,701
Contributions or gifts	5,008	--	5	--	--	5	--
Amortization	107,589	*84	*7,759	*7,483	--	*192	*85
Depreciation	849,721	44,233	25,417	515	--	8,195	*16,706
Depletion	12,069	*422	11,628	3,292	--	8,336	--
Advertising	113,298	*537	*8,318	--	--	*391	*7,927
Pension, profit-sharing, stock bonus, and annuity plans	30,072	--	*1,268	--	--	*1,268	--
Employee benefit programs	196,304	--	*5,550	--	--	*5,550	--
Net loss, noncapital assets	1,762,655	*5,938	*1,750	36	--	*1,714	--
Other deductions	10,785,121	36,405	150,649	*5,028	--	107,528	*38,093
Total receipts less total deductions	-1,421,912	-29,812	34,735	*-,871	--	8,146	*27,460
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--
Net income (less deficit)	-1,500,728	-29,812	34,735	*-,871	--	8,146	*27,460
Income subject to tax	1,823,941	*1,093	*3,641	--	--	*3,641	--
Income tax, total [2]	662,368	*355	3,255	167	--	*2,440	*649
Regular tax	612,840	*341	*1,162	--	--	*1,162	--
Personal holding company tax	--	--	--	--	--	--	--
Recapture of investment credit	*40	--	1	--	--	1	--
Alternative minimum tax	12,383	--	*1,334	162	--	*623	*549
Environmental tax	2,267	--	*40	5	--	*19	*16
Foreign tax credit	34,836	*14	*718	--	--	*634	*84
U.S. possessions tax credit	*3,313	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--
Nonconventional source fuel credit	*1	--	*1	--	--	*1	--
General business credit	542	--	--	--	--	--	--
Prior year minimum tax credit	*1,500	--	--	--	--	--	--
Tax from Section I [3]	53,434	--	*2	--	--	*2	--
Tax from Section II [4]	622,189	*341	2,537	167	--	*1,805	*565
U.S. income tax paid or withheld	111,429	*57	*136	--	--	*136	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

Table 10--Income Statements and Selected Tax 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	*45	*22	*9	*14	250	*23	--	*7	--
Total receipts	*179,056	*83,780	*48,099	*47,177	2,477,421	*122,263	--	--	--
Business receipts	*132,613	*48,353	37,083	*47,177	2,451,575	*121,688	--	--	--
Interest	*8,659	*8,015	644	--	12,680	*575	--	--	--
Interest on Government obligations: State and local	--	--	--	--	*1	--	--	--	--
Rents	*4,565	*3,842	723	--	*108	--	--	--	--
Royalties	--	--	--	--	*3,093	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	--	--	--	*2	--	--	--	--
Net gain, noncapital assets	*715	*715	--	--	*567	--	--	--	--
Dividends received from domestic corporations	3	--	3	--	(1)	--	--	--	--
Dividends received from foreign corporations	--	--	--	--	--	--	--	--	--
Other receipts	*32,501	*22,854	*9,647	--	9,395	--	--	--	--
Total deductions	*213,606	*115,977	*51,137	*46,492	2,548,682	*139,052	--	*338	--
Cost of sales and operations	*146,412	*68,745	38,893	*38,774	2,199,321	*93,788	--	--	--
Compensation of officers	*888	--	--	*888	*4,635	*131	--	--	--
Repairs	*826	*792	24	*10	792	--	--	--	--
Bad debts	*65	--	--	*65	2,570	--	--	--	--
Rent paid on business property	*1,875	*1,228	370	*277	8,385	*83	--	*43	--
Taxes paid	*3,931	*3,551	*371	*9	22,556	*105	--	--	--
Interest paid	*966	*51	651	*264	38,458	*2,769	--	--	--
Contributions or gifts	--	--	--	--	(1)	--	--	--	--
Amortization	2	--	2	--	11,035	--	--	--	--
Depreciation	*2,911	*1,036	1,768	*107	31,442	*4,551	--	--	--
Depletion	--	--	--	--	--	--	--	--	--
Advertising	*163	*151	--	*12	23,226	5,146	--	--	--
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	*1,838	--	--	--	--
Employee benefit programs	*134	*24	47	*62	9,532	--	--	--	--
Net loss, noncapital assets	*124	*114	10	--	*2,528	--	--	--	--
Other deductions	*55,310	*40,286	*9,000	*6,023	192,364	*32,478	--	*296	--
Total receipts less total deductions	*-34,550	*-32,197	*-3,037	*685	-71,260	*-16,788	--	*-338	--
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--	--	--
Net income (less deficit)	*-34,550	*-32,197	*-3,037	*685	-71,261	*-16,788	--	*-338	--
Income subject to tax	*346	--	--	*346	*4,335	*100	--	--	--
Income tax, total [2]	*111	--	*81	*30	*1,541	*15	--	--	--
Regular tax	--	--	--	--	*1,294	*15	--	--	--
Personal holding company tax	--	--	--	--	--	--	--	--	--
Recapture of investment credit	--	--	--	--	--	--	--	--	--
Alternative minimum tax	*81	--	*81	--	199	--	--	--	--
Environmental tax	--	--	--	--	10	--	--	--	--
Foreign tax credit	*30	--	--	*30	*39	--	--	--	--
U.S. possessions tax credit	--	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--
Tax from Section I [3]	473	--	473	--	--	--	--	--	--
Tax from Section II [4]	*83	--	*83	--	*1,505	*15	--	--	--
U.S. income tax paid or withheld	*1,435	*18	1,417	--	*33	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

Table 10--Income Statements and Selected Tax 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	Chemical 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	***	*7	--	*15	***
Total receipts	--	--	***	*21,451	***	*32,502	--	*158,663	***
Business receipts	--	--	***	*21,354	***	*32,159	--	*158,648	***
Interest	--	--	***	--	***	*10	--	*4	***
Interest on Government obligations: State and local	--	--	***	--	***	--	--	--	***
Rents	--	--	***	--	***	--	--	--	***
Royalties	--	--	***	--	***	*301	--	--	***
Net short-term capital gain reduced by net long-term capital loss	--	--	***	--	***	--	--	--	***
Net long-term capital gain reduced by net short-term capital loss	--	--	***	--	***	--	--	--	***
Net gain, noncapital assets	--	--	***	--	***	--	--	--	***
Dividends received from domestic corporations	--	--	***	--	***	--	--	--	***
Dividends received from foreign corporations	--	--	***	--	***	--	--	--	***
Other receipts	--	--	***	*97	***	*32	--	*12	***
Total deductions	--	--	***	*23,878	***	*38,039	--	*158,689	***
Cost of sales and operations	--	--	***	*18,872	***	*28,501	--	*152,601	***
Compensation of officers	--	--	***	--	***	--	--	--	***
Repairs	--	--	***	--	***	*13	--	*100	***
Bad debts	--	--	***	--	***	--	--	--	***
Rent paid on business property	--	--	***	--	***	*423	--	*21	***
Taxes paid	--	--	***	*738	***	*122	--	*2,136	***
Interest paid	--	--	***	--	***	*387	--	*1	***
Contributions or gifts	--	--	***	--	***	--	--	(1)	***
Amortization	--	--	***	*25	***	*2	--	*8	***
Depreciation	--	--	***	*1,250	***	*160	--	*81	***
Depletion	--	--	***	--	***	--	--	--	***
Advertising	--	--	***	--	***	*27	--	--	***
Pension, profit-sharing, stock bonus, and annuity plans	--	--	***	--	***	--	--	--	***
Employee benefit programs	--	--	***	*1,756	***	*584	--	*1,708	***
Net loss, noncapital assets	--	--	***	--	***	*8	--	*3	***
Other deductions	--	--	***	*1,237	***	*7,811	--	*2,030	***
Total receipts less total deductions	--	--	***	*-2,426	***	*-5,537	--	*-25	***
Constructive taxable income from related foreign corporations	--	--	***	--	***	--	--	--	***
Net income (less deficit)	--	--	***	*-2,426	***	*-5,537	--	*-25	***
Income subject to tax	--	--	***	*88	***	--	--	*1	***
Income tax, total [2]	--	--	***	*13	***	*39	--	(1)	***
Regular tax	--	--	***	*13	***	--	--	(1)	***
Personal holding company tax	--	--	***	--	***	--	--	--	***
Recapture of investment credit	--	--	***	--	***	--	--	--	***
Alternative minimum tax	--	--	***	--	***	--	--	--	***
Environmental tax	--	--	***	--	***	--	--	--	***
Foreign tax credit	--	--	***	--	***	*39	--	--	***
U.S. possessions tax credit	--	--	***	--	***	--	--	--	***
Orphan drug credit	--	--	***	--	***	--	--	--	***
Nonconventional source fuel credit	--	--	***	--	***	--	--	--	***
General business credit	--	--	***	--	***	--	--	--	***
Prior year minimum tax credit	--	--	***	--	***	--	--	--	***
Tax from Section I [3]	--	--	***	--	***	--	--	--	***
Tax from Section II [4]	--	--	***	*13	***	--	--	(1)	***
U.S. income tax paid or withheld	--	--	***	*33	***	--	--	--	***

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

Table 10—Income Statements and Selected Tax 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	*14	*14	*29	87	--	*14	--	*14
Total receipts	*1,431,789	*56,820	*132,848	94,590	--	*4,571	--	*1,425
Business receipts	*1,429,791	*56,759	*128,218	93,517	--	*4,472	--	*5
Interest	*100	*19	*498	*663	--	*93	--	--
Interest on Government obligations:								
State and local	--	--	*1	--	--	--	--	--
Rents	--	--	--	*75	--	--	--	--
Royalties	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	--	--	*2	--	--	--	--
Net gain, noncapital assets	*223	--	--	*294	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	--	--	--
Dividends received from foreign corporations	--	--	--	--	--	--	--	--
Other receipts	*1,675	*42	*4,130	*38	--	*5	--	*1,420
Total deductions	*1,431,353	*60,882	*131,589	113,038	--	*9,042	--	*721
Cost of sales and operations	*1,425,464	*50,216	*103,510	71,148	--	*2,211	--	*15
Compensation of officers	*378	--	*1,350	*1,622	--	--	--	--
Repairs	*37	*202	*78	*64	--	*25	--	--
Bad debts	--	*53	*59	*1,977	--	--	--	--
Rent paid on business property	*589	*472	*1,092	*1,712	--	*1,201	--	*83
Taxes paid	*520	*564	*1,107	1,126	--	*54	--	*27
Interest paid	*8	*555	*172	*979	--	*72	--	--
Contributions or gifts	--	--	--	--	--	--	--	--
Amortization	--	*3	--	*2,302	--	--	--	*1
Depreciation	*38	*742	*330	*1,346	--	*98	--	*4
Depletion	--	--	--	--	--	--	--	--
Advertising	--	*18	*2,423	*418	--	*121	--	--
Pension, profit-sharing, stock bonus, and annuity plans	--	--	*348	--	--	--	--	--
Employee benefit programs	*196	--	*696	*2,159	--	*30	--	--
Net loss, noncapital assets	--	*10	--	--	--	--	--	*141
Other deductions	*4,122	*8,044	*20,423	28,185	--	*5,230	--	*451
Total receipts less total deductions	*437	*-4,062	*1,256	-18,448	--	*-4,471	--	*703
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--	--
Net income (less deficit)	*437	*-4,062	*1,256	-18,448	--	*-4,471	--	*703
Income subject to tax	--	--	*2,182	*966	--	--	--	--
Income tax, total [2]	--	--	*742	*255	--	--	--	--
Regular tax	--	--	*742	*255	--	--	--	--
Personal holding company tax	--	--	--	--	--	--	--	--
Recapture of investment credit	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--
Environmental tax	--	--	--	--	--	--	--	--
Foreign tax credit	--	--	--	--	--	--	--	--
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--
Tax from Section I [3]	--	--	--	--	--	--	--	--
Tax from Section II [4]	--	--	*745	*255	--	--	--	--
U.S. income tax paid or withheld	--	--	--	--	--	--	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

Table 10--Income Statements and Selected Tax 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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	175	159	***	***	417	315	*24	*31	260
Total receipts	979,179	768,838	***	***	35,770,778	35,536,537	*1,173,764	*523,853	33,838,921
Business receipts	943,726	734,008	***	***	35,699,509	35,475,756	*1,172,647	*516,582	33,786,526
Interest	14,445	*13,918	***	***	16,026	15,858	*105	*3,619	12,134
Interest on Government obligations: State and local	*96	*96	***	***	--	--	--	--	--
Rents	*6,019	*5,924	***	***	*73	*56	--	--	*56
Royalties	--	--	***	***	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	***	***	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*139	*139	***	***	*129	--	--	--	--
Net gain, noncapital assets	46	46	***	***	*703	*652	--	*616	*36
Dividends received from domestic corporations	--	--	***	***	*529	*434	*1	--	*434
Dividends received from foreign corporations	--	--	***	***	--	--	--	--	--
Other receipts	*14,707	*14,707	***	***	53,809	43,782	*1,010	*3,036	39,735
Total deductions	1,077,899	867,350	***	***	35,736,287	35,494,175	*1,174,011	*507,210	33,812,954
Cost of sales and operations	581,980	441,896	***	***	35,285,287	35,135,442	*1,168,288	*410,799	33,556,354
Compensation of officers	*372	*372	***	***	7,376	6,191	*458	*705	*5,027
Repairs	10,654	*3,566	***	***	2,333	1,037	*41	*357	639
Bad debts	*1,332	*1,332	***	***	3,751	3,703	--	*127	3,576
Rent paid on business property	21,794	19,679	***	***	30,640	16,706	*89	*2,464	14,153
Taxes paid	7,942	5,094	***	***	18,734	13,459	*1,096	*2,822	9,542
Interest paid	24,279	*22,362	***	***	57,699	56,121	*256	*3,751	52,114
Contributions or gifts	--	--	***	***	*200	*200	--	1	*198
Amortization	*115	--	***	***	*99	*59	--	--	*59
Depreciation	83,928	69,989	***	***	9,097	6,499	*25	*1,962	4,512
Depletion	--	--	***	***	--	--	--	--	--
Advertising	*3,414	*3,414	***	***	13,039	9,254	*99	*564	8,591
Pension, profit-sharing, stock bonus, and annuity plans	558	--	***	***	*519	*488	12	*23	*453
Employee benefit programs	*3,738	*708	***	***	8,624	7,236	76	*2,388	4,772
Net loss, noncapital assets	*16	*16	***	***	*1,483	*410	--	*162	*248
Other deductions	337,778	298,921	***	***	297,407	237,370	*3,570	*81,085	152,715
Total receipts less total deductions	-98,721	-98,511	***	***	34,490	42,363	*-,247	*16,643	25,967
Constructive taxable income from related foreign corporations	--	--	***	***	--	--	--	--	--
Net income (less deficit)	-98,817	-98,607	***	***	34,490	42,363	*-,247	*16,643	25,967
Income subject to tax	*7,122	*6,052	***	***	72,493	71,944	*1,663	*19,356	50,925
Income tax, total [2]	*3,025	*2,709	***	***	27,408	27,219	*521	*6,625	20,073
Regular tax	*2,374	*2,058	***	***	24,415	24,229	*482	*6,575	17,172
Personal holding company tax	--	--	***	***	--	--	--	--	--
Recapture of investment credit	--	--	***	***	--	--	--	--	--
Alternative minimum tax	--	--	***	***	*407	*407	--	--	*407
Environmental tax	--	--	***	***	76	76	1	*24	*50
Foreign tax credit	651	651	***	***	2,510	*2,508	*38	*26	*2,444
U.S. possessions tax credit	--	--	***	***	--	--	--	--	--
Orphan drug credit	--	--	***	***	--	--	--	--	--
Nonconventional source fuel credit	--	--	***	***	--	--	--	--	--
General business credit	--	--	***	***	*50	*50	--	*50	--
Prior year minimum tax credit	--	--	***	***	*148	*148	--	*148	--
Tax from Section I [3]	20	20	***	***	*3,836	--	--	--	--
Tax from Section II [4]	*2,374	*2,058	***	***	24,700	24,514	*483	*6,402	17,629
U.S. income tax paid or withheld	*27	*27	***	***	*4,071	*334	*334	--	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

Table 10--Income Statements and Selected Tax 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									Wholesale and retail trade not allocable
	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 furnishing stores	Eating and drinking places	Miscellaneous retail stores	
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total	102	***	–	*7	***	***	*14	*14	*50	–
Total receipts	234,240	***	–	*95	***	***	*5,072	*44,794	*56,326	–
Business receipts	223,753	***	–	–	***	***	*5,059	*44,763	*48,358	–
Interest	*169	***	–	–	***	***	*13	–	*108	–
Interest on Government obligations: State and local	–	***	–	–	***	***	–	–	–	–
Rents	*17	***	–	–	***	***	–	–	*17	–
Royalties	–	***	–	–	***	***	–	–	–	–
Net short-term capital gain reduced by net long-term capital loss	–	***	–	–	***	***	–	–	–	–
Net long-term capital gain reduced by net short-term capital loss	*129	***	–	–	***	***	–	–	–	–
Net gain, noncapital assets	*50	***	–	–	***	***	–	–	*50	–
Dividends received from domestic corporations	*95	***	–	*95	***	***	–	–	–	–
Dividends received from foreign corporations	–	***	–	–	***	***	–	–	–	–
Other receipts	*10,027	***	–	–	***	***	–	*31	*7,791	–
Total deductions	242,113	***	–	*31	***	***	*6,942	*45,069	*57,997	–
Cost of sales and operations	149,845	***	–	–	***	***	*3,668	*15,848	*31,508	–
Compensation of officers	*1,186	***	–	–	***	***	–	*1,013	–	–
Repairs	*1,296	***	–	–	***	***	–	*820	*325	–
Bad debts	*47	***	–	–	***	***	*9	–	*12	–
Rent paid on business property	13,934	***	–	–	***	***	*709	*2,872	*5,648	–
Taxes paid	5,275	***	–	–	***	***	*36	*820	*1,463	–
Interest paid	*1,578	***	–	–	***	***	–	*513	*255	–
Contributions or gifts	–	***	–	–	***	***	–	–	–	–
Amortization	*40	***	–	–	***	***	(1)	*39	–	–
Depreciation	2,599	***	–	–	***	***	*1	*1,636	*812	–
Depletion	–	***	–	–	***	***	–	–	–	–
Advertising	*3,786	***	–	–	***	***	*456	*1,239	*735	–
Pension, profit-sharing, stock bonus, and annuity plans	30	***	–	–	***	***	–	–	–	–
Employee benefit programs	*1,387	***	–	–	***	***	–	–	*618	–
Net loss, noncapital assets	*1,073	***	–	–	***	***	–	–	*1,073	–
Other deductions	60,037	***	–	*31	***	***	*2,062	*20,269	*15,547	–
Total receipts less total deductions	-7,873	***	–	*64	***	***	*-1,870	*-,275	*-1,671	–
Constructive taxable income from related foreign corporations	–	***	–	–	***	***	–	–	–	–
Net income (less deficit)	-7,873	***	–	*64	***	***	*-1,870	*-,275	*-1,671	–
Income subject to tax	*549	***	–	–	***	***	–	–	*549	–
Income tax, total [2]	*188	***	–	–	***	***	–	–	*188	–
Regular tax	*186	***	–	–	***	***	–	–	*186	–
Personal holding company tax	–	***	–	–	***	***	–	–	–	–
Recapture of investment credit	–	***	–	–	***	***	–	–	–	–
Alternative minimum tax	–	***	–	–	***	***	–	–	–	–
Environmental tax	–	***	–	–	***	***	–	–	–	–
Foreign tax credit	*2	***	–	–	***	***	–	–	*2	–
U.S. possessions tax credit	–	***	–	–	***	***	–	–	–	–
Orphan drug credit	–	***	–	–	***	***	–	–	–	–
Nonconventional source fuel credit	–	***	–	–	***	***	–	–	–	–
General business credit	–	***	–	–	***	***	–	–	–	–
Prior year minimum tax credit	–	***	–	–	***	***	–	–	–	–
Tax from Section I [3]	*3,836	***	–	*3,731	***	***	–	–	–	–
Tax from Section II [4]	*186	***	–	–	***	***	–	–	*186	–
U.S. income tax paid or withheld	*3,738	***	–	*3,731	***	***	–	–	*4	–

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

Table 10--Income Statements and Selected Tax 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	7,280	320	*38	*38	*36	*57	5,953	839
Total receipts	73,260,361	70,708,675	*1,880	*138,391	*5,179	*6,601	2,259,612	140,023
Business receipts	7,144,271	5,801,619	--	*59,249	*1,698	*2,819	1,252,569	*26,317
Interest	61,868,638	61,734,063	*162	*9,328	*3,472	*3,758	104,309	13,545
Interest on Government obligations: State and local	78,718	36,145	--	--	--	--	42,135	*439
Rents	385,858	62,218	*1,257	175	--	--	321,686	520
Royalties	8,668	--	--	--	--	--	*8,634	*34
Net short-term capital gain reduced by net long-term capital loss	18,663	2,485	--	8,242	--	--	*7,488	*448
Net long-term capital gain reduced by net short-term capital loss	310,845	153,691	--	4,003	--	--	127,160	25,991
Net gain, noncapital assets	186,494	99,004	--	--	--	--	87,362	*128
Dividends received from domestic corporations	59,156	21,251	--	46	--	(1)	*543	*37,315
Dividends received from foreign corporations	41	41	--	--	--	--	--	--
Other receipts	3,199,010	2,798,158	*461	*57,347	*9	*23	307,726	35,286
Total deductions	74,333,707	71,113,386	*3,512	*174,566	*3,937	*6,375	2,646,211	385,720
Cost of sales and operations	358,765	--	--	33,812	*148	--	323,717	1,091
Compensation of officers	312,028	295,918	31	*9,006	--	--	3,395	3,679
Repairs	106,962	43,416	--	*905	--	--	62,316	*326
Bad debts	2,504,620	2,481,503	--	*120	--	--	22,989	8
Rent paid on business property	662,511	508,644	643	*3,008	--	--	148,673	*1,543
Taxes paid	658,598	413,614	*277	*2,225	--	*15	236,460	6,007
Interest paid	57,705,408	56,929,537	*1,081	*2,565	*1,336	--	701,352	69,537
Contributions or gifts	4,795	4,080	--	--	--	--	358	*357
Amortization	86,209	25,666	7	--	--	--	59,742	*794
Depreciation	547,510	248,447	*355	*1,529	--	--	295,020	2,160
Depletion	*19	--	--	--	--	--	*12	*7
Advertising	52,214	26,206	--	*43	--	*4	25,949	*13
Pension, profit-sharing, stock bonus, and annuity plans	25,278	24,362	1	*915	--	--	--	--
Employee benefit programs	159,040	152,567	--	*1,622	--	--	4,637	213
Net loss, noncapital assets	1,750,335	1,734,883	--	34	--	--	9,644	*5,774
Other deductions	9,399,415	8,224,542	*1,118	*118,782	*2,455	*6,357	751,950	294,211
Total receipts less total deductions	-1,073,347	-404,710	*-1,632	*-36,175	*1,242	*225	-386,600	-245,697
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--	--
Net income (less deficit)	-1,152,065	-440,855	*-1,632	*-36,175	*1,242	*225	-428,734	-246,136
Income subject to tax	1,714,953	1,581,971	*63	--	*963	*178	102,991	28,787
Income tax, total [2]	617,033	567,034	*106	--	*252	*31	38,760	10,851
Regular tax	577,104	536,916	*9	--	*252	*27	30,633	9,267
Personal holding company tax	--	--	--	--	--	--	--	--
Recapture of investment credit	*22	18	--	--	--	--	--	*4
Alternative minimum tax	7,392	4,483	--	--	--	--	*1,893	*1,016
Environmental tax	2,137	2,099	--	--	--	--	*17	21
Foreign tax credit	30,378	23,518	*96	--	--	*4	6,217	*543
U.S. possessions tax credit	3,285	2,815	--	--	--	--	470	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	492	426	--	--	--	--	*66	(1)
Prior year minimum tax credit	1,352	1,352	--	--	--	--	--	--
Tax from Section I [3]	48,940	9,945	(1)	--	--	--	2,655	36,339
Tax from Section II [4]	581,536	538,924	*9	--	*252	*27	32,007	10,317
U.S. income tax paid or withheld	102,941	6,619	*80	5,153	--	--	42,287	48,802

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

Table 10--Income Statements and Selected Tax Items, by Major Industry--Continued

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

Item	Major Industry--Continued							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	606	91	*7	233	--	79	195	87
Total receipts	698,245	347,081	*465	278,803	--	*58,614	13,281	1,848
Business receipts	513,514	333,105	--	114,997	--	*57,792	*7,620	*89
Interest	118,263	*1,820	--	115,300	--	*196	947	*701
Interest on Government obligations: State and local	(1)	--	--	(1)	--	--	--	--
Rents	*8,582	7,735	--	*725	--	*100	*22	*184
Royalties	268	268	--	--	--	--	--	(1)
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	*1,349	--	--	*1,157	--	--	*192	*833
Net gain, noncapital assets	*2,245	75	--	*2,170	--	--	--	*13
Dividends received from domestic corporations	--	--	--	--	--	--	--	*20
Dividends received from foreign corporations	--	--	--	--	--	--	--	--
Other receipts	54,024	*4,078	*465	44,455	--	*526	*4,500	*7
Total deductions	878,341	414,963	*401	377,553	--	60,586	24,838	5,200
Cost of sales and operations	179,710	*116,738	--	16,426	--	*45,375	*1,171	*6
Compensation of officers	19,405	--	--	*17,978	--	*293	*1,134	--
Repairs	15,295	*10,492	--	4,293	--	*484	*27	*116
Bad debts	*601	389	--	*210	--	--	*2	--
Rent paid on business property	11,994	*4,897	--	4,671	--	*1,647	*780	--
Taxes paid	29,290	23,062	--	4,478	--	*729	1,021	*472
Interest paid	179,957	67,746	--	111,764	--	*312	*136	*254
Contributions or gifts	*8	--	--	*8	--	--	(1)	(1)
Amortization	2,286	*914	--	*1,326	--	*1	*45	--
Depreciation	105,129	61,733	--	40,637	--	*1,316	*1,443	*55
Depletion	--	--	--	--	--	--	--	--
Advertising	12,386	*11,490	--	*250	--	*616	*30	--
Pension, profit-sharing, stock bonus, and annuity plans	*612	--	--	543	--	*69	--	--
Employee benefit programs	*9,687	3,693	--	*5,990	--	*3	--	--
Net loss, noncapital assets	*482	--	--	*482	--	--	--	--
Other deductions	311,498	113,808	*401	168,497	--	*9,741	19,051	4,296
Total receipts less total deductions	-180,096	-67,882	*65	-98,749	--	-1,972	-11,557	-3,352
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--	--
Net income (less deficit)	-180,096	-67,882	*65	-98,749	--	-1,972	-11,557	-3,352
Income subject to tax	19,307	*578	*65	15,898	--	*158	*2,608	*652
Income tax, total [2]	9,536	*230	*10	8,528	--	*24	*745	*102
Regular tax	6,048	*112	*10	5,187	--	*24	*717	*102
Personal holding company tax	--	--	--	--	--	--	--	--
Recapture of investment credit	*17	--	--	*17	--	--	--	--
Alternative minimum tax	*2,970	23	--	*2,948	--	--	--	--
Environmental tax	*5	--	--	*3	--	--	*2	--
Foreign tax credit	*496	96	--	*374	--	--	*26	--
U.S. possessions tax credit	*29	--	--	--	--	--	*29	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--
Tax from Section I [3]	*132	99	--	*24	--	--	*9	*32
Tax from Section II [4]	9,011	*134	*10	8,154	--	*24	*690	*102
U.S. income tax paid or withheld	2,475	111	--	*860	--	*26	*1,477	*254

* 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.

[1] Less than $500 per return.

[2] Also includes branch tax, adjustments to income tax, and adjustments to total tax which are not shown separately.

[3] Tax from Section I is excluded from total income tax amounts since the income is not effectively connected with the conduct of a trade or business in the U.S.

[4] Tax from Section II is the total tax from Schedule J Tax Computation on effectively connected income with the conduct of a trade or business in the U.S.

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, FORM 1120F

Table 11--Income Statements and Selected Tax Items, by Major Industry

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

Item	All Industries	Major Industry					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**3,209**	**87**	**119**	*	--	*	*7
Total receipts	**50,367,087**	**14,223**	**582,896**	*	--	*	*327,929
Business receipts	18,609,864	*12,501	575,305	*	--	*	*324,946
Interest	29,523,983	560	*791	*	--	*	--
Interest on Government obligations: State and local	27,143	--	--	*	--	*	--
Rents	145,016	*197	*180	*	--	*	--
Royalties	61	--	*6	*	--	*	--
Net short-term capital gain reduced by net long-term capital loss	1,865	--	(1)	*	--	*	--
Net long-term capital gain reduced by net short-term capital loss	296,660	*711	87	*	--	*	--
Net gain, noncapital assets	178,000	--	*368	*	--	*	*356
Dividends received from domestic corporations	58,020	*14	1	*	--	*	--
Dividends received from foreign corporations	4	--	--	*	--	*	--
Other receipts	1,526,472	*239	*6,159	*	--	*	*2,627
Total deductions	**47,984,578**	**11,973**	**518,583**	*	--	*	*300,469
Cost of sales and operations	13,528,990	*4,297	311,099	*	--	*	*221,608
Compensation of officers	184,474	--	*9,968	*	--	*	--
Repairs	50,347	*32	*6,053	*	--	*	*5,654
Bad debts	884,036	--	*2,122	*	--	*	*1,539
Rent paid on business property	348,869	*1,042	*11,648	*	--	*	*2,661
Taxes paid	357,224	1,416	8,542	*	--	*	*496
Interest paid	26,493,845	*1,614	*7,270	*	--	*	*5,701
Contributions or gifts	4,806	--	5	*	--	*	--
Amortization	17,869	--	*1,052	*	--	*	*85
Depreciation	246,373	*423	22,804	*	--	*	*16,706
Depletion	3,749	193	*3,546	*	--	*	--
Advertising	62,725	--	*8,239	*	--	*	*7,927
Pension, profit-sharing, stock bonus, and annuity plans	12,058	--	*1,268	*	--	*	--
Employee benefit programs	107,613	--	*5,182	*	--	*	--
Net loss, noncapital assets	239,103	--	*74	*	--	*	--
Other deductions	5,442,496	2,956	119,711	*	--	*	*38,093
Total receipts less total deductions	2,382,509	2,250	64,314	*	--	*	*27,460
Constructive taxable income from related foreign corporations	--	--	--	*	--	*	--
Net income	2,355,366	2,250	64,314	*	--	*	*27,460
Income subject to tax	1,823,940	*1,093	*3,641	*	--	*	--
Income tax, total [2]	647,969	*355	3,172	*	--	*	*649
Regular tax	612,836	*341	*1,162	*	--	*	--
Personal holding company tax	--	--	--	*	--	*	--
Recapture of investment credit	*40	--	1	*	--	*	--
Alternative minimum tax	7,620	--	*1,251	*	--	*	*549
Environmental tax	2,265	--	*40	*	--	*	*16
Foreign tax credit	25,209	*14	*718	*	--	*	*84
U.S. possessions tax credit	*3,313	--	--	*	--	*	--
Orphan drug credit	--	--	--	*	--	*	--
Nonconventional source fuel credit	*1	--	*1	*	--	*	--
General business credit	542	--	--	*	--	*	--
Prior year minimum tax credit	*1,500	--	--	*	--	*	--
Tax from Section I [3]	51,133	--	--	*	--	*	--
Tax from Section II	617,417	*341	*2,453	*	--	*	*565
	92,283	*57	*133	*	--	*	--

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

RETURNS WITH NET INCOME, FORM 1120F

Table 11--Income Statements and Selected Tax 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	***	--	***	***	80	*7	--	--	--
Total receipts	***	--	***	***	1,911,906	*516	--	--	--
Business receipts	***	--	***	***	*1,898,638	--	--	--	--
Interest	***	--	***	***	*6,929	*516	--	--	--
Interest on Government obligations:									
State and local	***	--	***	***	--	--	--	--	--
Rents	***	--	***	***	10	--	--	--	--
Royalties	***	--	***	***	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	***	--	***	***	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	***	--	***	***	*2	--	--	--	--
Net gain, noncapital assets	***	--	***	***	50	--	--	--	--
Dividends received from domestic corporations	***	--	***	***	(')	--	--	--	--
Dividends received from foreign corporations	***	--	***	***	--	--	--	--	--
Other receipts	***	--	***	***	*6,277	--	--	--	--
Total deductions	***	--	***	***	1,894,783	*416	--	--	--
Cost of sales and operations	***	--	***	***	*1,815,476	--	--	--	--
Compensation of officers	***	--	***	***	*3,304	*131	--	--	--
Repairs	***	--	***	***	*235	--	--	--	--
Bad debts	***	--	***	***	*412	--	--	--	--
Rent paid on business property	***	--	***	***	*1,359	*13	--	--	--
Taxes paid	***	--	***	***	*6,713	*22	--	--	--
Interest paid	***	--	***	***	*13,115	--	--	--	--
Contributions or gifts	***	--	***	***	(')	--	--	--	--
Amortization	***	--	***	***	*7	--	--	--	--
Depreciation	***	--	***	***	*7,497	--	--	--	--
Depletion	***	--	***	***	--	--	--	--	--
Advertising	***	--	***	***	*3,270	--	--	--	--
Pension, profit-sharing, stock bonus, and annuity plans	***	--	***	***	*866	--	--	--	--
Employee benefit programs	***	--	***	***	*4,209	--	--	--	--
Net loss, noncapital assets	***	--	***	***	*13	--	--	--	--
Other deductions	***	--	***	***	*38,306	*249	--	--	--
Total receipts less total deductions					17,122	*100	--	--	--
Constructive taxable income from related foreign corporations	***	--	***	***	--	--	--	--	--
Net income	***	--	***	***	17,122	*100	--	--	--
Income subject to tax	***	--	***	***	*4,335	*100	--	--	--
Income tax, total [2]	***	--	***	***	*1,503	*15	--	--	--
Regular tax	***	--	***	***	*1,294	*15	--	--	--
Personal holding company tax	***	--	***	***	--	--	--	--	--
Recapture of investment credit	***	--	***	***	--	--	--	--	--
Alternative minimum tax	***	--	***	***	199	--	--	--	--
Environmental tax	***	--	***	***	10	--	--	--	--
Foreign tax credit	***	--	***	***	--	--	--	--	--
U.S. possessions tax credit	***	--	***	***	--	--	--	--	--
Orphan drug credit	***	--	***	***	--	--	--	--	--
Nonconventional source fuel credit	***	--	***	***	--	--	--	--	--
General business credit	***	--	***	***	--	--	--	--	--
Prior year minimum tax credit	***	--	***	***	--	--	--	--	--
Tax from Section I [4]	***	--	***	***	--	--	--	--	--
Tax from Section II	***	--	***	***	*1,505	*15	--	--	--
					*33	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120F

Table 11--Income Statements and Selected Tax 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	Chemical 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	--	--	***	*7	--	--	--	*7	***
Total receipts	--	--	***	*97	--	--	--	*158,547	***
Business receipts	--	--	***	--	--	--	--	*158,532	***
Interest	--	--	***	--	--	--	--	*4	***
Interest on Government obligations:									
State and local	--	--	***	--	--	--	--	--	***
Rents	--	--	***	--	--	--	--	--	***
Royalties	--	--	***	--	--	--	--	--	***
Net short-term capital gain reduced by net long-term capital loss	--	--	***	--	--	--	--	--	***
Net long-term capital gain reduced by net short-term capital loss	--	--	***	--	--	--	--	--	***
Net gain, noncapital assets	--	--	***	--	--	--	--	--	***
Dividends received from domestic corporations	--	--	***	--	--	--	--	--	***
Dividends received from foreign corporations	--	--	***	--	--	--	--	--	***
Other receipts	--	--	***	*97	--	--	--	*12	***
Total deductions	--	--	***	*9	--	--	--	*158,546	***
Cost of sales and operations	--	--	***	--	--	--	--	*152,482	***
Compensation of officers	--	--	***	--	--	--	--	--	***
Repairs	--	--	***	--	--	--	--	*100	***
Bad debts	--	--	***	--	--	--	--	--	***
Rent paid on business property	--	--	***	--	--	--	--	*21	***
Taxes paid	--	--	***	*9	--	--	--	*2,136	***
Interest paid	--	--	***	--	--	--	--	--	***
Contributions or gifts	--	--	***	--	--	--	--	(1)	***
Amortization	--	--	***	--	--	--	--	*7	***
Depreciation	--	--	***	--	--	--	--	*74	***
Depletion	--	--	***	--	--	--	--	--	***
Advertising	--	--	***	--	--	--	--	--	***
Pension, profit-sharing, stock bonus, and annuity plans	--	--	***	--	--	--	--	--	***
Employee benefit programs	--	--	***	--	--	--	--	*1,708	***
Net loss, noncapital assets	--	--	***	--	--	--	--	*3	***
Other deductions	--	--	***	*88	--	--	--	*2,015	***
Total receipts less total deductions	--	--	***	--	--	--	--	*1	***
Constructive taxable income from related foreign corporations	--	--	***	*88	--	--	--	--	***
Net income	--	--	***	*88	--	--	--	*1	***
Income subject to tax	--	--	***	*13	--	--	--	(1)	***
Income tax, total [2]	--	--	***	*13	--	--	--	(1)	***
Regular tax	--	--	***	--	--	--	--	--	***
Personal holding company tax	--	--	***	--	--	--	--	--	***
Recapture of investment credit	--	--	***	--	--	--	--	--	***
Alternative minimum tax	--	--	***	--	--	--	--	--	***
Environmental tax	--	--	***	--	--	--	--	--	***
Foreign tax credit	--	--	***	--	--	--	--	--	***
U.S. possessions tax credit	--	--	***	--	--	--	--	--	***
Orphan drug credit	--	--	***	--	--	--	--	--	***
Nonconventional source fuel credit	--	--	***	--	--	--	--	--	***
General business credit	--	--	***	--	--	--	--	--	***
Prior year minimum tax credit	--	--	***	--	--	--	--	--	***
Tax from Section I [4]	--	--	***	*13	--	--	--	(1)	***
Tax from Section II	--	--	***	*33	--	--	--	--	***

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

RETURNS WITH NET INCOME, FORM 1120F

Table 11--Income Statements and Selected Tax 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	*7	*7	*7	*14	--	*7	--	*7
Total receipts	*1,429,870	*10,201	*106,801	*27,786	--	*4,549	--	*1,402
Business receipts	*1,429,791	*10,201	*102,425	*27,760	--	*4,472	--	--
Interest	*79	--	*250	*24	--	*72	--	--
Interest on Government obligations: State and local	--	--	--	--	--	--	--	--
Rents	--	--	--	--	--	--	--	--
Royalties	--	--	--	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	--	--	*2	--	--	--	--
Net gain, noncapital assets	--	--	--	--	--	--	--	--
Dividends received from domestic corporations	--	--	--	--	--	--	--	--
Dividends received from foreign corporations	--	--	--	--	--	--	--	--
Other receipts	--	--	*4,126	--	--	*5	--	*1,402
Total deductions	*1,428,971	*9,923	*104,619	*26,538	--	*4,023	--	--
Cost of sales and operations	*1,425,322	*8,148	*87,232	*19,875	--	*2,211	--	--
Compensation of officers	*378	--	*1,350	*291	--	--	--	--
Repairs	*33	--	*72	*16	--	*13	--	--
Bad debts	--	*49	*6	*5	--	--	--	--
Rent paid on business property	*589	--	*273	*47	--	*96	--	--
Taxes paid	*161	--	*1,049	*68	--	*49	--	--
Interest paid	*8	--	*172	*347	--	--	--	--
Contributions or gifts	--	--	--	--	--	--	--	--
Amortization	--	--	--	--	--	--	--	--
Depreciation	*38	--	*134	*556	--	*40	--	--
Depletion	--	--	--	--	--	--	--	--
Advertising	--	--	*1,777	*156	--	--	--	--
Pension, profit-sharing, stock bonus, and annuity plans	--	--	*348	--	--	--	--	--
Employee benefit programs	*196	--	*669	*733	--	*30	--	--
Net loss, noncapital assets	--	*10	--	--	--	--	--	--
Other deductions	*2,247	*1,715	*11,535	*4,444	--	*1,584	--	--
Total receipts less total deductions	*899	*278	*2,182	*1,248	--	*526	--	*1,402
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--	--
Net income	*899	*278	*2,182	*1,248	--	*526	--	*1,402
Income subject to tax	--	--	*2,182	*966	--	--	--	--
Income tax, total [2]	--	--	*742	*255	--	--	--	--
Regular tax	--	--	*742	*255	--	--	--	--
Personal holding company tax	--	--	--	--	--	--	--	--
Recapture of investment credit	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--
Environmental tax	--	--	--	--	--	--	--	--
Foreign tax credit	--	--	--	--	--	--	--	--
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--
Tax from Section I [4]	--	--	*745	*255	--	--	--	--
Tax from Section II	--	--	--	--	--	--	--	--

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

RETURNS WITH NET INCOME, FORM 1120F

Table 11--Income Statements and Selected Tax 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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	59	*51	***	***	160	118	*8	*16	93
Total receipts	321,419	*188,051	***	***	11,343,121	11,313,600	*983,622	*465,233	9,864,746
Business receipts	309,881	*177,052	***	***	11,277,167	11,255,709	982,607	*458,137	9,814,966
Interest	*8,686	*8,159	***	***	14,143	14,034	*4	*3,619	10,411
Interest on Government obligations: State and local	--	--	***	***	--	--	--	--	--
Rents	*2,620	*2,608	***	***	*73	*56	--	--	*56
Royalties	--	--	***	***	--	--	--	--	--
Net short-term capital gain reduced by net long-term capital loss	--	--	***	***	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	--	***	***	--	--	--	--	--
Net gain, noncapital assets	--	--	***	***	*665	*614	--	*578	*36
Dividends received from domestic corporations	--	--	***	***	*529	*434	--	--	*434
Dividends received from foreign corporations	--	--	***	***	--	--	--	--	--
Other receipts	*232	*232	***	***	50,544	42,753	*1,010	*2,900	*38,843
Total deductions	304,406	*172,107	***	***	11,229,925	11,204,438	*981,958	*434,338	9,788,142
Cost of sales and operations	*222,014	*95,664	***	***	10,965,937	10,956,674	980,449	*365,416	9,610,809
Compensation of officers	*275	*275	***	***	*3,291	*3,291	206	6	*3,079
Repairs	*2,609	*2,594	***	***	485	485	36	*184	*265
Bad debts	--	--	***	***	*2,331	*2,331	--	--	*2,331
Rent paid on business property	*7,629	*7,589	***	***	12,173	9,482	23	*1,505	7,954
Taxes paid	*939	*142	***	***	10,913	10,015	*160	*1,500	8,354
Interest paid	*18,210	*17,357	***	***	38,217	38,212	*256	*2,720	35,236
Contributions or gifts	--	--	***	***	*200	*200	--	1	*198
Amortization	*115	--	***	***	*2	*2	--	--	*2
Depreciation	*24,754	*23,399	***	***	3,579	3,356	15	*593	2,749
Depletion	--	--	***	***	--	--	--	--	--
Advertising	*2,562	*2,562	***	***	7,353	6,535	--	*327	*6,207
Pension, profit-sharing, stock bonus, and annuity plans	--	--	***	***	*417	*417	12	--	*404
Employee benefit programs	*76	*76	***	***	5,540	*5,155	64	1,430	*3,661
Net loss, noncapital assets	--	--	***	***	*1,261	188	--	--	188
Other deductions	*25,222	*22,449	***	***	178,228	168,096	*737	*60,655	106,704
Total receipts less total deductions	17,013	*15,943	***	***	113,196	109,162	*1,663	*30,895	76,603
Constructive taxable income from related foreign corporations	--	--	***	***	--	--	--	--	--
Net income	17,013	*15,943	***	***	113,196	109,162	*1,663	*30,895	76,603
Income subject to tax	*7,122	*6,052	***	***	72,493	71,944	*1,663	*19,356	50,925
Income tax, total [2]	*3,025	*2,709	***	***	27,383	27,194	*521	*6,600	20,073
Regular tax	*2,374	*2,058	***	***	24,415	24,229	*482	*6,575	17,172
Personal holding company tax	--	--	***	***	--	--	--	--	--
Recapture of investment credit	--	--	***	***	--	--	--	--	--
Alternative minimum tax	--	--	***	***	*407	*407	--	--	*407
Environmental tax	--	--	***	***	76	76	1	*24	*50
Foreign tax credit	651	651	***	***	*2,485	*2,483	*38	*1	*2,444
U.S. possessions tax credit	--	--	***	***	--	--	--	--	--
Orphan drug credit	--	--	***	***	--	--	--	--	--
Nonconventional source fuel credit	--	--	***	***	--	--	--	--	--
General business credit	--	--	***	***	*50	*50	--	*50	--
Prior year minimum tax credit	--	--	***	***	*148	*148	--	*148	--
Tax from Section I [3]	*2,374	*2,058	***	***	*3,731	--	--	--	--
Tax from Section II	--	--	***	***	24,700	24,514	*483	*6,402	17,629
					*4,068	*334	*334	--	--

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

RETURNS WITH NET INCOME, FORM 1120F

Table 11—Income Statements and Selected Tax 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 furnishing 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, total	*43	--	--	*7	--	*7	--	--	*29	--
Total receipts	*29,520	--	--	*95	--	*5,732	--	--	*23,693	--
Business receipts	*21,458	--	--	--	--	*5,732	--	--	*15,726	--
Interest	*108	--	--	--	--	--	--	--	*108	--
Interest on Government obligations:										
State and local	--	--	--	--	--	--	--	--	--	--
Rents	*17	--	--	--	--	--	--	--	--	--
Royalties	--	--	--	--	--	--	--	--	*17	--
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	--	--	--
Net long-term capital gain reduced by net short-term capital loss	--	--	--	--	--	--	--	--	--	--
Net gain, noncapital assets	*50	--	--	--	--	--	--	--	--	--
Dividends received from domestic corporations	*95	--	--	*95	--	--	--	--	*50	--
Dividends received from foreign corporations	--	--	--	--	--	--	--	--	--	--
Other receipts	*7,791	--	--	--	--	--	--	--	--	--
Total deductions	*25,487	--	--	*31	--	*5,731	--	--	*7,791	--
Cost of sales and operations	*9,263	--	--	--	--	*2,179	--	--	*19,725	--
Compensation of officers	--	--	--	--	--	--	--	--	*7,085	--
Repairs	--	--	--	--	--	--	--	--	--	--
Bad debts	--	--	--	--	--	--	--	--	--	--
Rent paid on business property	*2,691	--	--	--	--	--	--	--	--	--
Taxes paid	*898	--	--	--	--	*1,354	--	--	*1,337	--
Interest paid	*5	--	--	--	--	*218	--	--	*680	--
Contributions or gifts	--	--	--	--	--	--	--	--	*5	--
Amortization	--	--	--	--	--	--	--	--	--	--
Depreciation	*223	--	--	--	--	--	--	--	--	--
Depletion	--	--	--	--	--	*39	--	--	*184	--
Advertising	*818	--	--	--	--	--	--	--	--	--
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	--	*90	--	--	*728	--
Employee benefit programs	*384	--	--	--	--	--	--	--	--	--
Net loss, noncapital assets	*1,073	--	--	--	--	*111	--	--	*273	--
Other deductions	*10,131	--	--	*31	--	--	--	--	*1,073	--
Total receipts less total deductions	*4,033	--	--	*64	--	*1,739	--	--	*8,361	--
Constructive taxable income from related foreign corporations	--	--	--	--	--	*1	--	--	*3,969	--
Net income	*4,033	--	--	*64	--	--	--	--	--	--
Income subject to tax	*549	--	--	--	--	*1	--	--	*3,969	--
Income tax, total [1]	*188	--	--	--	--	--	--	--	*549	--
Regular tax	*186	--	--	--	--	--	--	--	*188	--
Personal holding company tax	--	--	--	--	--	--	--	--	*186	--
Recapture of investment credit	--	--	--	--	--	--	--	--	--	--
Alternative minimum tax	--	--	--	--	--	--	--	--	--	--
Environmental tax	--	--	--	--	--	--	--	--	--	--
Foreign tax credit	*2	--	--	--	--	--	--	--	--	--
U.S. possessions tax credit	--	--	--	--	--	--	--	--	*2	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--	--	--
General business credit	--	--	--	--	--	--	--	--	--	--
Prior year minimum tax credit	--	--	--	--	--	--	--	--	--	--
Tax from Section I [2]	*3,731	--	--	*3,731	--	--	--	--	--	--
Tax from Section II	*186	--	--	--	--	--	--	--	--	--
	*3,734	--	--	*3,731	--	--	--	--	*186	--
									*4	--

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

RETURNS WITH NET INCOME, FORM 1120F

Table 11--Income Statements and Selected Tax 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	2,410	122	*7	--	*29	*43	1,856	353
Total receipts	35,960,353	35,062,691	*234	--	*5,170	*3,926	792,586	95,746
Business receipts	4,440,050	4,028,302	--	--	*1,698	*2,819	407,224	*7
Interest	29,378,700	29,333,696	--	--	*3,472	*1,084	32,976	7,472
Interest on Government obligations: State and local	27,143	26,453	--	--	--	--	547	*143
Rents	141,756	31,807	--	--	--	--	109,768	*182
Royalties	*56	--	--	--	--	--	*30	*25
Net short-term capital gain reduced by net long-term capital loss	1,865	1,258	--	--	--	--	*167	*439
Net long-term capital gain reduced by net short-term capital loss	293,835	150,719	--	--	--	--	121,843	21,273
Net gain, noncapital assets	174,761	87,636	--	--	--	--	87,125	(1)
Dividends received from domestic corporations	57,455	*20,053	--	--	--	(1)	*217	*37,185
Dividends received from foreign corporations	4	4	--	--	--	--	--	--
Other receipts	1,444,729	1,382,763	*234	--	--	*23	32,689	29,020
Total deductions	33,825,393	33,149,947	*171	--	*3,927	*3,686	625,007	42,654
Cost of sales and operations	168,498	--	--	--	*146	--	168,352	--
Compensation of officers	165,816	163,305	--	--	--	--	*2,256	254
Repairs	37,542	23,166	--	--	--	--	14,375	--
Bad debts	879,106	877,459	--	--	--	--	*1,646	--
Rent paid on business property	313,168	290,187	--	--	--	--	21,988	994
Taxes paid	326,923	276,134	--	--	--	*15	45,992	4,782
Interest paid	26,316,187	26,163,802	*171	--	*1,336	--	124,922	25,955
Contributions or gifts	4,594	4,056	--	--	--	--	181	*357
Amortization	16,606	10,861	--	--	--	--	5,542	*203
Depreciation	176,672	123,142	--	--	--	--	53,368	*162
Depletion	*9	--	--	--	--	--	*4	*5
Advertising	41,241	19,826	--	--	--	*4	21,411	--
Pension, profit-sharing, stock bonus, and annuity plans	9,508	9,508	--	--	--	--	--	--
Employee benefit programs	91,037	86,778	--	--	--	--	*4,133	126
Net loss, noncapital assets	237,755	235,704	--	--	--	--	*2,027	*24
Other deductions	5,040,731	4,866,018	--	--	*2,445	*3,668	158,807	9,792
Total receipts less total deductions	2,134,961	1,912,745	*63	--	*1,242	*240	167,579	53,092
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--	--
Net income	2,107,818	1,886,292	*63	--	*1,242	*240	167,032	52,949
Income subject to tax	1,714,952	1,581,971	*63	--	*963	*178	102,990	28,787
Income tax, total [2]	605,852	560,640	*27	--	*252	*31	34,725	10,177
Regular tax	577,100	536,916	*9	--	*252	*27	30,629	9,267
Personal holding company tax	--	--	--	--	--	--	--	--
Recapture of investment credit	*21	18	--	--	--	--	--	*3
Alternative minimum tax	5,683	4,414	--	--	--	--	*556	*713
Environmental tax	2,136	2,098	--	--	--	--	*17	21
Foreign tax credit	20,912	17,195	*17	--	--	*4	3,524	*173
U.S. possessions tax credit	3,285	2,815	--	--	--	--	470	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	492	426	--	--	--	--	*66	(1)
Prior year minimum tax credit	1,352	1,352	--	--	--	--	--	--
Tax from Section I [3]	47,395	9,768	--	--	--	--	1,484	36,143
Tax from Section II	579,820	538,853	*9	--	*252	*27	30,665	10,014
	86,666	5,565	*80	--	--	--	33,752	47,268

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

RETURNS WITH NET INCOME, FORM 1120F

Table 11—Income Statements and Selected Tax Items, by Major Industry—Continued

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

Item	Major industry—Continued							
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	237	*36	*7	129	--	*14	*50	***
Total receipts	178,013	*1,965	*465	165,356	--	*690	*9,537	***
Business receipts	49,088	*729	--	43,009	--	*571	*4,776	***
Interest	113,902	*10	--	*113,758	--	--	*134	***
Interest on Government obligations: State and local	--	--	--	--	--	--	--	***
Rents	*180	--	--	--	--	--	--	***
Royalties	--	--	--	*158	--	--	*22	***
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	--	--	--	***
Net long-term capital gain reduced by net short-term capital loss	*1,349	--	--	*1,157	--	--	*192	***
Net gain, noncapital assets	*2,143	--	--	*2,143	--	--	--	***
Dividends received from domestic corporations	--	--	--	--	--	--	--	***
Dividends received from foreign corporations	--	--	--	--	--	--	--	***
Other receipts	11,352	*1,226	*465	*5,130	--	*119	*4,412	***
Total deductions	152,608	*1,244	*401	145,019	--	*516	*5,429	***
Cost of sales and operations	2,888	*184	--	*2,121	--	--	*582	***
Compensation of officers	*932	--	--	*932	--	--	--	***
Repairs	*3,355	*22	--	*3,330	--	--	*2	***
Bad debts	--	--	--	--	--	--	--	***
Rent paid on business property	*1,572	--	--	*1,212	--	--	*360	***
Taxes paid	1,739	*147	--	1,097	--	*129	*366	***
Interest paid	*98,920	*34	--	*98,774	--	--	*112	***
Contributions or gifts	*8	--	--	*8	--	--	([1])	***
Amortization	*86	*2	--	*84	--	--	--	***
Depreciation	10,536	*201	--	*9,799	--	*272	*264	***
Depletion	--	--	--	--	--	--	--	***
Advertising	*48	*11	--	*37	--	--	--	***
Pension, profit-sharing, stock bonus, and annuity plans	--	--	--	--	--	--	--	***
Employee benefit programs	*1,508	--	--	*1,508	--	--	--	***
Net loss, noncapital assets	([1])	--	--	([1])	--	--	--	***
Other deductions	31,017	*844	*401	26,117	--	*115	*3,740	***
Total receipts less total deductions	25,405	*721	*65	20,337	--	*174	*4,108	***
Constructive taxable income from related foreign corporations	--	--	--	--	--	--	--	***
Net income	25,405	*721	*65	20,337	--	*174	*4,108	***
Income subject to tax	19,307	*578	*65	15,898	--	*158	*2,608	***
Income tax, total [2]	6,468	*112	*10	5,578	--	*24	*745	***
Regular tax	6,048	*112	*10	5,187	--	*24	*717	***
Personal holding company tax	--	--	--	--	--	--	--	***
Recapture of investment credit	*17	--	--	*17	--	--	--	***
Alternative minimum tax	--	--	--	--	--	--	--	***
Environmental tax	*4	--	--	*2	--	--	*2	***
Foreign tax credit	*398	--	--	*372	--	--	*26	***
U.S. possessions tax credit	*29	--	--	--	--	--	*29	***
Orphan drug credit	--	--	--	--	--	--	--	***
Nonconventional source fuel credit	--	--	--	--	--	--	--	***
General business credit	--	--	--	--	--	--	--	***
Prior year minimum tax credit	--	--	--	--	--	--	--	***
Tax from Section I [3]	6,040	*112	*10	5,206	--	*24	*690	***
Tax from Section II [4]	*1,300	--	--	*240	--	*26	*1,034	***

* 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.

[1] Less than $500 per return.

[2] Also includes branch tax, adjustments to income tax, and adjustments to total tax which are not shown separately.

[3] Tax from Section I is excluded from total income tax amounts since the income is not effectively connected with the conduct of a trade or business in the U.S.

[4] Tax from Section II is the total tax from Schedule J Tax Computation on effectively connected income with the conduct of a trade or business in the U.S.

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, 1120-REIT, AND 1120-RIC

Table 12–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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**2,136,032**	**71,451**	**23,644**	**651**	**1,888**	**18,922**	**2,183**
Total assets	**16,164,134,581**	**47,257,233**	**208,052,370**	**21,507,463**	**22,094,652**	**151,611,837**	**12,838,418**
Cash	677,306,912	3,167,750	7,246,804	877,595	699,096	5,261,471	408,641
Notes and accounts receivable	3,938,583,570	4,481,041	21,532,098	1,459,336	3,813,548	14,146,516	2,112,697
Less: Allowance for bad debts	107,342,041	46,025	284,978	26,528	31,919	197,727	28,804
Inventories	747,435,187	6,137,119	5,832,765	1,209,605	841,088	2,920,398	861,675
Investments in Government obligations	759,368,966	210,996	634,739	*34,403	*116,831	417,188	*66,317
Tax-exempt securities	244,751,744	187,883	232,204	*9,887	*70,050	143,808	*8,459
Other current assets	1,079,304,341	1,569,894	6,269,317	1,067,456	1,369,703	3,548,466	283,691
Loans to stockholders	80,970,307	1,200,676	1,376,174	*58,110	71,987	1,209,646	36,432
Mortgage and real estate loans	1,507,900,895	369,785	213,234	*83,412	*2,671	117,640	*9,511
Other investments	3,318,798,403	4,709,663	82,091,246	4,803,605	5,359,267	69,206,713	2,721,661
Depreciable assets	3,928,091,378	31,996,763	93,050,126	11,875,835	9,738,731	62,951,189	8,484,371
Less: Accumulated depreciation	1,659,150,938	19,448,330	47,050,457	5,527,378	5,081,557	32,216,258	4,225,265
Depletable assets	126,357,328	643,568	38,887,067	4,056,067	3,831,819	30,041,980	957,201
Less: Accumulated depletion	54,174,277	272,247	16,062,817	680,076	1,465,344	13,791,952	125,444
Land	166,727,571	9,779,554	3,207,300	338,352	291,222	1,998,855	578,871
Intangible assets (amortizable)	469,248,018	280,624	5,978,072	552,188	860,639	4,179,288	385,956
Less: Accumulated amortization	87,516,457	80,842	2,590,272	98,701	280,430	2,180,889	30,252
Other assets	1,027,473,676	2,369,360	7,489,747	1,414,294	1,887,249	3,855,505	332,700
Total liabilities	**16,164,134,581**	**47,257,233**	**208,052,370**	**21,507,463**	**22,094,652**	**151,611,837**	**12,838,418**
Accounts payable	979,327,400	2,864,700	12,721,973	916,367	2,261,803	8,665,951	877,852
Mortgages, notes, and bonds payable in less than one year	1,683,010,958	7,041,104	11,171,940	1,447,052	1,557,560	6,608,525	1,558,804
Other current liabilities	5,119,263,247	2,696,517	12,175,253	1,665,089	1,609,206	8,206,927	694,030
Loans from stockholders	188,346,364	2,691,693	3,884,756	903,204	1,219,429	1,606,823	155,299
Mortgages, notes, and bonds payable in one year or more	2,463,850,763	11,337,343	47,317,489	5,896,684	3,030,083	35,872,719	2,518,003
Other liabilities	2,392,234,995	2,548,237	14,776,990	1,634,124	2,662,708	9,876,446	603,713
Capital stock	589,407,817	5,686,450	9,647,064	1,243,810	906,434	6,682,000	814,820
Paid-in or capital surplus	1,600,251,382	4,989,200	101,162,923	7,546,530	7,336,847	84,194,009	2,085,538
Retained earnings, appropriated	55,880,453	92,923	310,525	66,997	24,083	160,801	58,643
Retained earnings, unappropriated	1,277,443,235	8,327,830	-1,044,055	453,558	1,666,889	-7,120,943	3,956,441
Less: Cost of treasury stock	184,882,031	1,018,764	4,072,487	265,951	180,390	3,141,420	484,725
Total receipts	**9,689,007,338**	**61,992,683**	**100,374,964**	**12,030,533**	**17,495,204**	**61,104,839**	**9,744,388**
Business receipts	8,272,370,751	57,337,388	86,974,995	10,485,453	16,248,169	51,092,452	9,148,920
Interest	878,543,660	653,079	3,812,475	275,980	415,615	2,930,074	190,806
Interest on Government obligations: State and local	22,043,116	24,517	34,992	*5,908	3,461	22,092	3,531
Rents	98,658,399	496,432	367,591	32,285	67,769	203,782	63,755
Royalties	32,142,258	79,764	398,142	66,125	70,991	245,067	15,959
Net short-term capital gain reduced by net long-term capital loss	2,894,379	32,275	23,052	*153	*7,939	14,249	*710
Net long-term capital gain reduced by net short-term capital loss	42,854,390	501,077	1,961,452	657,526	130,967	1,072,057	100,901
Net gain, noncapital assets	26,720,146	255,365	1,122,631	39,508	92,792	927,819	62,512
Dividends received from domestic corporations	13,413,839	75,374	318,084	56,662	21,200	231,436	8,785
Dividends received from foreign corporations	33,261,669	32,378	280,771	10,420	61,351	200,855	*8,144
Other receipts	264,104,732	2,505,033	5,080,779	400,510	374,950	4,164,957	140,362
Total deductions	**9,432,817,109**	**60,691,860**	**96,174,557**	**11,460,809**	**17,240,186**	**58,080,827**	**9,392,736**
Cost of sales and operations	5,538,956,449	37,745,420	56,603,257	6,512,972	12,861,433	31,521,027	5,707,826
Compensation of officers	141,914,879	1,634,426	1,238,916	72,706	115,774	881,453	168,983
Repairs	86,901,280	1,114,944	758,416	66,451	143,531	314,266	234,168
Bad debts	78,244,233	115,929	671,329	39,610	40,530	564,624	26,564
Rent paid on business property	152,295,462	1,545,475	1,103,285	53,589	139,905	784,135	125,657
Taxes paid	217,004,748	1,347,076	2,909,576	458,708	694,527	1,496,399	259,942
Interest paid	798,308,640	1,965,213	6,364,490	646,161	570,441	4,754,343	393,545
Contributions or gifts	4,752,406	32,271	45,989	8,972	6,189	23,468	7,360
Amortization	28,474,500	65,686	493,127	167,818	74,372	229,501	21,436
Depreciation	303,135,628	2,366,077	5,048,900	938,146	503,709	2,934,457	672,587
Depletion	9,399,585	23,585	2,913,695	827,840	396,022	1,519,287	170,546
Advertising	109,371,552	237,684	112,494	4,342	13,117	69,609	25,426
Pension, profit-sharing, stock bonus, and annuity plans	103,383,509	412,216	875,229	129,471	172,005	467,247	106,506
Employee benefit programs	21,780,524	112,722	403,137	27,206	29,358	335,401	11,171
Net loss, noncapital assets	1,801,372,710	11,859,028	16,347,655	1,467,157	1,461,234	12,004,491	1,414,772
Other deductions	256,190,230	1,300,823	4,200,406	569,725	255,018	3,024,012	351,652
Total receipts less total deductions	36,776,886	*18,214	361,578	5,513	36,673	310,584	8,807
Constructive taxable income from related foreign corporations	270,925,138	1,294,519	4,526,993	569,329	288,231	3,312,504	356,928
Net income (less deficit)	366,310,570	2,093,405	5,661,551	1,010,984	317,839	3,925,328	407,399
Income subject to tax	128,006,587	585,434	2,222,658	424,244	162,500	1,467,419	168,495
Income tax, total [2]	119,328,330	565,381	1,896,530	343,240	107,007	1,311,238	135,044
Regular tax	12,126	--	--	--	--	--	--
Personal holding company tax	118,751	183	332	9	*16	239	*68
Recapture of investment credit	8,104,088	18,791	329,699	78,893	54,063	163,400	33,343
Alternative minimum tax	520,167	1,065	10,344	2,102	951	6,645	646
Environmental tax	24,989,922	*17,508	788,105	*91,910	9,441	680,039	*6,715
Foreign tax credit	3,194,481	472	--	--	--	--	--
U.S. possessions tax credit	15,637	--	--	--	--	--	--
Orphan drug credit	81,790	--	16,976	--	*197	16,779	--
Nonconventional source fuel credit	2,833,695	14,294	39,251	1,605	8,077	27,107	2,462
General business credit	667,036	2,775	31,312	15,185	*1,065	15,057	5
Prior year minimum tax credit	96,224,026	550,385	1,347,014	315,545	143,720	728,437	159,313

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

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

Table 12–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	248,829	97,321	16,403	135,105	188,380	9,276	58	2,504	10,522
Total assets	173,581,226	89,295,262	35,914,946	48,371,018	3,783,224,587	294,395,163	209,011,162	36,022,141	32,183,125
Cash	18,297,463	8,126,966	3,810,924	6,359,573	81,374,068	6,788,421	473,775	677,174	930,234
Notes and accounts receivable	49,139,616	20,841,167	9,463,676	18,834,773	805,901,702	62,173,003	52,719,867	7,624,505	6,025,727
Less: Allowance for bad debts	526,366	268,636	101,132	156,598	17,151,617	703,156	199,456	174,415	191,457
Inventories	20,014,837	14,048,187	1,779,056	4,187,593	347,383,491	26,961,408	8,205,239	6,351,099	7,816,531
Investments in Government obligations	1,115,704	910,862	80,469	124,373	17,953,805	1,257,126	108,245	*496,562	*11,190
Tax-exempt securities	694,302	96,978	543,019	54,305	15,724,761	216,016	251,044	*40,881	*149
Other current assets	18,630,205	11,447,422	2,850,264	4,332,518	216,583,224	11,306,045	7,016,349	939,055	1,298,456
Loans to stockholders	2,984,026	1,118,025	615,839	1,250,162	25,699,043	2,064,189	74,190	264,148	104,061
Mortgage and real estate loans	7,106,558	6,749,498	98,783	258,277	31,698,857	106,861	252,910	*6,354	21,664
Other investments	15,357,666	8,011,597	5,625,665	1,720,404	897,933,307	77,555,267	78,094,959	4,013,226	7,402,524
Depreciable assets	67,827,272	18,616,449	24,146,352	25,064,471	1,563,320,561	104,687,198	18,196,956	20,515,559	8,515,596
Less: Accumulated depreciation	40,782,987	9,312,305	15,475,861	15,994,821	759,558,663	43,742,070	5,956,658	9,852,773	3,982,961
Depletable assets	293,582	100,087	150,293	43,201	73,866,704	88,869	193	*2,979	*3,993
Less: Accumulated depletion	88,415	41,406	32,770	*14,239	32,424,068	20,947	145	*437	*1,229
Land	5,127,208	3,386,436	935,313	805,459	42,570,425	4,566,565	706,122	284,720	202,509
Intangible assets (amortizable)	1,968,732	1,194,864	154,840	619,027	280,191,516	29,920,704	40,372,457	1,489,233	2,568,782
Less: Accumulated amortization	407,561	204,448	60,291	142,823	53,062,958	2,912,977	*2,383,650	170,109	435,027
Other assets	6,829,386	4,473,518	1,330,506	1,025,362	245,220,427	14,082,641	11,078,765	3,514,380	1,892,383
Total liabilities	173,581,226	89,295,262	35,914,946	48,371,018	3,783,224,587	294,395,163	209,011,162	36,022,141	32,183,125
Accounts payable	32,189,884	16,578,939	5,499,992	10,110,953	344,626,185	39,756,770	4,806,202	3,760,257	4,706,376
Mortgages, notes, and bonds payable in less than one year	23,825,239	14,948,108	3,593,382	5,283,749	468,712,602	33,988,335	59,361,689	4,495,667	3,168,099
Other current liabilities	23,440,044	11,350,076	4,732,300	7,357,668	361,151,311	19,752,735	*10,280,340	3,047,019	3,470,879
Loans from stockholders	6,345,387	3,719,037	590,148	2,036,202	61,697,498	5,039,160	*165,052	420,288	549,946
Mortgages, notes, and bonds payable in one year or more	34,740,307	22,854,767	5,836,460	6,049,080	797,067,020	65,821,914	40,827,854	11,702,964	8,462,836
Other liabilities	9,889,319	5,247,342	2,793,060	1,848,917	415,533,609	26,261,926	14,833,132	2,049,369	1,322,078
Capital stock	6,770,751	2,703,274	2,085,169	1,982,308	174,904,274	14,680,879	4,736,516	1,973,979	1,952,778
Paid-in or capital surplus	13,531,147	5,846,591	5,282,881	2,401,675	623,568,961	49,013,532	61,365,752	3,960,584	5,418,072
Retained earnings, appropriated	341,462	151,217	*31,902	158,343	8,366,647	584,974	95,524	*466	33,331
Retained earnings, unappropriated	25,603,549	6,848,076	6,497,859	12,257,615	635,871,369	54,933,121	13,683,641	5,186,804	3,969,378
Less: Cost of treasury stock	3,095,863	952,164	1,028,208	1,115,491	108,274,890	15,438,184	*1,144,539	575,257	870,649
Total receipts	367,722,057	160,506,698	63,237,947	143,977,411	3,391,336,361	336,126,252	74,368,131	45,175,226	47,673,119
Business receipts	357,465,094	155,007,207	60,630,613	141,827,273	3,140,785,081	322,327,980	64,517,846	43,715,967	46,169,963
Interest	3,432,409	2,324,283	566,274	541,852	79,425,350	3,924,220	4,593,207	442,228	471,962
Interest on Government obligations: State and local	158,324	31,187	69,704	57,433	1,631,481	33,737	*3,877	10,653	*11,394
Rents	1,162,408	730,030	235,567	196,812	35,384,369	1,202,994	702,346	59,272	64,089
Royalties	44,742	14,103	18,662	11,978	25,340,745	1,648,298	458,192	66,538	231,931
Net short-term capital gain reduced by net long-term capital loss	45,993	12,253	10,576	23,163	574,413	87,201	1,889	*2,302	*25,385
Net long-term capital gain reduced by net short-term capital loss	637,569	324,264	135,825	177,480	13,490,634	800,329	942,795	118,524	76,295
Net gain, noncapital assets	642,334	130,761	320,412	191,161	9,984,163	359,782	1,239,213	109,188	47,758
Dividends received from domestic corporations	87,570	33,444	42,648	11,478	3,900,026	382,613	87,745	14,640	7,626
Dividends received from foreign corporations	157,466	71,306	77,303	*8,857	28,143,825	1,734,365	798,960	105,536	138,712
Other receipts	3,888,147	1,827,861	1,130,363	929,924	52,676,273	3,624,734	1,022,062	530,377	428,005
Total deductions	365,571,294	160,660,680	62,216,244	142,694,371	3,259,713,285	324,643,949	67,235,280	44,711,788	46,795,728
Cost of sales and operations	280,084,471	131,030,780	48,140,384	100,913,308	2,172,012,345	221,023,786	31,733,343	33,040,276	32,961,040
Compensation of officers	13,105,317	4,209,800	1,339,148	7,556,370	26,845,111	1,898,524	233,362	445,410	1,011,707
Repairs	1,735,500	422,330	476,606	836,564	32,045,963	2,638,512	271,677	221,814	153,772
Bad debts	1,529,085	873,511	133,768	521,805	10,972,692	400,078	48,044	117,870	198,423
Rent paid on business property	3,409,846	964,998	661,864	1,782,985	33,501,654	2,775,300	421,890	354,782	804,950
Taxes paid	7,653,775	2,187,474	1,092,645	4,373,656	80,400,027	6,954,507	3,930,671	913,733	1,061,137
Interest paid	5,766,676	3,455,465	898,899	1,412,311	146,788,891	11,022,423	9,199,317	2,110,108	1,832,021
Contributions or gifts	116,214	43,376	28,291	44,547	2,370,132	317,088	106,113	20,536	30,009
Amortization	139,109	65,632	17,525	55,953	10,989,325	1,369,199	906,371	112,291	152,407
Depreciation	6,216,342	1,608,609	1,921,841	2,685,892	114,477,660	8,151,735	2,303,315	1,552,736	705,461
Depletion	47,508	10,892	31,898	4,719	5,458,265	85,375	27	*307	*120
Advertising	1,044,808	393,393	75,074	576,342	54,347,043	15,233,486	4,914,352	360,626	775,853
Pension, profit-sharing, stock bonus, and annuity plans	2,279,879	657,454	386,958	1,235,467	48,180,870	3,579,997	1,028,233	547,426	478,177
Employee benefit programs	362,492	91,057	198,797	72,638	3,183,704	95,845	110	32,069	43,628
Net loss, noncapital assets	40,659,111	14,275,414	6,510,518	19,873,179	502,615,804	47,968,407	11,926,863	4,703,196	6,464,556
Other deductions	2,150,762	-153,981	1,021,703	1,283,040	131,623,075	11,482,303	7,132,851	463,438	877,391
Total receipts less total deductions	162,816	*41,381	120,835	600	29,542,054	1,431,496	1,564,180	63,280	176,048
Constructive taxable income from related foreign corporations	2,155,254	-143,787	1,072,833	1,226,207	159,534,808	12,880,062	8,693,155	516,066	1,042,045
Net income (less deficit)	6,895,462	2,293,571	1,849,508	2,752,383	179,356,396	14,381,663	7,881,769	1,163,594	1,845,401
Income subject to tax	2,078,443	691,681	623,893	762,869	64,358,026	4,950,995	2,702,576	417,931	621,558
Income tax, total [2]	1,970,582	652,231	596,168	722,183	60,645,354	4,854,704	2,679,844	390,795	614,651
Regular tax	*15	*14	--	(1)	116	--	--	--	--
Personal holding company tax	2,916	464	2,368	84	55,039	2,290	10,612	515	63
Recapture of investment credit	102,759	37,709	23,546	41,504	3,417,884	75,106	743	25,437	4,895
Alternative minimum tax	2,563	829	1,429	304	261,731	18,558	11,562	1,406	1,949
Environmental tax	90,444	30,502	59,798	*144	20,777,364	933,483	374,031	46,221	99,557
Foreign tax credit	6,820	--	6,810	10	3,072,082	371,750	15,219	1,944	39,073
U.S. possessions tax credit	--	--	--	--	15,637	--	--	--	--
Orphan drug credit	*14	(1)	2	*12	49,393	8	--	--	--
Nonconventional source fuel credit	39,536	8,835	20,752	9,949	1,229,009	74,854	36,406	8,247	4,459
General business credit	48,845	15,698	10,801	22,346	270,841	11,199	--	2,284	2,905
Prior year minimum tax credit	1,892,783	636,645	525,730	730,408	38,943,701	3,559,701	2,276,919	359,234	475,564

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

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

Table 12—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	Chemical 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	11,157	6,715	***	27,864	***	1,307	8,404	1,179	***
Total assets	64,576,217	18,901,856	***	190,836,619	***	555,423,737	45,932,914	15,962,506	***
Cash	1,581,086	837,847	***	4,477,359	***	4,230,711	1,474,094	257,659	***
Notes and accounts receivable	5,499,767	3,680,844	***	27,439,551	***	84,240,264	8,592,228	4,328,749	***
Less: Allowance for bad debts	125,571	118,724	***	2,337,639	***	772,693	270,406	44,762	***
Inventories	6,029,987	3,500,632	***	9,771,222	***	21,286,913	7,243,192	2,570,651	***
Investments in Government obligations	146,224	*25,489	***	720,359	***	285,858	*29,217	*13,822	***
Tax-exempt securities	*14,223	*715	***	495,042	***	256,159	39,872	*13,224	***
Other current assets	3,441,664	543,801	***	8,453,067	***	20,277,263	1,119,154	407,157	***
Loans to stockholders	220,060	103,283	***	1,768,234	***	7,937,270	348,097	23,398	***
Mortgage and real estate loans	1,614,708	*48,797	***	93,520	***	60,407	*35,405	*3,339	***
Other investments	9,306,099	3,512,111	***	48,213,398	***	192,621,724	6,390,182	694,455	***
Depreciable assets	38,579,506	8,100,792	***	61,255,265	***	309,847,533	29,203,756	4,141,995	***
Less: Accumulated depreciation	17,730,230	4,001,718	***	28,547,224	***	157,736,314	12,779,143	2,225,385	***
Depletable assets	6,943,447	*7,747	***	*107,786	***	50,278,517	*14,562	--	***
Less: Accumulated depletion	231,003	*5,648	***	*62,731	***	25,850,714	*5,858	--	***
Land	754,493	223,511	***	2,280,551	***	6,793,205	511,550	4,984,182	***
Intangible assets (amortizable)	611,642	2,049,479	***	44,125,655	***	43,155,462	2,871,565	428,503	***
Less: Accumulated amortization	68,181	187,696	***	5,457,681	***	23,326,738	480,580	109,657	***
Other assets	7,988,298	580,594	***	18,040,884	***	21,838,911	1,596,029	475,175	***
Total liabilities	64,576,217	18,901,856	***	190,836,619	***	555,423,737	45,932,914	15,962,506	***
Accounts payable	5,477,509	2,001,646	***	11,811,696	***	66,527,976	4,710,597	866,900	***
Mortgages, notes, and bonds payable in less than one year	2,524,836	1,850,028	***	13,344,750	***	18,966,140	5,335,896	535,113	***
Other current liabilities	3,420,543	1,506,743	***	17,010,558	***	35,767,350	4,119,409	1,962,788	***
Loans from stockholders	427,123	255,831	***	3,861,355	***	13,931,869	756,090	*24,982	***
Mortgages, notes, and bonds payable in one year or more	21,471,363	6,135,597	***	58,089,130	***	91,899,226	13,607,110	5,425,494	***
Other liabilities	3,983,977	714,247	***	18,743,564	***	82,139,228	3,417,223	4,491,133	***
Capital stock	3,282,194	768,361	***	16,521,460	***	16,852,314	2,069,604	1,774,563	***
Paid-in or capital surplus	11,622,379	2,510,582	***	26,740,997	***	114,375,745	5,819,157	818,208	***
Retained earnings, appropriated	89,973	*3,508	***	132,259	***	404,665	30,816	12,346	***
Retained earnings, unappropriated	12,885,854	3,469,406	***	30,216,226	***	139,939,471	6,489,753	286,831	***
Less: Cost of treasury stock	609,534	314,094	***	5,635,376	***	25,380,246	422,742	235,852	***
Total receipts	65,888,013	29,492,121	***	148,570,819	***	541,522,839	59,277,890	15,216,396	***
Business receipts	62,898,634	28,711,688	***	138,233,774	***	510,389,583	57,071,040	14,567,164	***
Interest	984,071	121,609	***	2,746,561	***	10,120,533	579,788	274,383	***
Interest on Government obligations: State and local	5,040	7,624	***	46,138	***	43,525	4,312	8,710	***
Rents	130,492	31,078	***	662,859	***	2,393,019	167,531	39,999	***
Royalties	65,882	25,663	***	2,008,351	***	1,588,551	196,407	45,653	***
Net short-term capital gain reduced by net long-term capital loss	9,901	*1,626	***	10,835	***	119,404	*645	*343	***
Net long-term capital gain reduced by net short-term capital loss	579,881	107,745	***	1,718,237	***	883,771	227,667	5,370	***
Net gain, noncapital assets	89,983	17,679	***	299,661	***	1,547,363	58,369	17,178	***
Dividends received from domestic corporations	42,408	6,720	***	170,557	***	941,944	25,666	19,879	***
Dividends received from foreign corporations	167,824	31,648	***	211,004	***	3,298,369	252,255	28,099	***
Other receipts	913,898	429,039	***	2,462,841	***	10,196,777	694,212	209,619	***
Total deductions	64,535,110	29,234,298	***	142,448,632	***	513,507,060	58,507,372	14,729,345	***
Cost of sales and operations	47,048,058	20,319,253	***	68,086,964	***	398,726,972	39,747,085	10,194,990	***
Compensation of officers	815,918	510,049	***	3,236,484	***	574,679	964,346	146,538	***
Repairs	1,334,853	102,681	***	919,100	***	6,930,464	540,899	61,742	***
Bad debts	176,899	142,743	***	1,032,703	***	354,344	182,681	34,131	***
Rent paid on business property	634,232	430,862	***	2,618,752	***	4,005,394	755,673	288,214	***
Taxes paid	1,520,757	708,906	***	4,090,867	***	18,925,403	1,146,103	398,768	***
Interest paid	2,327,957	914,426	***	7,636,898	***	18,817,728	2,024,651	596,246	***
Contributions or gifts	33,112	17,761	***	176,567	***	225,671	19,290	11,175	***
Amortization	53,570	71,126	***	2,498,060	***	978,904	173,163	11,026	***
Depreciation	2,377,752	630,912	***	5,855,926	***	12,353,869	2,023,835	216,586	***
Depletion	515,316	750	***	21,159	***	3,208,110	*3,845	40,194	***
Advertising	287,999	456,066	***	3,047,337	***	1,095,268	665,043	283,449	***
Pension, profit-sharing, stock bonus, and annuity plans	664,956	408,072	***	2,382,072	***	2,443,133	1,102,312	214,333	***
Employee benefit programs	24,220	28,368	***	124,472	***	1,110,285	23,700	7,084	***
Net loss, noncapital assets	6,513,173	4,346,314	***	39,668,531	***	42,652,967	8,783,170	2,180,869	***
Other deductions	1,352,903	257,823	***	6,122,188	***	28,015,779	770,518	487,052	***
Total receipts less total deductions	47,645	27,768	***	149,680	***	5,201,602	126,876	*11,451	***
Constructive taxable income from related foreign corporations	1,395,507	277,967	***	6,225,730	***	33,173,857	893,083	489,792	***
Net income (less deficit)	1,863,228	950,134	***	8,120,884	***	30,391,435	1,888,822	467,306	***
Income subject to tax	682,464	317,374	***	2,778,065	***	11,174,740	654,051	158,550	***
Income tax, total [2]	613,659	314,755	***	2,717,911	***	10,322,808	629,513	156,930	***
Regular tax	--	--	***	--	***	--	--	--	***
Personal holding company tax	608	322	***	1,378	***	5,100	1,946	28	***
Recapture of investment credit	67,241	1,235	***	49,623	***	793,157	21,789	*1,010	***
Alternative minimum tax	2,967	1,077	***	10,280	***	53,824	1,869	581	***
Environmental tax	38,025	*3,566	***	225,563	***	5,376,170	96,127	8,720	***
Foreign tax credit	--	22	***	2,625	***	23,059	11,240	17,808	***
U.S. possessions tax credit	--	--	***	--	***	--	--	--	***
Orphan drug credit	7	--	***	*1	***	44,042	37	--	***
Nonconventional source fuel credit	13,728	3,817	***	38,026	***	94,218	17,794	12,741	***
General business credit	*834	*526	***	4,663	***	*43,645	1,207	524	***
Prior year minimum tax credit	629,870	309,443	***	2,507,186	***	5,593,605	527,647	118,757	***

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

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

Table 12--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	**3,431**	**30,788**	**19,227**	**13,708**	**1,604**	**3,665**	**5,720**	**16,145**
Total assets	**125,695,237**	**111,342,257**	**293,947,268**	**373,591,780**	**402,955,025**	**135,513,686**	**95,524,866**	**71,645,965**
Cash	3,222,509	4,328,697	9,500,508	14,890,108	5,013,721	2,009,155	5,095,125	2,453,001
Notes and accounts receivable	20,358,639	22,356,938	73,761,135	78,129,917	173,524,408	28,291,344	23,690,906	13,771,363
Less: Allowance for bad debts	448,100	419,991	1,946,955	3,703,648	1,950,507	438,224	458,458	561,117
Inventories	16,428,742	17,791,704	39,047,356	40,706,924	18,343,894	35,558,798	13,127,714	8,830,476
Investments in Government obligations	419,816	322,153	4,554,777	4,983,077	*2,639,421	*62,918	178,528	71,954
Tax-exempt securities	65,426	210,953	2,628,961	5,707,334	*3,833,545	11,921	260,785	*481,730
Other current assets	4,793,977	3,692,900	14,633,293	70,952,339	14,521,774	10,958,660	4,100,832	2,776,461
Loans to stockholders	1,635,841	462,971	2,082,464	707,904	1,121,632	548,880	227,203	278,618
Mortgage and real estate loans	*252,146	124,020	467,068	1,148,349	*21,485,652	*370,827	*68,315	152,427
Other investments	23,380,561	22,128,305	54,123,284	56,064,766	68,178,197	15,208,701	13,053,470	19,214,895
Depreciable assets	77,637,199	52,422,583	126,330,375	132,640,300	124,336,578	60,204,187	41,110,953	19,354,451
Less: Accumulated depreciation	37,469,696	26,968,433	66,635,293	70,282,080	63,553,608	30,882,531	19,986,123	8,853,800
Depletable assets	2,556,368	205,047	110,743	*692,082	6,724	131,963	*1,236	*109,474
Less: Accumulated depletion	676,450	127,421	*17,601	*310,785	456	23,192	*60	*12,143
Land	1,396,043	1,382,756	2,458,743	2,350,101	1,564,455	1,552,705	999,300	637,774
Intangible assets (amortizable)	5,542,126	5,235,313	18,149,298	16,077,195	11,960,253	3,890,799	6,949,242	6,506,578
Less: Accumulated amortization	618,043	610,593	2,870,817	2,665,411	974,435	949,087	1,438,445	1,089,845
Other assets	7,218,133	8,804,355	17,569,929	25,503,309	22,903,777	9,005,860	8,544,345	7,523,667
Total liabilities	**125,695,237**	**111,342,257**	**293,947,268**	**373,591,780**	**402,955,025**	**135,513,686**	**95,524,866**	**71,645,965**
Accounts payable	14,506,223	10,328,886	28,212,134	28,836,416	24,459,432	12,635,571	11,992,405	5,192,849
Mortgages, notes, and bonds payable in less than one year	6,644,391	10,443,384	41,200,522	77,110,581	102,898,625	12,850,194	8,713,733	8,039,186
Other current liabilities	12,183,083	9,540,342	35,999,966	42,147,564	46,914,639	33,730,462	9,929,343	5,776,397
Loans from stockholders	3,488,162	1,914,983	2,759,624	2,481,328	1,725,196	665,710	2,036,669	1,140,358
Mortgages, notes, and bonds payable in one year or more	27,461,202	22,524,735	54,269,471	60,600,671	89,983,392	25,309,358	20,244,160	17,697,230
Other liabilities	23,131,086	10,865,653	21,722,431	63,449,831	47,782,708	9,017,079	6,221,935	8,212,887
Capital stock	6,970,501	7,114,268	22,068,380	17,379,330	7,414,489	7,565,173	5,849,880	4,575,166
Paid-in or capital surplus	32,792,461	20,235,246	40,636,882	37,806,159	32,846,754	8,307,204	17,476,763	12,764,606
Retained earnings, appropriated	602,329	183,950	2,217,018	979,220	259,262	137,401	1,213,203	176,902
Retained earnings, unappropriated	-106,027	21,961,465	52,891,043	52,591,233	49,956,075	28,627,379	17,843,948	9,659,562
Less: Cost of treasury stock	1,978,174	3,770,655	8,030,204	9,790,553	1,285,547	3,331,845	5,997,171	1,589,179
Total receipts	**139,824,231**	**138,946,631**	**284,002,066**	**297,310,236**	**284,619,431**	**171,866,006**	**94,272,867**	**65,607,160**
Business receipts	134,338,277	133,644,083	242,016,139	271,276,963	248,626,127	161,267,420	87,665,751	61,832,201
Interest	2,085,553	1,607,455	6,068,982	8,000,452	23,160,683	2,404,629	1,042,892	944,696
Interest on Government obligations: State and local	15,734	40,105	314,167	534,726	231,550	14,797	52,426	88,253
Rents	494,491	422,106	12,217,094	5,923,132	6,477,957	1,733,700	960,550	183,610
Royalties	179,794	316,149	9,378,876	1,888,117	151,647	252,023	1,004,007	451,759
Net short-term capital gain reduced by net long-term capital loss	16,377	1,278	154,331	64,838	*1,899	10,867	1,343	30,034
Net long-term capital gain reduced by net short-term capital loss	378,086	342,654	729,277	1,175,828	173,002	458,502	124,708	280,901
Net gain, noncapital assets	185,033	362,980	431,267	1,394,313	1,853,088	511,711	107,856	87,373
Dividends received from domestic corporations	112,303	77,044	244,894	280,836	162,929	106,733	31,119	286,211
Dividends received from foreign corporations	574,342	640,069	6,851,573	2,010,249	1,499,868	1,314,048	1,773,013	336,038
Other receipts	1,444,241	1,492,707	5,595,467	4,760,782	2,280,680	3,791,578	1,509,201	1,086,084
Total deductions	**137,724,181**	**134,703,527**	**273,763,012**	**286,419,013**	**285,012,900**	**163,843,635**	**89,789,034**	**63,927,330**
Cost of sales and operations	106,612,820	94,903,985	157,781,572	174,851,933	199,513,876	122,485,131	51,228,489	39,812,844
Compensation of officers	811,632	3,495,926	3,002,380	2,721,994	519,139	515,719	1,009,202	1,256,767
Repairs	2,631,459	821,239	1,652,792	1,885,037	2,048,558	1,197,793	352,935	286,204
Bad debts	507,384	392,884	1,203,159	1,301,804	1,863,385	275,035	334,302	271,642
Rent paid on business property	1,142,471	1,273,725	3,764,152	3,657,100	1,876,704	1,417,494	982,753	811,529
Taxes paid	2,373,138	3,334,745	6,480,389	6,449,383	5,272,327	3,299,253	1,697,068	1,356,460
Interest paid	3,783,948	4,269,590	10,830,125	17,658,892	21,388,928	3,985,807	3,309,875	2,851,184
Contributions or gifts	33,577	61,133	248,420	132,844	81,306	74,618	144,829	37,590
Amortization	265,608	336,659	646,655	802,931	185,287	178,651	344,626	366,900
Depreciation	4,648,797	3,946,647	9,843,099	14,052,001	15,641,771	3,998,987	2,604,170	1,784,597
Depletion	503,637	12,026	49,295	15,334	*4,862	*29,647	118	*4,843
Advertising	235,616	1,137,154	2,881,599	3,420,817	2,962,600	413,527	2,462,431	1,512,829
Pension, profit-sharing, stock bonus, and annuity plans	2,304,536	2,356,776	6,303,610	5,531,906	4,634,705	3,573,573	1,573,699	910,147
Employee benefit programs	113,020	111,618	524,866	295,564	22,294	23,462	99,315	113,076
Net loss, noncapital assets	10,343,667	17,537,091	66,987,628	51,730,869	28,056,623	21,406,886	22,992,821	12,329,034
Other deductions	2,100,049	4,243,104	10,239,053	10,891,223	-393,470	8,022,371	4,483,833	1,679,830
Total receipts less total deductions	356,268	427,033	5,507,007	1,968,938	4,404,540	588,749	994,006	219,837
Constructive taxable income from related foreign corporations	2,440,583	4,630,032	15,433,053	12,325,435	3,779,520	8,596,323	5,425,412	1,811,414
Net income (less deficit)	4,005,860	5,927,790	18,242,611	15,568,876	6,298,357	8,042,011	6,442,940	2,739,439
Income subject to tax	1,497,834	1,984,356	6,520,223	5,458,168	3,107,593	2,782,558	2,237,125	942,544
Income tax, total [8]	1,353,096	1,928,739	6,170,631	5,279,241	2,151,268	2,732,265	2,179,847	908,156
Regular tax	--	--	116	--	--	--	--	--
Personal holding company tax	949	740	7,809	4,171	5,883	1,983	1,749	71
Recapture of investment credit	135,932	49,075	318,840	153,918	936,720	41,598	47,810	30,845
Alternative minimum tax	7,577	5,840	23,163	21,910	14,799	12,787	7,769	3,224
Environmental tax	355,549	367,010	4,167,438	1,208,468	1,730,382	351,871	825,366	156,165
Foreign tax credit	202	3,920	117,622	268,700	9,737	993	346,759	55,955
U.S. possessions tax credit	--	--	--	--	--	--	*86	--
Orphan drug credit	--	42	254	417	--	--	--	--
Nonconventional source fuel credit	83,536	20,174	131,393	230,840	64,280	41,982	44,152	10,434
General business credit	5,987	11,249	18,258	16,253	*549	92,389	33,986	*3,427
Prior year minimum tax credit	1,052,561	1,581,962	2,085,258	3,733,469	1,302,645	2,295,323	986,776	716,563

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

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

Table 12--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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	96,395	76,746	---	---	603,224	219,618	16,401	36,368	166,849
Total assets	1,488,923,664	267,742,300	---	---	1,216,636,279	585,021,533	43,477,892	61,676,895	479,866,747
Cash	24,027,150	10,624,335	---	---	54,853,577	27,884,548	2,037,118	3,760,250	22,087,180
Notes and accounts receivable	155,578,682	37,469,083	---	---	272,985,004	156,553,690	11,967,853	16,457,511	128,128,326
Less: Allowance for bad debts	4,642,081	1,304,988	---	---	5,589,961	3,331,906	263,412	501,302	2,567,192
Inventories	28,616,109	5,301,506	---	---	298,254,951	147,652,375	10,452,050	18,824,794	118,375,532
Investments in Government obligations	5,096,898	1,621,744	---	---	21,822,659	21,053,240	*141,384	370,751	20,541,105
Tax-exempt securities	2,833,995	615,806	---	---	1,793,116	478,905	*31,960	*9,873	437,072
Other current assets	58,273,960	11,467,744	---	---	84,274,999	46,456,578	1,452,657	2,733,790	42,270,131
Loans to stockholders	2,101,479	1,007,571	---	---	9,513,798	3,191,339	560,908	440,657	2,189,773
Mortgage and real estate loans	3,885,583	601,398	---	---	7,437,731	1,927,426	161,941	129,884	1,635,601
Other investments	208,056,334	30,428,031	---	---	126,573,891	54,848,070	3,291,574	8,149,033	43,407,463
Depreciable assets	1,262,577,522	230,427,972	---	---	366,940,452	127,584,902	16,401,575	15,869,795	95,313,532
Less: Accumulated depreciation	431,403,048	88,621,579	---	---	158,201,938	59,586,797	7,800,494	7,830,307	43,955,995
Depletable assets	9,059,423	564,959	---	---	1,461,050	1,133,177	*14,690	128,908	989,579
Less: Accumulated depletion	4,018,703	224,255	---	---	659,285	554,970	*9,909	47,764	497,296
Land	13,419,648	4,879,044	---	---	29,054,305	8,302,953	845,004	906,968	6,550,982
Intangible assets (amortizable)	57,791,273	7,794,799	---	---	45,329,301	19,790,841	2,433,875	1,299,704	16,057,262
Less: Accumulated amortization	7,195,202	1,208,690	---	---	7,807,902	3,216,834	378,072	337,185	2,501,577
Other assets	104,864,641	16,297,819	---	---	68,600,533	34,853,996	2,137,191	1,311,535	31,405,271
Total liabilities	1,488,923,664	267,742,300	---	---	1,216,636,279	585,021,533	43,477,892	61,676,895	479,866,747
Accounts payable	86,181,438	26,983,589	---	---	194,639,681	102,396,441	9,405,185	11,335,339	81,655,918
Mortgages, notes, and bonds payable in less than one year	82,394,512	16,472,476	---	---	214,870,454	128,158,287	4,472,167	11,149,451	112,536,669
Other current liabilities	127,174,698	35,420,176	---	---	182,840,512	102,243,144	4,097,915	4,396,909	93,748,320
Loans from stockholders	7,163,504	3,915,897	---	---	33,225,128	14,979,912	887,225	1,647,905	12,444,782
Mortgages, notes, and bonds payable in one year or more	477,194,801	79,664,219	---	---	240,177,213	80,813,253	10,017,794	10,227,042	60,568,418
Other liabilities	204,646,449	42,313,146	---	---	60,249,584	21,090,736	2,267,962	3,879,993	14,942,781
Capital stock	160,196,519	16,027,580	---	---	64,535,446	37,787,153	2,161,166	4,467,531	31,158,456
Paid-in or capital surplus	209,480,327	33,416,696	---	---	105,555,476	42,322,032	3,792,351	5,457,561	33,072,119
Retained earnings, appropriated	2,909,126	362,616	---	---	1,520,595	658,984	104,523	98,439	456,021
Retained earnings, unappropriated	149,186,658	18,263,112	---	---	137,403,337	61,770,545	6,928,225	10,114,564	44,727,756
Less: Cost of treasury stock	17,604,369	5,097,206	---	---	18,381,146	7,198,951	656,620	1,097,839	5,444,492
Total receipts	875,964,432	305,138,329	---	---	2,531,097,142	1,284,605,051	196,802,267	110,042,099	977,760,685
Business receipts	815,022,925	285,330,792	---	---	2,448,759,213	1,248,400,651	193,604,050	106,203,014	948,593,587
Interest	17,887,138	4,655,673	---	---	28,423,862	16,171,014	529,841	966,427	14,674,746
Interest on Government obligations: State and local	296,628	25,456	---	---	1,379,405	134,963	16,350	16,705	101,907
Rents	10,505,534	3,820,508	---	---	10,094,867	3,809,766	311,068	1,062,757	2,435,941
Royalties	398,291	157,636	---	---	2,114,083	512,025	25,414	52,833	433,777
Net short-term capital gain reduced by net long-term capital loss	475,684	330,356	---	---	118,171	94,740	*959	6,119	87,662
Net long-term capital gain reduced by net short-term capital loss	5,841,734	2,116,731	---	---	3,725,901	1,095,152	40,501	149,270	905,381
Net gain, noncapital assets	3,945,502	2,891,374	---	---	2,533,445	1,350,941	54,456	223,478	1,073,007
Dividends received from domestic corporations	784,542	150,120	---	---	722,999	386,616	17,206	33,548	335,862
Dividends received from foreign corporations	257,729	76,811	---	---	1,651,562	627,404	4,397	31,289	591,718
Other receipts	20,548,725	5,582,873	---	---	31,573,636	12,021,780	2,198,025	1,296,658	8,527,097
Total deductions	840,451,999	303,615,303	---	---	2,510,333,004	1,278,151,055	195,500,063	108,731,530	973,919,462
Cost of sales and operations	375,751,344	125,627,346	---	---	1,892,187,832	1,054,393,533	169,420,432	80,354,914	804,618,188
Compensation of officers	6,399,255	3,651,972	---	---	33,118,296	16,555,603	1,502,232	2,902,277	12,151,094
Repairs	31,228,188	7,703,729	---	---	9,852,645	3,275,755	598,248	360,899	2,316,608
Bad debts	5,192,837	986,870	---	---	7,619,594	3,116,055	355,962	378,194	2,381,899
Rent paid on business property	25,435,443	16,482,526	---	---	44,351,924	10,013,999	1,311,045	1,200,147	7,502,807
Taxes paid	39,307,161	10,974,549	---	---	36,538,592	12,975,116	1,665,230	1,491,083	9,818,802
Interest paid	57,470,043	10,527,234	---	---	55,583,161	25,250,214	1,736,877	2,076,196	21,437,142
Contributions or gifts	533,768	91,267	---	---	637,043	254,588	47,776	34,575	172,237
Amortization	4,269,586	610,877	---	---	2,997,605	1,110,496	159,403	105,703	845,389
Depreciation	80,008,828	16,870,455	---	---	34,675,294	13,870,127	1,466,484	1,998,186	10,405,457
Depletion	689,466	114,519	---	---	79,414	64,030	110	14,385	49,535
Advertising	5,000,531	2,277,222	---	---	32,454,953	10,710,521	693,274	723,606	9,293,641
Pension, profit-sharing, stock bonus, and annuity plans	16,289,110	6,945,663	---	---	14,338,614	4,949,166	870,297	745,196	3,333,673
Employee benefit programs	4,820,757	99,281	---	---	1,651,656	535,650	63,936	74,838	396,876
Net loss, noncapital assets	182,539,168	98,069,463	---	---	339,469,941	118,827,945	15,251,236	15,923,198	87,653,511
Other deductions	35,512,434	1,523,026	---	---	20,764,138	6,453,996	1,302,205	1,310,569	3,841,223
Total receipts less total deductions	409,226	190,545	---	---	1,693,680	955,494	*5,437	19,008	931,050
Constructive taxable income from related foreign corporations	35,625,031	1,688,115	---	---	21,078,413	7,274,528	1,291,291	1,312,871	4,670,365
Net income (less deficit)	45,428,604	6,681,397	---	---	42,125,397	16,932,602	1,756,039	2,262,706	12,913,857
Income subject to tax	17,085,627	2,625,034	---	---	13,819,639	5,516,090	576,445	715,081	4,224,563
Income tax, total [2]	15,208,214	2,172,571	---	---	13,310,330	5,331,033	560,970	682,130	4,087,933
Regular tax	*5	*5	---	---	*962	*765	--	*1	*764
Personal holding company tax	47,018	2,035	---	---	4,106	1,551	330	286	935
Recapture of investment credit	1,810,393	437,683	---	---	461,482	167,831	14,098	31,473	122,260
Alternative minimum tax	88,790	11,832	---	---	43,736	14,018	1,710	1,393	10,915
Environmental tax	138,131	36,416	---	---	934,596	289,937	*1,501	12,536	275,899
Foreign tax credit	58,332	(1)	---	---	30,713	6,539	23	70	6,447
U.S. possessions tax credit	--	--	---	---	--	--	--	--	--
Orphan drug credit	12,955	431	---	---	547	*521	--	*45	*476
Nonconventional source fuel credit	977,010	175,920	---	---	214,024	58,024	3,687	12,517	41,820
General business credit	46,080	10,149	---	---	43,439	15,153	*1,679	2,191	11,284
Prior year minimum tax credit	15,853,119	2,402,118	---	---	12,596,321	5,145,915	569,555	687,722	3,888,638

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

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

Table 12—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 furnishing 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, total	**380,491**	*	**6,294**	**35,397**	*	*	**24,067**	**78,034**	**124,672**	**3,115**
Total assets	**629,934,587**	*	**241,912,252**	**84,243,277**	*	*	**19,943,699**	**72,226,738**	**82,672,828**	**1,680,159**
Cash	26,778,565	*	6,617,193	3,391,227	*	*	1,394,328	2,950,686	5,332,737	190,464
Notes and accounts receivable	116,039,115	*	71,388,750	5,635,659	*	*	4,170,928	5,325,846	11,731,057	392,199
Less: Allowance for bad debts	2,253,511	*	942,562	67,067	*	*	148,833	174,554	496,356	4,544
Inventories	150,135,366	*	40,369,127	18,176,625	*	*	7,492,025	1,939,510	31,066,215	467,210
Investments in Government obligations	762,142	*	*84,961	258,475	*	*	*31,410	*19,336	179,209	*7,277
Tax-exempt securities	1,314,211	*	*881,910	261,769	*	*	*67,914	18,977	54,829	--
Other current assets	37,749,219	*	25,614,129	1,986,581	*	*	914,277	2,056,362	2,680,115	69,203
Loans to stockholders	6,313,297	*	1,900,808	242,707	*	*	186,782	889,384	1,908,735	*9,162
Mortgage and real estate loans	5,510,305	*	4,606,556	86,892	*	*	*38,089	245,860	146,614	--
Other investments	71,516,571	*	33,382,555	10,238,550	*	*	1,239,412	13,312,126	4,083,229	209,250
Depreciable assets	238,844,066	*	61,371,860	48,731,058	*	*	6,267,624	44,754,533	29,554,168	511,484
Less: Accumulated depreciation	98,350,986	*	21,295,305	20,373,119	*	*	2,902,441	17,445,891	14,558,669	264,156
Depletable assets	314,925	*	793	*86,856	*	*	--	85,259	*32,672	12,948
Less: Accumulated depletion	102,207	*	394	*20,795	*	*	--	*36,757	*27,426	2,108
Land	20,705,930	*	4,822,772	4,126,360	*	*	306,181	5,872,439	1,540,468	45,422
Intangible assets (amortizable)	25,530,044	*	3,001,334	3,801,352	*	*	702,888	7,591,826	6,419,226	*8,416
Less: Accumulated amortization	4,590,066	*	519,691	398,261	*	*	299,151	1,108,850	1,467,427	*1,003
Other assets	33,717,600	*	10,627,455	8,078,409	*	*	482,266	5,930,645	4,493,432	28,937
Total liabilities	**629,934,587**	*	**241,912,252**	**84,243,277**	*	*	**19,943,699**	**72,226,738**	**82,672,828**	**1,680,159**
Accounts payable	91,901,618	*	39,535,997	14,236,957	*	*	3,467,959	4,186,010	15,851,691	341,623
Mortgages, notes, and bonds payable in less than one year	86,457,930	*	29,361,745	9,364,530	*	*	1,773,859	4,679,396	9,326,125	254,236
Other current liabilities	80,405,272	*	47,766,002	8,039,786	*	*	2,085,643	6,376,611	6,902,221	192,096
Loans from stockholders	18,165,866	*	3,056,599	1,446,540	*	*	907,450	2,635,874	4,377,673	79,351
Mortgages, notes, and bonds payable in one year or more	159,113,231	*	49,799,064	31,793,918	*	*	4,109,215	30,599,271	17,705,936	250,728
Other liabilities	39,096,637	*	17,356,652	6,596,156	*	*	670,422	5,979,931	4,007,958	62,211
Capital stock	26,599,608	*	4,680,112	2,868,464	*	*	1,092,282	4,406,890	6,028,534	148,685
Paid-in or capital surplus	62,839,309	*	25,641,883	5,879,723	*	*	1,702,887	9,999,406	9,656,086	394,136
Retained earnings, appropriated	861,611	*	*249,364	74,156	*	*	95,816	23,277	195,468	--
Retained earnings, unappropriated	75,639,931	*	26,686,269	5,333,628	*	*	4,821,280	5,704,240	10,116,014	7,139
Less: Cost of treasury stock	11,146,426	*	2,221,435	1,390,579	*	*	783,113	2,364,168	1,494,878	*35,768
Total receipts	**1,242,568,661**	*	**271,389,636**	**285,689,501**	*	*	**43,648,108**	**99,373,672**	**193,184,699**	**3,923,431**
Business receipts	1,196,518,103	*	253,951,219	279,444,728	*	*	42,192,120	91,787,979	188,472,793	3,840,460
Interest	12,233,658	*	6,754,980	823,558	*	*	370,584	955,771	1,132,174	19,189
Interest on Government obligations: State and local	1,244,256	*	1,136,763	35,790	*	*	8,999	7,322	32,946	*186
Rents	6,255,921	*	1,527,433	821,508	*	*	108,513	1,900,362	485,246	*29,180
Royalties	1,602,058	*	39,407	31,745	*	*	*65,885	743,517	270,302	--
Net short-term capital gain reduced by net long-term capital loss	23,431	*	*5,282	2,798	*	*	*488	6,499	3,671	--
Net long-term capital gain reduced by net short-term capital loss	2,626,036	*	911,780	703,542	*	*	54,274	506,041	224,928	*2,714
Net gain, noncapital assets	1,182,155	*	115,856	163,378	*	*	41,315	320,424	167,051	*349
Dividends received from domestic corporations	334,703	*	167,954	29,992	*	*	4,626	19,784	32,086	*1,680
Dividends received from foreign corporations	1,024,140	*	177,476	*474,164	*	*	1,499	347,786	15,945	18
Other receipts	19,522,200	*	6,601,485	3,158,297	*	*	799,805	2,778,187	2,347,557	29,655
Total deductions	**1,228,195,495**	*	**265,409,001**	**282,367,855**	*	*	**43,239,612**	**98,079,575**	**191,935,717**	**3,986,454**
Cost of sales and operations	834,936,168	*	165,933,259	213,098,749	*	*	26,919,730	40,874,726	126,165,835	2,858,131
Compensation of officers	16,475,817	*	713,853	1,625,691	*	*	1,183,724	2,129,313	5,347,871	86,877
Repairs	6,563,221	*	1,381,064	1,658,297	*	*	173,704	1,260,082	822,453	13,668
Bad debts	4,478,104	*	2,167,345	243,880	*	*	248,392	145,475	811,160	25,435
Rent paid on business property	34,251,809	*	7,412,939	5,085,295	*	*	1,641,374	5,292,309	6,760,949	86,116
Taxes paid	23,481,443	*	5,552,414	4,012,037	*	*	959,336	3,813,199	3,659,631	82,033
Interest paid	30,277,215	*	11,657,207	4,389,912	*	*	697,428	4,098,803	3,655,690	55,732
Contributions or gifts	381,928	*	136,334	72,475	*	*	16,080	27,779	50,431	528
Amortization	1,885,319	*	263,512	221,236	*	*	63,514	426,816	525,016	1,790
Depreciation	20,732,374	*	4,763,812	4,065,634	*	*	571,093	3,578,835	3,030,133	72,793
Depletion	13,936	*	*350	*1,606	*	*	--	*2,879	4,108	1,448
Advertising	21,713,266	*	6,215,801	2,571,908	*	*	1,880,284	2,483,888	4,040,387	31,166
Pension, profit-sharing, stock bonus, and annuity plans	9,371,908	*	2,307,028	2,885,006	*	*	228,772	899,393	1,206,683	17,540
Employee benefit programs	1,113,175	*	256,293	354,693	*	*	28,564	103,015	135,199	*2,832
Net loss, noncapital assets	220,002,368	*	55,960,507	41,511,391	*	*	8,521,081	32,703,587	35,314,160	639,628
Other deductions	14,373,166	*	5,980,635	3,321,646	*	*	408,496	1,294,098	1,248,982	63,024
Total receipts less total deductions	738,186	*	161,413	300,695	*	*	71	240,939	*21,214	--
Constructive taxable income from related foreign corporations	13,867,096	*	5,005,285	3,586,550	*	*	399,568	1,527,715	1,237,249	63,210
Net income (less deficit)	25,156,745	*	7,652,289	4,690,980	*	*	847,235	2,737,896	4,095,685	36,051
Income subject to tax	8,294,815	*	2,780,078	1,620,112	*	*	252,711	918,300	1,162,379	8,735
Income tax, total [2]	7,971,203	*	2,634,885	1,552,935	*	*	249,935	864,291	1,144,313	8,094
Regular tax	*198	*	--	--	*	*	--	--	--	--
Personal holding company tax	2,555	*	643	596	*	*	*46	708	180	--
Recapture of investment credit	293,023	*	132,288	61,421	*	*	*2,160	49,856	15,008	*629
Alternative minimum tax	29,705	*	12,262	6,406	*	*	570	3,445	2,899	12
Environmental tax	644,659	*	110,676	263,350	*	*	*1,028	249,768	13,228	--
Foreign tax credit	24,173	*	20,076	3,349	*	*	--	32	--	--
U.S. possessions tax credit	--	*	--	--	*	*	--	--	--	--
Orphan drug credit	*25	*	(1)	--	*	*	--	1	--	--
Nonconventional source fuel credit	155,956	*	45,663	38,182	*	*	2,507	33,303	17,457	*44
General business credit	28,285	*	*8,000	13,397	*	*	*120	*2,477	2,976	--
Prior year minimum tax credit	7,441,715	*	2,595,662	1,301,835	*	*	249,056	632,719	1,128,719	8,690

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

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

Table 12–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	**362,083**	**11,643**	**15,793**	**10,394**	**7,075**	**37,131**	**237,700**	**42,347**
Total assets	**8,771,504,763**	**4,017,584,335**	**1,774,623,875**	**402,485,841**	**2,128,656,488**	**32,908,689**	**252,409,293**	**162,836,243**
Cash	455,565,980	324,320,356	63,580,059	15,228,002	22,332,643	5,865,779	16,420,230	7,818,911
Notes and accounts receivable	2,544,277,884	1,931,234,344	343,960,348	98,121,083	121,751,766	9,739,956	20,443,836	19,026,553
Less: Allowance for bad debts	74,769,106	54,077,037	17,747,488	542,163	1,433,218	131,818	584,858	252,523
Inventories	23,953,113	785,232	3,863,054	1,693,376	3,843,077	18,402	10,640,957	3,109,016
Investments in Government obligations	710,829,987	411,123,827	67,398,765	27,899,929	200,094,778	455,503	1,026,502	2,830,685
Tax-exempt securities	222,144,758	69,439,002	9,921,690	462,415	139,567,669	606,722	593,323	1,553,937
Other current assets	664,674,043	172,896,716	81,236,481	177,366,380	205,032,805	1,558,417	12,987,973	13,595,271
Loans to stockholders	33,478,694	6,616,348	11,906,009	963,685	3,410,476	418,857	3,025,612	7,137,706
Mortgage and real estate loans	1,455,098,375	344,299,464	824,143,164	1,492,610	266,160,381	91,112	13,972,178	4,939,465
Other investments	1,893,875,918	393,831,618	277,666,700	57,990,104	1,037,707,336	7,795,931	44,027,090	74,857,139
Depreciable assets	311,519,314	92,434,297	35,191,103	7,636,866	36,575,165	5,795,400	118,473,827	15,412,656
Less: Accumulated depreciation	106,108,459	36,767,506	14,356,027	3,455,626	7,726,834	3,049,525	35,266,075	5,486,865
Depletable assets	1,966,644	17,386	97,628	*500	621,813	*41	562,148	667,130
Less: Accumulated depletion	615,219	6,337	19,383	*207	320,093	--	164,333	104,865
Land	49,616,747	6,746,284	4,390,824	207,759	2,272,001	194,843	33,035,954	2,769,082
Intangible assets (amortizable)	41,993,791	13,368,964	12,710,271	1,786,201	4,968,978	2,804,766	2,727,454	3,627,158
Less: Accumulated amortization	8,166,328	2,151,723	1,759,953	509,741	1,247,765	782,080	827,416	887,650
Other assets	552,168,626	343,473,099	72,440,632	16,144,669	95,045,510	1,526,385	11,314,892	12,223,438
Total liabilities	**8,771,504,763**	**4,017,584,335**	**1,774,623,875**	**402,485,841**	**2,128,656,488**	**32,908,689**	**252,409,293**	**162,836,243**
Accounts payable	267,458,480	85,990,975	51,855,339	64,471,783	37,191,181	10,181,855	8,441,930	9,325,416
Mortgages, notes, and bonds payable in less than one year	825,370,640	365,121,040	314,801,166	32,026,230	48,197,150	2,086,336	27,775,414	35,363,304
Other current liabilities	4,355,250,071	2,825,552,539	867,944,995	250,475,321	379,618,832	4,037,960	16,624,172	10,996,253
Loans from stockholders	58,669,420	9,226,641	10,033,309	1,012,737	8,723,015	285,350	21,807,589	7,580,780
Mortgages, notes, and bonds payable in one year or more	711,163,490	178,951,738	302,181,340	19,544,733	67,976,548	3,249,751	100,520,066	38,739,313
Other liabilities	1,639,722,541	208,573,830	145,751,971	14,231,060	1,239,712,626	2,375,352	17,759,018	11,318,685
Capital stock	136,896,602	58,386,195	15,319,198	3,723,632	18,297,563	1,581,473	22,836,086	16,752,455
Paid-in or capital surplus	448,560,627	149,252,852	60,500,898	12,140,424	133,627,655	4,037,442	52,936,617	36,064,739
Retained earnings, appropriated	41,305,229	2,755,063	3,372,932	44,943	32,914,245	54,190	1,397,401	766,456
Retained earnings, unappropriated	310,285,509	137,304,676	5,481,737	7,151,003	170,651,744	5,946,283	-14,654,321	-1,595,613
Less: Cost of treasury stock	23,177,846	3,531,213	2,619,011	2,336,024	8,254,071	927,304	3,034,678	2,475,546
Total receipts	**1,794,511,263**	**521,831,365**	**264,500,996**	**83,511,348**	**763,939,294**	**27,456,719**	**84,963,827**	**48,307,714**
Business receipts	845,870,044	54,882,217	75,260,836	48,862,934	548,152,242	25,361,594	60,533,798	32,816,423
Interest	735,679,201	412,121,910	153,192,221	28,741,366	126,860,517	873,161	6,309,402	7,580,624
Interest on Government obligations: State and local	18,157,134	8,348,639	709,251	162,868	8,576,724	36,640	143,326	179,686
Rents	32,837,702	11,894,461	3,349,851	699,432	9,056,454	107,697	7,034,740	695,067
Royalties	1,045,856	19,299	37,586	6,099	86,894	*8,213	311,531	576,233
Net short-term capital gain reduced by net long-term capital loss	1,550,435	269,465	133,021	356,675	532,678	2,265	142,070	114,261
Net long-term capital gain reduced by net short-term capital loss	14,143,275	2,478,955	1,244,884	434,790	5,359,727	91,504	2,703,972	1,829,443
Net gain, noncapital assets	7,473,177	3,602,779	1,421,362	531,104	766,820	27,490	807,756	315,866
Dividends received from domestic corporations	7,109,916	836,271	834,636	365,379	3,953,855	55,823	178,502	885,450
Dividends received from foreign corporations	1,860,344	346,475	406,609	57,183	623,369	124,629	46,714	255,366
Other receipts	128,784,178	27,030,893	27,910,740	3,293,516	59,970,015	767,703	6,752,017	3,059,295
Total deductions	**1,737,446,760**	**502,624,749**	**252,559,413**	**81,421,111**	**739,497,382**	**26,190,760**	**88,047,166**	**47,106,178**
Cost of sales and operations	503,230,902	841,026	43,630,793	17,741,306	394,245,546	3,031,554	23,819,844	19,920,833
Compensation of officers	27,931,632	12,070,208	2,199,003	2,490,547	2,641,099	3,480,235	3,946,725	1,103,816
Repairs	5,625,214	2,450,029	773,207	125,730	267,860	154,138	1,692,016	162,234
Bad debts	47,464,299	29,501,101	13,912,781	507,039	1,741,322	148,176	1,139,689	514,192
Rent paid on business property	22,079,969	7,837,313	2,476,123	1,933,112	5,447,145	1,216,871	2,367,835	801,569
Taxes paid	29,815,125	7,227,837	2,375,244	1,355,432	11,812,454	996,690	4,938,726	1,108,741
Interest paid	501,547,685	305,676,034	128,795,902	26,837,191	18,445,072	612,124	13,051,188	8,130,173
Contributions or gifts	780,008	345,285	91,209	47,964	145,491	31,109	54,457	64,492
Amortization	4,584,543	1,319,208	667,352	283,410	1,233,882	226,130	484,756	369,806
Depreciation	33,251,065	16,275,823	4,163,238	995,705	5,054,927	596,995	4,889,102	1,275,274
Depletion	173,645	13,867	1,291	112	80,065	*7	43,318	34,984
Advertising	8,217,729	2,737,147	1,891,264	459,663	1,503,457	253,957	1,067,690	304,552
Pension, profit-sharing, stock bonus, and annuity plans	13,221,667	5,557,267	1,212,346	718,662	3,916,790	684,585	565,298	566,719
Employee benefit programs	10,301,905	6,683,155	2,600,250	140,036	111,909	18,188	540,737	207,629
Net loss, noncapital assets	523,009,919	102,307,075	47,297,242	27,445,550	290,108,688	14,351,650	29,143,214	12,356,499
Other deductions	57,064,503	19,206,616	11,941,582	2,090,237	24,441,912	1,265,959	-3,083,339	1,201,536
Total receipts less total deductions	3,763,743	1,689,157	397,166	163,867	1,080,543	96,791	12,896	323,322
Constructive taxable income from related foreign corporations	42,671,090	12,547,133	11,629,498	2,091,235	16,945,710	1,326,110	-3,213,769	1,345,172
Net income (less deficit)	68,491,853	20,623,413	19,507,435	2,142,991	16,982,240	1,724,328	3,667,776	3,843,670
Income subject to tax	22,500,288	7,500,045	4,800,198	837,782	6,419,755	540,498	1,071,453	1,330,559
Income tax, total [2]	20,701,035	6,987,657	4,690,223	717,666	5,495,860	533,943	1,015,496	1,260,189
Regular tax	9,532	681	*10	*131	1	*538	3,636	4,534
Personal holding company tax	7,545	4,514	546	24	1,537	*12	642	270
Recapture of investment credit	1,660,821	454,410	95,518	116,385	886,681	4,499	43,379	59,949
Alternative minimum tax	95,108	29,394	19,008	3,575	35,674	1,502	1,773	4,182
Environmental tax	1,641,306	526,445	194,600	71,407	619,009	*76,980	14,457	138,408
Foreign tax credit	10,217	--	8,558	--	979	--	53	627
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	1,329	5	--	4	*373	--	*767	*180
Nonconventional source fuel credit	196,943	72,381	49,890	29,520	29,087	2,635	7,715	5,715
General business credit	195,293	56,824	38,433	26,498	54,763	*47	5,415	13,312
Prior year minimum tax credit	20,455,202	6,844,390	4,508,717	710,352	5,715,544	460,835	1,043,046	1,172,316

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

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

Table 12--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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	527,715	12,326	41,278	172,154	64,762	44,500	192,696	14,312
Total assets	473,565,490	45,869,889	14,788,449	166,793,402	39,204,683	94,195,385	112,713,684	1,388,969
Cash	32,631,031	2,070,993	1,472,013	12,477,071	1,959,673	4,923,521	9,727,759	143,090
Notes and accounts receivable	84,521,248	4,785,963	2,066,703	37,518,191	4,911,715	10,955,141	24,283,535	166,295
Less: Allowance for bad debts	4,329,249	270,488	30,040	1,007,569	152,845	637,041	2,231,266	*2,658
Inventories	17,035,984	461,756	1,018,461	4,892,837	2,796,641	5,396,114	2,470,175	206,817
Investments in Government obligations	1,703,237	60,544	*8,468	718,879	33,664	135,539	746,143	*941
Tax-exempt securities	1,140,724	*34,088	*102,724	597,803	*266	41,688	364,154	--
Other current assets	26,994,899	1,789,333	976,751	12,553,329	1,903,417	5,346,894	6,425,175	33,800
Loans to stockholders	4,544,159	268,354	232,650	1,751,386	482,076	458,112	1,351,582	72,257
Mortgage and real estate loans	2,012,911	457,512	32,211	657,764	117,491	357,717	390,215	*77,862
Other investments	90,079,687	7,625,895	1,436,708	35,884,179	2,555,218	22,750,733	19,826,953	120,690
Depreciable assets	230,424,807	26,454,974	9,947,422	69,988,178	32,065,369	38,209,540	53,759,323	434,559
Less: Accumulated depreciation	96,446,663	7,433,751	5,580,341	33,817,851	12,524,234	16,872,552	20,217,936	150,393
Depletable assets	179,291	*1,520	*5,252	*69,743	*6,013	*43,361	53,404	--
Less: Accumulated depletion	33,524	*904	*4,097	*5,154	*1,099	*20,708	*1,562	--
Land	13,845,191	4,150,858	558,449	1,757,306	938,827	2,790,315	3,649,435	107,192
Intangible assets (amortizable)	35,673,761	1,885,213	742,159	12,635,089	3,015,748	10,018,508	7,377,044	40,948
Less: Accumulated amortization	8,203,375	272,069	178,975	3,093,035	224,935	2,536,946	1,897,415	2,016
Other assets	39,791,372	3,800,097	1,981,931	13,215,256	1,321,676	12,835,448	6,636,964	139,585
Total liabilities	473,565,490	45,869,889	14,788,449	166,793,402	39,204,683	94,195,385	112,713,684	1,388,969
Accounts payable	38,499,187	1,682,677	835,054	17,540,710	2,748,813	7,022,140	8,669,794	145,872
Mortgages, notes, and bonds payable in less than one year	49,516,048	3,995,771	626,690	21,094,786	7,726,799	5,363,697	10,708,305	108,420
Other current liabilities	54,469,520	3,092,050	1,835,211	22,220,524	4,089,086	8,781,781	14,450,868	65,321
Loans from stockholders	14,465,748	2,945,625	599,338	4,743,403	1,074,066	1,886,683	3,216,633	203,229
Mortgages, notes, and bonds payable in one year or more	144,462,591	18,987,520	3,899,924	45,585,040	13,179,233	26,418,450	36,392,423	390,510
Other liabilities	44,758,892	3,797,647	1,407,161	14,831,121	1,802,380	14,904,142	8,016,442	109,374
Capital stock	30,604,090	4,719,333	862,025	9,436,311	2,149,725	5,865,310	7,571,385	166,622
Paid-in or capital surplus	92,921,376	13,043,487	1,608,127	31,937,767	2,447,372	18,881,355	25,003,269	481,343
Retained earnings, appropriated	1,033,937	*37,080	*56,635	503,079	*15,312	134,540	287,290	*10
Retained earnings, unappropriated	12,087,342	-5,655,466	3,582,929	2,764,092	4,520,541	6,969,992	-94,747	-278,304
Less: Cost of treasury stock	9,253,239	775,836	524,645	3,863,431	548,644	2,032,705	1,507,979	*3,427
Total receipts	559,455,934	31,773,935	23,699,468	212,611,336	53,645,977	57,087,346	180,637,872	6,552,503
Business receipts	514,447,423	28,450,856	22,314,056	194,192,503	49,429,865	49,692,328	170,367,815	5,708,588
Interest	9,140,004	906,232	363,678	3,314,230	575,503	1,749,070	2,231,290	90,143
Interest on Government obligations: State and local	359,493	5,433	22,295	228,862	1,967	10,841	90,095	*1,141
Rents	7,773,439	617,011	132,997	4,188,523	1,223,312	724,405	887,191	*36,056
Royalties	2,717,597	57,155	96,001	988,728	*38,081	1,415,406	122,226	*3,037
Net short-term capital gain reduced by net long-term capital loss	74,356	4,530	*5,683	39,751	*793	9,410	14,189	--
Net long-term capital gain reduced by net short-term capital loss	2,529,079	399,484	144,816	410,876	95,896	516,290	961,717	*23,669
Net gain, noncapital assets	2,762,664	137,952	62,412	809,256	1,150,426	255,581	347,037	*864
Dividends received from domestic corporations	415,309	29,915	31,019	118,994	12,171	91,042	132,168	*20
Dividends received from foreign corporations	877,593	34,812	*12,168	613,322	*6,622	115,016	95,654	--
Other receipts	18,358,976	1,130,555	514,342	7,706,290	1,111,341	2,507,958	5,388,491	688,985
Total deductions	555,837,168	32,605,198	22,828,539	211,314,543	53,138,041	57,198,476	178,752,371	6,597,181
Cost of sales and operations	216,078,917	14,834,471	8,781,758	91,231,102	22,491,930	17,700,880	61,038,776	5,261,961
Compensation of officers	31,550,287	413,426	1,359,841	11,118,060	2,316,600	2,975,255	13,367,106	91,639
Repairs	4,516,471	434,882	255,023	1,242,355	749,732	589,370	1,245,109	23,940
Bad debts	4,666,224	339,453	116,696	1,080,205	212,816	618,130	2,298,924	12,243
Rent paid on business property	20,781,541	1,192,506	1,131,178	7,625,525	2,301,098	2,057,495	6,473,739	86,324
Taxes paid	18,925,609	1,327,633	973,068	6,780,841	2,384,331	1,646,163	5,813,575	107,805
Interest paid	22,788,599	2,463,656	611,138	7,279,308	3,122,117	3,910,903	5,401,478	33,882
Contributions or gifts	236,033	7,119	15,336	78,317	16,920	28,504	89,838	*950
Amortization	4,934,022	99,955	164,643	1,077,490	109,278	2,801,307	681,349	*1,497
Depreciation	27,056,707	1,456,131	853,748	10,343,746	5,453,605	4,038,065	4,911,412	34,757
Depletion	14,005	--	*1,253	6,274	*23	*3,018	3,436	--
Advertising	7,936,235	613,618	487,645	3,047,956	744,241	1,517,425	1,525,349	20,076
Pension, profit-sharing, stock bonus, and annuity plans	7,781,673	449,529	267,559	2,684,814	574,856	357,519	3,447,397	4,250
Employee benefit programs	835,196	75,275	28,121	387,201	64,691	70,812	209,095	*108,955
Net loss, noncapital assets	184,085,997	8,809,796	7,649,362	66,059,171	12,282,805	18,677,291	70,607,573	786,086
Other deductions	3,618,766	-831,262	870,929	1,296,793	507,936	-111,129	1,885,501	-44,678
Total receipts less total deductions	825,576	32,606	7,294	418,340	*9,848	262,263	95,225	--
Constructive taxable income from related foreign corporations	4,084,849	-804,090	855,928	1,486,271	515,817	140,292	1,890,631	-45,819
Net income (less deficit)	16,191,041	757,189	983,831	6,121,599	1,040,574	2,017,064	5,270,785	66,862
Income subject to tax	5,341,143	270,887	308,864	2,028,826	324,966	699,774	1,707,825	15,330
Income tax, total [2]	5,015,575	247,353	300,517	1,890,490	270,131	652,535	1,654,548	15,330
Regular tax	*1,496	(1)	*22	--	--	*626	*848	--
Personal holding company tax	2,612	86	215	604	*555	168	985	--
Recapture of investment credit	302,259	20,838	7,215	132,377	53,229	41,812	46,788	--
Alternative minimum tax	16,829	1,203	896	5,759	982	2,953	5,038	--
Environmental tax	602,469	*34,559	9,580	372,965	*324	116,334	68,708	--
Foreign tax credit	15,845	6,014	--	5,316	--	37	4,477	(1)
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	576	--	--	--	--	--	576	--
Nonconventional source fuel credit	123,628	7,856	3,451	66,477	18,751	4,792	22,302	--
General business credit	28,452	*897	*625	11,584	3,216	4,579	7,451	--
Prior year minimum tax credit	4,570,172	221,560	295,208	1,572,484	302,675	573,933	1,604,312	15,330

*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.

[1] 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, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetalic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**1,131,942**	**42,859**	**11,318**	***	***	***	895
Total assets	**12,091,452,312**	**33,411,655**	**164,549,451**	***	***	***	10,289,875
Cash	498,593,574	2,552,953	5,287,257	***	***	***	298,214
Notes and accounts receivable	3,007,234,874	3,234,706	17,286,934	***	***	***	1,750,925
Less: Allowance for bad debts	71,238,068	29,873	181,551	***	***	***	21,298
Inventories	523,518,586	4,605,873	4,681,933	***	***	***	588,661
Investments in Government obligations	569,128,837	165,434	605,985	***	***	***	*62,284
Tax-exempt securities	207,307,312	178,220	216,918	***	***	***	3,625
Other current assets	845,892,354	1,079,007	5,013,232	***	***	***	186,207
Loans to stockholders	57,249,558	843,796	603,299	***	***	***	30,009
Mortgage and real estate loans	1,053,547,685	262,287	99,738	***	***	***	*9,511
Other investments	2,535,848,561	3,628,200	69,918,086	***	***	***	2,625,479
Depreciable assets	3,041,455,908	21,683,984	73,882,942	***	***	***	6,407,228
Less: Accumulated depreciation	1,327,106,139	13,725,178	37,076,099	***	***	***	3,325,425
Depletable assets	101,356,270	339,568	22,324,271	***	***	***	899,849
Less: Accumulated depletion	43,816,265	220,189	8,957,367	***	***	***	120,229
Land	104,394,185	7,145,135	2,642,434	***	***	***	443,529
Intangible assets (amortizable)	278,307,657	150,563	4,879,804	***	***	***	280,452
Less: Accumulated amortization	58,832,504	51,921	2,127,330	***	***	***	26,719
Other assets	768,609,930	1,569,090	5,448,964	***	***	***	197,572
Total liabilities	**12,091,452,312**	**33,411,655**	**164,549,451**	***	***	***	10,289,875
Accounts payable	749,203,417	1,843,148	9,306,248	***	***	***	666,485
Mortgages, notes, and bonds payable in less than one year	1,244,683,357	4,101,791	6,047,465	***	***	***	1,236,116
Other current liabilities	3,663,335,970	1,600,548	10,078,218	***	***	***	549,370
Loans from stockholders	94,208,550	1,386,831	1,499,201	***	***	***	50,471
Mortgages, notes, and bonds payable in one year or more	1,669,852,798	6,650,288	34,893,143	***	***	***	1,635,730
Other liabilities	1,760,096,197	1,783,458	11,576,369	***	***	***	452,957
Capital stock	397,944,595	3,786,764	6,411,592	***	***	***	651,844
Paid-in or capital surplus	1,139,985,770	2,854,377	74,520,192	***	***	***	1,827,470
Retained earnings, appropriated	46,069,920	84,317	204,955	***	***	***	*46,024
Retained earnings, unappropriated	1,486,438,560	10,028,707	13,646,523	***	***	***	3,603,690
Less: Cost of treasury stock	160,366,821	708,576	3,634,455	***	***	***	430,281
Total receipts	**7,354,606,667**	**46,481,173**	**80,415,239**	***	***	***	7,618,708
Business receipts	6,315,867,634	42,787,013	69,488,321	***	***	***	7,136,564
Interest	627,875,727	496,358	3,037,063	***	***	***	154,454
Interest on Government obligations: State and local	18,841,094	20,348	29,237	***	***	***	3,159
Rents	74,151,097	341,184	281,837	***	***	***	55,434
Royalties	26,654,264	74,416	332,104	***	***	***	14,270
Net short-term capital gain reduced by net long-term capital loss	1,734,346	24,128	16,145	***	***	***	*704
Net long-term capital gain reduced by net short-term capital loss	34,758,316	411,824	1,739,991	***	***	***	83,697
Net gain, noncapital assets	21,388,588	200,284	968,439	***	***	***	43,289
Dividends received from domestic corporations	11,023,867	56,962	301,565	***	***	***	3,808
Dividends received from foreign corporations	31,719,974	*30,015	264,843	***	***	***	*8,144
Other receipts	190,591,760	2,038,641	3,955,693	***	***	***	115,185
Total deductions	**6,953,883,276**	**43,718,586**	**73,022,889**	***	***	***	7,104,617
Cost of sales and operations	4,215,460,182	27,578,243	45,318,911	***	***	***	4,280,090
Compensation of officers	98,289,454	1,220,968	805,648	***	***	***	121,867
Repairs	68,796,270	818,804	604,827	***	***	***	225,171
Bad debts	45,118,150	54,174	138,622	***	***	***	14,005
Rent paid on business property	100,485,068	1,086,659	734,193	***	***	***	83,666
Taxes paid	168,919,664	988,395	2,309,727	***	***	***	205,687
Interest paid	536,605,274	1,198,198	4,743,777	***	***	***	263,554
Contributions or gifts	4,684,197	32,169	43,952	***	***	***	7,360
Amortization	15,502,183	44,201	310,899	***	***	***	12,491
Depreciation	225,103,377	1,568,283	3,689,158	***	***	***	500,255
Depletion	7,829,949	21,073	2,109,002	***	***	***	140,080
Advertising	81,305,320	167,077	85,827	***	***	***	21,363
Pension, profit-sharing, stock bonus, and annuity plans	29,353,481	92,620	234,745	***	***	***	38,404
Employee benefit programs	77,078,800	308,498	723,095	***	***	***	83,582
Net loss, noncapital assets	6,504,890	19,743	45,421	***	***	***	*2,736
Other deductions	1,272,847,019	8,519,479	11,125,085	***	***	***	1,104,306
Total receipts less total deductions	400,723,392	2,762,587	7,392,351	***	***	***	514,091
Constructive taxable income from related foreign corporations	34,733,970	*18,214	331,939	***	***	***	324
Net income	416,617,439	2,760,452	7,695,053	***	***	***	511,256
Income subject to tax	366,214,262	2,093,405	5,661,551	***	***	***	407,399
Income tax, total [2]	126,851,118	581,227	2,198,336	***	***	***	164,492
Regular tax	119,284,536	565,381	1,896,530	***	***	***	135,044
Personal holding company tax	11,719	--	--	***	***	***	--
Recapture of investment credit	109,881	107	288	***	***	***	*28
Alternative minimum tax	6,986,342	14,663	304,884	***	***	***	29,363
Environmental tax	513,067	1,062	10,203	***	***	***	643
Foreign tax credit	24,983,472	*17,508	788,105	***	***	***	*6,715
U.S. possessions tax credit	3,194,481	472	--	***	***	***	--
Orphan drug credit	15,637	--	--	***	***	***	--
Nonconventional source fuel credit	81,790	--	16,976	***	***	***	--
General business credit	2,828,936	14,294	39,251	***	***	***	2,462
Prior year minimum tax credit	666,675	2,775	31,312	***	***	***	5
Total income tax after credits	95,080,128	546,178	1,322,692	***	***	***	155,310

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

RETURNS WITH NET INCOME, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13--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	***	48,791	***	***	104,764	4,900	51	1,377	5,151
Total assets	***	55,664,569	***	***	3,065,638,474	223,154,248	208,812,776	19,365,856	24,691,151
Cash	***	6,069,310	***	***	65,000,207	6,084,628	472,851	489,743	675,868
Notes and accounts receivable	***	15,093,241	***	***	661,235,428	48,195,762	52,693,377	3,875,743	4,295,272
Less: Allowance for bad debts	***	104,768	***	***	12,403,219	539,791	196,972	93,921	108,988
Inventories	***	7,665,918	***	***	269,833,319	21,056,592	8,159,285	3,859,255	5,465,733
Investments in Government obligations	***	148,377	***	***	16,772,861	1,244,643	108,245	*485,417	*7,099
Tax-exempt securities	***	66,558	***	***	14,092,247	215,394	251,044	*40,210	*149
Other current assets	***	7,554,769	***	***	186,308,481	8,267,447	*7,000,432	532,747	858,734
Loans to stockholders	***	606,139	***	***	19,473,987	1,818,371	71,758	112,819	57,590
Mortgage and real estate loans	***	4,601,338	***	***	26,030,981	41,358	252,910	*6,145	*6,294
Other investments	***	4,221,306	***	***	760,449,925	61,286,097	78,076,919	2,199,408	7,079,043
Depreciable assets	***	10,877,779	***	***	1,295,942,409	88,016,681	18,113,236	12,236,442	6,149,652
Less: Accumulated depreciation	***	5,823,717	***	***	643,816,590	37,065,745	5,913,366	6,635,913	2,841,017
Depletable assets	***	*72,424	***	***	68,772,870	59,182	193	*2,979	*145
Less: Accumulated depletion	***	*37,577	***	***	30,568,621	8,084	145	*437	--
Land	***	1,677,230	***	***	33,507,250	3,391,892	704,732	173,760	149,278
Intangible assets (amortizable)	***	399,555	***	***	186,063,378	15,050,378	40,365,690	587,494	1,434,307
Less: Accumulated amortization	***	104,208	***	***	41,827,855	1,324,994	2,383,458	110,865	274,231
Other assets	***	2,680,896	***	***	190,771,418	9,364,436	11,036,045	1,604,828	1,736,222
Total liabilities	***	55,664,569	***	***	3,065,638,474	223,154,248	208,812,776	19,365,856	24,691,151
Accounts payable	***	11,745,339	***	***	283,906,903	34,971,182	4,791,456	1,848,119	3,584,471
Mortgages, notes, and bonds payable in less than one year	***	7,145,376	***	***	363,628,013	22,589,567	59,321,719	1,160,369	1,806,352
Other current liabilities	***	7,418,345	***	***	287,331,350	16,505,354	10,267,876	1,413,248	2,641,461
Loans from stockholders	***	1,713,991	***	***	33,380,853	2,411,690	165,034	156,579	236,498
Mortgages, notes, and bonds payable in one year or more	***	12,027,761	***	***	579,297,839	47,101,548	40,699,389	5,062,272	5,321,410
Other liabilities	***	2,513,220	***	***	344,853,144	19,070,930	14,819,242	1,157,611	980,703
Capital stock	***	1,392,831	***	***	122,457,236	9,707,994	4,736,498	837,634	1,245,608
Paid-in or capital surplus	***	3,073,408	***	***	464,883,647	27,731,297	61,352,600	1,589,662	4,088,536
Retained earnings, appropriated	***	34,839	***	***	7,090,552	557,638	95,524	136	*18,547
Retained earnings, unappropriated	***	9,172,968	***	***	678,407,642	57,279,633	13,706,221	6,404,871	5,457,355
Less: Cost of treasury stock	***	573,509	***	***	99,598,706	14,772,585	1,142,783	264,644	689,790
Total receipts	***	118,981,335	***	***	2,781,789,994	274,492,933	74,034,386	28,180,394	34,019,924
Business receipts	***	115,301,047	***	***	2,568,937,344	263,387,717	64,188,238	27,402,022	32,807,930
Interest	***	1,464,799	***	***	65,319,099	2,591,128	4,591,250	160,761	415,907
Interest on Government obligations: State and local	***	27,009	***	***	1,521,661	32,623	3,795	10,560	*11,388
Rents	***	469,449	***	***	31,546,129	1,009,376	702,341	42,708	50,993
Royalties	***	10,861	***	***	21,061,905	1,369,030	458,075	17,649	186,263
Net short-term capital gain reduced by net long-term capital loss	***	10,309	***	***	371,152	38,790	1,889	*1,193	*25,270
Net long-term capital gain reduced by net short-term capital loss	***	273,755	***	***	11,799,316	720,382	942,795	52,779	58,459
Net gain, noncapital assets	***	73,637	***	***	8,279,619	268,200	1,239,213	29,117	44,503
Dividends received from domestic corporations	***	31,170	***	***	3,482,783	370,601	87,745	13,932	7,588
Dividends received from foreign corporations	***	71,075	***	***	27,114,377	1,720,559	798,960	70,712	130,805
Other receipts	***	1,248,223	***	***	42,356,610	2,984,526	1,020,086	378,961	280,819
Total deductions	***	115,959,891	***	***	2,612,228,264	260,728,743	66,893,480	26,953,624	32,133,611
Cost of sales and operations	***	96,812,043	***	***	1,755,063,355	179,803,915	31,526,494	20,303,703	23,022,820
Compensation of officers	***	3,009,075	***	***	19,650,118	1,510,927	204,131	318,979	697,680
Repairs	***	286,421	***	***	26,814,686	2,305,118	271,102	144,473	111,278
Bad debts	***	145,745	***	***	6,940,281	250,013	47,853	86,075	131,614
Rent paid on business property	***	649,573	***	***	25,419,718	2,138,986	421,874	208,727	461,645
Taxes paid	***	1,538,260	***	***	68,757,683	6,008,159	3,913,569	607,735	736,895
Interest paid	***	1,723,289	***	***	108,097,957	7,145,562	9,182,485	691,039	1,202,353
Contributions or gifts	***	43,231	***	***	2,352,245	317,080	106,113	20,536	29,977
Amortization	***	37,376	***	***	6,277,052	651,201	903,698	50,028	106,567
Depreciation	***	1,019,849	***	***	91,337,232	6,453,315	2,297,317	866,556	506,250
Depletion	***	5,626	***	***	5,003,253	15,487	27	*307	*25
Advertising	***	266,304	***	***	44,837,476	12,527,642	4,900,334	278,395	568,964
Pension, profit-sharing, stock bonus, and annuity plans	***	326,038	***	***	12,320,219	1,011,655	211,388	102,648	100,508
Employee benefit programs	***	468,536	***	***	37,278,764	2,982,930	1,027,192	349,698	305,525
Net loss, noncapital assets	***	17,051	***	***	2,056,215	45,852	13	25,871	4,604
Other deductions	***	9,611,474	***	***	400,022,009	37,560,900	11,879,889	2,898,854	4,146,906
Total receipts less total deductions	***	3,021,444	***	***	169,561,730	13,764,190	7,140,906	1,226,771	1,886,314
Constructive taxable income from related foreign corporations	***	*41,381	***	***	28,543,506	1,421,792	1,562,995	61,074	174,787
Net income	***	3,035,816	***	***	196,584,734	15,153,359	8,700,106	1,277,285	2,049,713
Income subject to tax	***	2,293,371	***	***	179,356,396	14,381,663	7,881,769	1,163,594	1,845,401
Income tax, total [2]	***	683,757	***	***	64,105,438	4,916,427	2,702,576	412,182	620,171
Regular tax	***	651,421	***	***	60,644,225	4,854,687	2,679,844	390,795	614,580
Personal holding company tax	***	*14	***	***	116	--	--	--	--
Recapture of investment credit	***	329	***	***	49,892	1,704	10,612	128	60
Alternative minimum tax	***	31,206	***	***	3,170,721	42,451	743	20,092	3,583
Environmental tax	***	822	***	***	260,145	18,381	11,562	1,389	1,948
Foreign tax credit	***	30,502	***	***	20,777,364	933,483	374,031	46,221	99,557
U.S. possessions tax credit	***	--	***	***	3,072,082	371,750	15,219	1,944	39,073
Orphan drug credit	***	--	***	***	15,637	--	--	--	--
Nonconventional source fuel credit	***	(*)	***	***	49,393	8	--	--	--
General business credit	***	8,835	***	***	1,229,009	74,854	36,406	8,247	4,459
Prior year minimum tax credit	***	15,698	***	***	270,841	11,199	--	2,264	2,905
Total income tax after credits	***	628,722	***	***	38,691,113	3,525,133	2,276,919	353,485	474,177

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

RETURNS WITH NET INCOME, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13--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	Chemical 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	**5,720**	**3,101**	***	**14,577**	**3,847**	**1,060**	**4,412**	**637**	***
Total assets	**56,012,509**	**10,417,825**	***	**121,936,017**	**407,892,458**	**538,516,403**	**20,636,026**	**14,712,468**	***
Cash	1,318,722	487,994	***	3,344,113	8,454,308	3,834,789	1,119,863	234,914	***
Notes and accounts receivable	4,312,962	2,435,354	***	18,521,487	71,775,854	82,383,515	4,860,956	3,964,289	***
Less: Allowance for bad debts	91,646	67,645	***	1,143,218	954,417	685,610	124,436	23,788	***
Inventories	4,658,129	2,047,438	***	6,724,919	33,967,960	20,322,601	3,703,117	2,192,445	***
Investments in Government obligations	*139,996	*25,189	***	638,769	813,759	285,858	*28,417	*13,822	***
Tax-exempt securities	*12,924	*713	***	472,074	787,736	256,159	15	*13,224	***
Other current assets	3,156,191	286,702	***	5,362,185	23,278,835	20,073,893	510,335	314,666	***
Loans to stockholders	114,725	25,517	***	628,887	4,389,109	5,902,363	163,336	*17,483	***
Mortgage and real estate loans	*1,252,799	*40,383	***	74,839	313,657	45,157	*20,708	*3,339	***
Other investments	8,275,304	1,028,126	***	37,602,870	119,265,588	184,921,036	2,416,996	629,351	***
Depreciable assets	34,059,563	5,655,819	***	44,787,400	170,907,109	304,182,904	12,181,764	3,818,479	***
Less: Accumulated depreciation	15,261,980	2,749,452	***	21,736,264	82,756,406	154,523,464	6,091,021	2,063,199	***
Depletable assets	6,321,951	*7,747	***	*5,867	6,763,721	48,888,277	--	--	***
Less: Accumulated depletion	*219,335	*5,648	***	*4,337	3,715,930	24,960,293	--	--	***
Land	382,166	137,545	***	1,496,737	4,091,891	6,610,062	293,670	4,975,723	***
Intangible assets (amortizable)	226,220	758,831	***	16,286,938	21,958,557	41,977,626	1,228,648	294,592	***
Less: Accumulated amortization	46,830	79,484	***	2,794,798	4,367,610	22,481,737	308,126	92,619	***
Other assets	7,400,650	382,894	***	11,667,548	32,918,738	21,483,265	631,783	419,749	***
Total liabilities	**56,012,509**	**10,417,825**	***	**121,936,017**	**407,892,458**	**538,516,403**	**20,636,026**	**14,712,468**	***
Accounts payable	4,487,706	1,086,456	***	8,757,741	40,120,559	64,528,634	1,966,425	644,141	***
Mortgages, notes, and bonds payable in less than one year	1,462,468	538,015	***	4,977,399	32,857,600	18,472,213	1,688,183	311,713	***
Other current liabilities	2,918,902	915,651	***	10,461,866	31,481,642	35,265,953	1,908,681	1,881,785	***
Loans from stockholders	246,012	87,334	***	2,008,861	4,681,411	11,802,559	466,333	*18,386	***
Mortgages, notes, and bonds payable in one year or more	18,292,226	1,900,925	***	30,679,482	76,227,685	88,116,481	4,120,473	5,071,751	***
Other liabilities	3,308,948	344,733	***	8,699,306	43,145,028	80,021,426	892,277	4,449,501	***
Capital stock	2,811,605	479,959	***	7,152,215	17,327,185	16,627,528	945,133	1,658,982	***
Paid-in or capital surplus	10,449,338	721,214	***	18,016,885	79,294,042	108,728,614	2,444,649	487,406	***
Retained earnings, appropriated	59,806	*2,952	***	120,736	760,090	404,649	*11,357	8,714	***
Retained earnings, unappropriated	12,536,284	4,595,240	***	34,787,290	99,311,976	139,251,156	6,519,113	401,913	***
Less: Cost of treasury stock	560,785	254,653	***	3,725,765	17,314,759	24,702,810	326,597	221,823	***
Total receipts	**51,702,557**	**18,663,956**	***	**105,531,373**	**332,133,522**	**528,847,662**	**32,102,686**	**13,220,116**	***
Business receipts	49,262,138	18,204,528	***	98,792,276	305,297,231	498,253,256	30,963,137	12,620,680	***
Interest	872,428	76,160	***	2,022,201	5,966,896	9,967,186	205,118	261,249	***
Interest on Government obligations: State and local	4,594	7,575	***	44,405	112,818	43,525	4,117	*8,702	***
Rents	74,635	18,679	***	408,022	767,970	2,344,440	108,661	36,824	***
Royalties	64,315	8,370	***	473,526	4,134,039	1,563,871	137,374	42,557	***
Net short-term capital gain reduced by net long-term capital loss	6,997	*1,626	***	9,545	29,686	119,404	*3	*259	***
Net long-term capital gain reduced by net short-term capital loss	469,073	105,031	***	1,502,034	2,817,792	865,343	154,461	2,668	***
Net gain, noncapital assets	65,810	5,752	***	207,162	842,419	1,524,289	26,855	17,169	***
Dividends received from domestic corporations	35,964	5,494	***	104,812	625,555	848,678	9,346	19,391	***
Dividends received from foreign corporations	166,804	31,397	***	182,326	4,954,486	3,297,097	155,428	*24,097	***
Other receipts	679,800	199,345	***	1,785,065	6,584,632	10,020,574	338,187	186,520	***
Total deductions	**49,552,733**	**17,634,657**	***	**96,844,053**	**301,241,141**	**500,510,209**	**30,096,715**	**12,647,633**	***
Cost of sales and operations	35,696,622	12,379,194	***	45,344,505	183,999,766	388,144,106	20,855,646	8,618,909	***
Compensation of officers	574,006	331,117	***	2,384,975	1,649,475	527,850	679,992	112,166	***
Repairs	1,258,123	64,020	***	708,031	4,367,989	6,910,797	138,854	57,271	***
Bad debts	95,347	83,751	***	692,128	497,657	318,878	70,567	22,598	***
Rent paid on business property	506,130	236,557	***	1,805,330	3,106,408	3,919,583	271,486	274,015	***
Taxes paid	1,266,844	480,889	***	3,054,654	5,928,814	18,790,325	671,003	366,524	***
Interest paid	1,866,436	244,284	***	4,080,092	10,086,776	18,323,458	643,698	521,305	***
Contributions or gifts	29,730	17,684	***	166,502	499,095	225,671	19,171	11,175	***
Amortization	43,368	25,885	***	870,537	825,875	967,327	94,783	5,502	***
Depreciation	2,042,953	439,596	***	4,384,589	10,836,181	12,148,761	964,004	192,902	***
Depletion	411,113	750	***	*17,679	526,942	3,116,872	*409	40,194	***
Advertising	231,022	245,394	***	1,652,998	9,703,151	1,023,159	276,924	261,089	***
Pension, profit-sharing, stock bonus, and annuity plans	183,256	123,128	***	867,769	1,643,142	1,094,221	210,244	41,373	***
Employee benefit programs	560,041	250,116	***	1,863,627	4,519,265	2,389,165	471,308	192,050	***
Net loss, noncapital assets	9,030	8,635	***	66,080	114,489	1,099,371	6,320	*4,234	***
Other deductions	4,778,713	2,703,655	***	28,884,558	62,936,117	41,510,666	4,722,305	1,926,326	***
Total receipts less total deductions	2,149,825	1,029,299	***	8,687,321	30,892,381	28,337,453	2,005,971	572,482	***
Constructive taxable income from related foreign corporations	47,645	3,367	***	149,114	4,993,577	5,198,857	93,351	*11,451	***
Net income	2,192,875	1,025,091	***	8,792,030	35,773,141	33,492,785	2,095,206	575,231	***
Income subject to tax	1,863,228	950,134	***	8,120,884	33,534,803	30,391,435	1,888,822	467,306	***
Income tax, total [2]	682,248	316,725	***	2,770,425	11,875,053	11,147,836	646,601	158,053	***
Regular tax	613,659	314,755	***	2,717,911	11,401,661	10,322,808	629,513	156,930	***
Personal holding company tax	--	--	***	--	--	--	--	--	***
Recapture of investment credit	590	283	***	1,223	7,084	5,078	51	28	***
Alternative minimum tax	67,042	*626	***	42,189	427,574	766,296	16,162	*513	***
Environmental tax	2,967	1,076	***	10,228	45,501	53,654	1,826	581	***
Foreign tax credit	38,025	*3,566	***	225,563	3,607,904	5,376,170	96,127	8,720	***
U.S. possessions tax credit	--	22	***	2,625	1,773,810	23,059	11,240	17,808	***
Orphan drug credit	--	--	***	--	15,551	--	--	--	***
Nonconventional source fuel credit	7	--	***	*1	*3,343	44,042	37	--	***
General business credit	13,728	3,817	***	38,026	235,934	94,218	17,794	12,741	***
Prior year minimum tax credit	*834	*526	***	4,663	15,994	*43,645	1,207	524	***
Total income tax after credits	629,654	308,795	***	2,499,546	6,222,516	5,566,702	520,197	118,260	***

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

RETURNS WITH NET INCOME, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13--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	1,984	20,399	11,282	7,638	677	1,295	3,710	8,488
Total assets	81,330,779	80,207,081	230,241,492	318,922,382	313,601,620	120,938,149	75,200,705	53,483,072
Cash	1,726,812	3,437,737	7,220,633	12,585,531	4,130,208	1,718,175	3,913,875	1,707,593
Notes and accounts receivable	14,290,294	16,218,139	59,076,860	65,564,978	135,290,836	26,011,842	19,594,940	9,820,752
Less: Allowance for bad debts	253,659	263,052	1,431,256	3,310,364	1,549,501	365,933	310,153	426,939
Inventories	10,806,906	12,514,926	28,006,874	31,774,398	13,331,300	32,469,488	9,835,183	5,808,335
Investments in Government obligations	272,063	313,799	4,530,919	4,834,162	*2,501,761	*62,918	99,716	71,940
Tax-exempt securities	61,608	201,428	2,622,856	5,578,110	*2,522,447	11,920	260,785	*481,666
Other current assets	3,345,638	2,664,363	11,292,477	68,382,245	11,608,507	10,418,190	3,057,403	1,993,188
Loans to stockholders	1,598,440	260,933	1,339,792	570,095	964,983	463,943	131,458	200,940
Mortgage and real estate loans	*40,812	120,754	439,744	1,078,104	*21,471,316	*368,802	*65,781	*140,543
Other investments	16,566,034	17,807,115	44,049,702	49,533,282	49,786,006	12,406,111	10,224,305	17,883,471
Depreciable assets	47,763,495	37,155,642	100,847,481	110,173,033	103,186,715	55,013,807	34,792,330	13,330,810
Less: Accumulated depreciation	22,836,820	19,647,335	52,841,897	59,485,722	56,544,119	28,758,467	17,188,817	6,420,737
Depletable assets	2,287,842	200,361	*107,426	688,314	644	131,963	*1,236	*104,763
Less: Accumulated depletion	630,943	*125,346	*16,981	309,636	456	23,192	*60	*8,840
Land	912,837	954,016	1,870,308	1,780,635	1,064,380	1,341,439	768,992	417,926
Intangible assets (amortizable)	1,604,108	2,460,816	10,602,535	9,957,953	6,079,632	2,570,315	4,223,752	3,764,855
Less: Accumulated amortization	427,021	283,899	1,813,511	1,589,644	623,713	793,675	743,694	649,057
Other assets	4,002,334	6,216,684	14,337,532	21,116,909	20,380,673	7,890,502	6,473,674	5,261,864
Total liabilities	81,330,779	80,207,081	230,241,492	318,922,382	313,601,620	120,938,149	75,200,705	53,483,072
Accounts payable	10,015,459	7,026,321	21,631,727	22,137,376	16,419,452	11,223,457	10,433,854	3,287,135
Mortgages, notes, and bonds payable in less than one year	3,737,270	6,169,157	29,021,152	69,773,618	78,928,078	11,487,311	7,252,742	5,176,293
Other current liabilities	6,015,767	6,738,871	28,968,203	35,090,504	43,071,044	31,883,181	6,861,361	3,811,140
Loans from stockholders	3,077,073	695,457	929,201	1,301,789	1,228,331	257,476	1,595,974	385,482
Mortgages, notes, and bonds payable in one year or more	16,079,145	12,584,791	38,191,055	45,766,106	69,213,638	19,484,524	14,237,470	8,706,325
Other liabilities	15,507,761	7,860,277	17,877,789	59,647,077	35,123,466	7,873,606	4,717,543	6,202,287
Capital stock	5,013,285	4,341,324	15,710,218	9,715,127	4,963,619	6,706,115	4,291,750	2,165,222
Paid-in or capital surplus	21,893,545	14,868,777	24,600,624	21,132,485	18,836,341	5,967,843	7,510,076	8,301,533
Retained earnings, appropriated	130,727	146,255	2,075,472	665,237	*243,073	120,836	*1,210,114	158,457
Retained earnings, unappropriated	1,357,884	23,109,206	58,262,504	62,069,497	46,623,736	29,073,267	22,871,601	16,733,019
Less: Cost of treasury stock	1,497,137	3,333,355	7,026,453	8,376,434	1,049,157	3,139,467	5,781,783	1,443,822
Total receipts	96,361,893	101,067,562	217,011,426	236,041,131	226,031,186	158,578,267	77,527,636	47,088,647
Business receipts	92,941,731	96,966,260	180,012,469	213,067,924	196,903,701	148,506,950	71,749,573	44,328,329
Interest	1,271,103	1,205,226	4,756,202	7,136,478	19,429,453	2,241,466	647,905	562,991
Interest on Government obligations: State and local	14,521	37,442	282,909	526,519	199,241	14,662	51,115	82,288
Rents	96,178	339,942	11,724,099	5,837,898	4,859,230	1,660,936	938,502	155,749
Royalties	99,887	288,720	8,159,808	1,625,391	128,800	240,598	966,227	296,682
Net short-term capital gain reduced by net long-term capital loss	*11,985	907	41,632	43,269	*531	9,709	397	27,776
Net long-term capital gain reduced by net short-term capital loss	319,178	295,606	641,742	965,677	84,554	416,998	85,706	268,197
Net gain, noncapital assets	63,648	286,544	289,636	1,295,640	1,358,457	429,999	90,963	48,511
Dividends received from domestic corporations	103,082	53,878	221,873	252,740	125,653	104,696	26,236	283,478
Dividends received from foreign corporations	507,898	617,320	6,562,822	1,919,421	1,445,130	1,306,121	1,736,240	267,580
Other receipts	932,681	975,698	4,318,235	3,370,174	1,496,435	3,646,132	1,234,770	767,065
Total deductions	91,648,226	94,751,921	202,144,488	219,996,164	223,569,492	149,734,053	71,488,001	43,792,562
Cost of sales and operations	73,923,133	67,162,909	115,943,902	131,624,072	156,013,530	112,450,465	40,795,475	27,772,298
Compensation of officers	593,531	2,687,687	2,171,084	1,890,244	383,432	408,178	684,741	849,307
Repairs	829,580	623,969	1,223,818	1,610,672	1,672,597	1,157,932	286,469	230,444
Bad debts	84,449	212,128	933,733	1,084,268	1,590,974	196,208	152,718	154,577
Rent paid on business property	628,610	896,598	2,719,646	2,785,604	1,354,885	1,292,133	706,194	491,678
Taxes paid	1,657,114	2,430,911	4,884,668	5,309,101	4,477,058	2,975,378	1,361,822	976,846
Interest paid	1,992,670	2,407,608	7,420,874	14,954,337	16,734,546	3,181,107	2,402,345	1,437,154
Contributions or gifts	33,518	60,897	248,255	132,568	81,289	74,618	143,879	37,574
Amortization	161,450	148,924	300,156	381,388	58,383	103,025	214,265	168,772
Depreciation	2,756,212	2,747,668	7,206,816	11,901,768	12,603,281	3,419,343	2,120,349	1,239,556
Depletion	452,105	10,462	49,185	*15,311	*4,862	29,413	109	*4,843
Advertising	184,042	890,692	2,172,431	2,421,144	2,417,820	344,240	2,273,978	1,107,734
Pension, profit-sharing, stock bonus, and annuity plans	613,805	540,124	1,337,667	1,727,373	267,622	864,743	577,657	168,606
Employee benefit programs	1,456,342	1,600,883	4,390,316	4,634,150	3,219,297	3,312,399	1,245,659	649,904
Net loss, noncapital assets	88,392	17,914	267,857	134,687	8,527	14,824	30,244	45,924
Other deductions	6,193,274	12,312,547	50,874,080	39,389,478	22,681,389	19,910,045	18,492,098	8,457,347
Total receipts less total deductions	4,713,668	6,315,641	14,866,938	16,044,967	2,461,694	8,844,214	6,039,635	3,296,085
Constructive taxable income from related foreign corporations	343,477	417,953	5,029,048	1,875,712	4,388,761	581,801	984,916	215,963
Net income	5,042,623	6,696,152	19,614,237	17,394,159	6,651,213	9,411,353	6,973,436	3,429,760
Income subject to tax	4,005,860	5,927,790	18,242,611	15,568,876	6,298,357	8,042,011	6,442,940	2,739,439
Income tax, total [2]	1,471,523	1,973,785	6,511,700	5,454,519	3,103,079	2,767,663	2,236,661	941,114
Regular tax	1,353,087	1,928,739	6,170,631	5,279,138	2,150,679	2,732,265	2,179,847	908,156
Personal holding company tax	--	--	116	--	--	--	--	--
Recapture of investment credit	335	632	7,568	3,898	5,822	1,875	1,730	62
Alternative minimum tax	110,783	38,666	310,317	150,700	932,655	23,596	47,377	29,427
Environmental tax	7,338	5,798	23,131	21,884	14,771	12,688	7,756	3,221
Foreign tax credit	355,549	367,010	4,167,438	1,208,468	1,730,382	351,871	825,366	156,165
U.S. possessions tax credit	202	3,920	117,622	268,700	9,737	993	346,759	55,955
Orphan drug credit	--	--	--	--	--	--	*86	--
Nonconventional source fuel credit	--	42	254	417	--	--	--	--
General business credit	83,536	20,174	131,393	230,840	64,280	41,962	44,152	10,434
Prior year minimum tax credit	5,987	11,249	18,258	16,253	*549	92,389	33,986	*3,427
Total income tax after credits	1,026,249	1,571,391	2,076,735	3,729,841	1,298,131	2,280,428	986,312	715,134

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

RETURNS WITH NET INCOME, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13--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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	**50,307**	**40,014**	...	...	**323,156**	**126,931**	**10,350**	**23,072**	**93,508**
Total assets	**1,177,749,490**	**164,684,077**	...	...	**788,445,026**	**328,223,893**	**33,166,934**	**44,196,425**	**250,860,535**
Cash	17,916,389	6,897,431	...	...	40,942,290	21,018,081	1,576,544	2,934,185	16,507,352
Notes and accounts receivable	128,357,290	22,424,958	...	...	198,879,333	102,553,627	9,441,341	11,662,492	81,449,794
Less: Allowance for bad debts	3,470,442	528,457	...	...	3,314,735	1,813,006	195,045	225,058	1,392,903
Inventories	23,347,295	3,168,137	...	...	186,475,868	80,268,558	8,289,133	13,624,574	58,354,851
Investments in Government obligations	4,559,234	1,469,133	...	...	2,660,099	1,964,055	*105,184	370,751	1,488,120
Tax-exempt securities	2,815,477	600,248	...	...	1,713,317	435,436	*31,861	*9,371	394,204
Other current assets	44,245,735	6,054,248	...	...	54,113,230	21,287,723	916,902	1,775,307	18,595,514
Loans to stockholders	1,330,125	677,846	...	...	5,763,187	2,335,803	518,948	326,608	1,490,247
Mortgage and real estate loans	3,468,720	560,803	...	...	5,959,404	691,712	143,677	116,343	431,692
Other investments	167,002,080	18,548,367	...	...	92,968,958	36,369,832	2,331,591	6,170,987	27,867,255
Depreciable assets	1,033,802,881	146,434,130	...	...	252,837,718	83,853,034	13,059,770	11,343,757	59,449,507
Less: Accumulated depreciation	362,508,626	58,868,683	...	...	114,021,140	42,433,296	6,347,146	5,911,500	30,174,650
Depletable assets	7,601,277	398,343	...	...	926,155	763,047	*14,690	119,151	629,206
Less: Accumulated depletion	3,087,665	176,094	...	...	482,725	407,639	*9,909	*38,018	359,712
Land	10,200,645	2,887,901	...	...	19,834,968	5,747,305	702,464	667,371	4,377,470
Intangible assets (amortizable)	27,035,499	4,274,005	...	...	18,433,381	7,850,603	1,825,580	626,675	5,398,347
Less: Accumulated amortization	3,275,442	531,463	...	...	3,394,122	1,514,663	265,132	151,604	1,097,927
Other assets	78,409,017	10,393,224	...	...	28,149,841	9,253,682	1,026,481	775,032	7,452,168
Total liabilities	**1,177,749,490**	**164,684,077**	...	...	**788,445,026**	**328,223,893**	**33,166,934**	**44,196,425**	**250,860,535**
Accounts payable	67,001,951	16,295,930	...	...	140,322,215	69,484,968	6,814,518	7,923,744	54,746,706
Mortgages, notes, and bonds payable in less than one year	62,310,284	7,999,709	...	...	116,446,012	59,380,835	2,598,594	6,667,953	50,114,288
Other current liabilities	91,377,960	18,042,106	...	...	92,961,141	27,990,992	3,274,972	3,168,350	21,547,670
Loans from stockholders	3,194,731	1,614,585	...	...	15,251,351	7,264,473	545,430	721,880	5,997,163
Mortgages, notes, and bonds payable in one year or more	336,973,552	41,047,525	...	...	140,955,632	42,571,012	7,279,033	5,844,435	29,447,544
Other liabilities	164,884,161	24,092,454	...	...	28,198,368	10,602,988	1,716,736	3,341,547	5,544,704
Capital stock	121,907,694	5,485,926	...	...	33,479,898	18,442,859	1,316,330	2,277,836	14,848,692
Paid-in or capital surplus	167,066,921	15,978,423	...	...	64,803,205	21,935,546	2,293,535	2,829,166	16,812,845
Retained earnings, appropriated	2,724,928	313,150	...	...	1,165,537	509,334	99,897	71,308	338,129
Retained earnings, unappropriated	175,123,103	37,139,705	...	...	168,168,110	74,284,650	7,756,836	12,211,262	54,316,552
Less: Cost of treasury stock	14,815,795	3,325,435	...	...	13,306,443	4,243,764	528,949	861,057	2,853,758
Total receipts	**672,197,003**	**187,277,133**	...	...	**1,818,124,431**	**915,652,092**	**152,606,482**	**85,713,222**	**677,332,388**
Business receipts	630,944,602	177,412,693	...	...	1,764,822,591	896,259,183	149,985,476	83,171,852	663,101,855
Interest	12,658,156	2,665,518	...	...	15,301,331	5,868,147	387,325	649,428	4,831,394
Interest on Government obligations: State and local	291,687	22,754	...	...	1,356,904	121,268	16,300	16,221	88,746
Rents	8,292,722	1,888,846	...	...	7,134,270	2,363,590	255,623	545,050	1,562,917
Royalties	348,051	123,723	...	...	1,467,672	270,272	*24,701	24,344	221,227
Net short-term capital gain reduced by net long-term capital loss	125,146	3,897	...	...	96,161	77,261	*816	*5,704	70,740
Net long-term capital gain reduced by net short-term capital loss	4,091,026	811,977	...	...	2,916,896	789,585	26,370	124,912	638,303
Net gain, noncapital assets	2,407,758	1,582,276	...	...	1,583,594	821,688	45,345	177,699	598,644
Dividends received from domestic corporations	586,184	74,152	...	...	613,599	303,781	16,735	32,231	254,816
Dividends received from foreign corporations	172,020	43,066	...	...	1,526,711	515,922	*3,495	30,542	481,884
Other receipts	12,279,652	2,648,231	...	...	21,304,702	8,261,395	1,844,296	935,239	5,481,860
Total deductions	**623,351,303**	**179,633,755**	...	...	**1,771,391,655**	**896,821,767**	**150,675,813**	**82,966,483**	**663,179,471**
Cost of sales and operations	291,812,804	77,422,063	...	...	1,357,593,982	753,572,773	130,690,655	62,718,675	560,163,442
Compensation of officers	4,188,998	2,452,262	...	...	23,322,207	12,195,612	1,151,697	2,234,918	8,808,997
Repairs	25,803,427	3,882,477	...	...	6,995,500	2,418,274	495,960	278,429	1,643,885
Bad debts	4,144,770	468,826	...	...	4,881,651	1,730,073	211,733	220,559	1,297,781
Rent paid on business property	15,426,230	8,491,472	...	...	29,347,761	6,336,344	992,797	829,383	4,514,164
Taxes paid	32,296,469	7,416,222	...	...	26,006,235	9,392,549	1,341,264	1,140,163	6,911,122
Interest paid	39,723,097	5,622,394	...	...	29,318,001	11,102,812	1,150,435	1,208,238	8,744,139
Contributions or gifts	528,209	88,634	...	...	633,605	253,564	47,644	34,539	171,381
Amortization	2,455,034	326,661	...	...	1,319,140	534,852	99,023	54,142	381,687
Depreciation	64,575,140	9,997,881	...	...	22,958,728	8,380,750	1,167,456	1,312,295	5,900,999
Depletion	463,723	73,948	...	...	60,076	53,526	58	14,263	39,205
Advertising	3,396,599	1,215,177	...	...	21,580,408	6,366,638	476,406	463,943	5,426,289
Pension, profit-sharing, stock bonus, and annuity plans	4,278,535	1,722,901	...	...	3,915,739	1,754,929	293,007	293,856	1,168,065
Employee benefit programs	12,611,551	4,086,458	...	...	10,418,964	3,390,092	699,337	537,353	2,153,402
Net loss, noncapital assets	1,388,255	49,795	...	...	585,509	122,807	4,336	31,020	87,452
Other deductions	120,258,461	56,316,585	...	...	232,454,149	79,216,171	11,854,004	11,594,706	55,767,461
Total receipts less total deductions	48,845,700	7,643,378	...	...	46,732,776	18,830,325	1,930,668	2,746,739	14,152,918
Constructive taxable income from related foreign corporations	340,479	165,948	...	...	1,412,078	691,903	*5,393	18,717	667,793
Net income	48,894,492	7,786,573	...	...	46,787,951	19,400,961	1,919,761	2,749,236	14,731,964
Income subject to tax	45,428,604	6,681,397	...	...	42,122,909	16,932,602	1,756,039	2,262,706	12,913,657
Income tax, total [2]	16,689,676	2,483,932	...	...	13,702,084	5,456,973	572,798	713,038	4,171,136
Regular tax	15,207,898	2,172,571	...	...	13,302,319	5,323,868	560,970	682,130	4,080,769
Personal holding company tax	*5	*5	...	...	*962	*765	--	*1	*764
Recapture of investment credit	45,736	1,153	...	...	3,311	1,354	328	251	775
Alternative minimum tax	1,387,366	298,950	...	...	352,763	115,876	10,467	29,265	76,144
Environmental tax	86,164	11,052	...	...	43,174	13,788	1,697	1,390	10,701
Foreign tax credit	138,131	36,416	...	...	934,596	289,937	*1,501	12,536	275,899
U.S. possessions tax credit	58,332	([1])	...	...	30,713	6,539	23	70	6,447
Orphan drug credit	--	--	...	...	--	--	--	--	--
Nonconventional source fuel credit	12,955	431	...	...	547	*521	--	*45	*476
General business credit	977,010	175,920	...	...	213,340	57,980	3,687	12,517	41,776
Prior year minimum tax credit	46,080	10,149	...	...	43,439	15,153	*1,679	2,191	11,284
Total income tax after credits	15,457,168	2,261,016	...	...	12,479,451	5,086,842	565,908	685,679	3,835,255

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

RETURNS WITH NET INCOME, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13—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 furnishing 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, total	194,681	16,570	3,776	17,161	29,814	14,844	12,982	31,414	68,118	1,545
Total assets	459,354,944	18,750,459	205,716,024	68,036,654	35,730,148	27,665,355	14,110,765	37,140,732	52,204,806	866,189
Cash	19,824,967	1,382,308	5,126,068	2,602,177	2,740,199	1,108,576	1,003,840	1,905,927	3,955,873	99,242
Notes and accounts receivable	96,138,073	3,443,353	66,356,801	4,818,715	4,857,210	3,594,022	3,160,623	1,999,832	7,907,518	187,634
Less: Allowance for bad debts	1,499,336	47,497	817,167	48,064	70,307	116,509	103,632	90,990	205,171	*2,392
Inventories	105,921,871	6,326,133	32,855,800	14,567,243	17,193,661	8,054,088	5,163,103	1,026,056	20,735,787	285,439
Investments in Government obligations	695,060	*7,515	*67,850	245,661	*74,352	86,507	*31,198	*19,235	162,742	*984
Tax-exempt securities	1,277,881	*4,223	*881,216	261,730	*3,119	*8,745	*67,914	*10,054	40,881	--
Other current assets	32,810,536	969,823	24,758,387	1,534,508	866,714	1,354,371	709,916	1,020,998	1,595,818	14,971
Loans to stockholders	3,425,659	180,197	606,852	155,071	364,152	191,381	118,714	546,722	1,262,571	*1,725
Mortgage and real estate loans	5,267,693	223,181	*4,606,553	50,498	102,096	*8,677	*24,385	170,561	81,742	--
Other investments	56,462,374	1,030,507	29,379,651	9,493,655	1,025,388	4,625,479	1,132,981	7,435,886	2,338,827	*136,751
Depreciable assets	168,724,332	7,367,918	47,757,428	39,325,387	13,266,146	11,057,365	4,130,481	26,508,919	19,310,688	260,353
Less: Accumulated depreciation	71,434,093	3,643,114	17,163,164	16,569,385	6,842,221	4,338,683	1,977,299	11,229,545	9,670,680	153,751
Depletable assets	163,107	*39,455	793	*6,815	*1,228	--	--	*82,978	*31,838	--
Less: Accumulated depletion	75,085	*5,914	394	*4,024	*954	--	--	*36,757	*27,043	--
Land	14,070,901	887,866	3,335,115	3,467,965	1,144,410	217,306	181,603	3,739,733	1,096,905	*16,762
Intangible assets (amortizable)	10,581,109	237,165	1,646,032	1,951,320	372,015	1,167,611	170,934	2,741,096	2,294,937	*1,669
Less: Accumulated amortization	1,879,452	38,571	168,858	279,731	148,005	203,150	29,218	485,350	526,568	*8
Other assets	18,879,348	385,913	6,487,061	6,457,113	780,945	849,572	325,223	1,775,377	1,818,143	16,812
Total liabilities	459,354,944	18,750,459	205,716,024	68,036,654	35,730,148	27,665,355	14,110,765	37,140,732	52,204,806	866,189
Accounts payable	70,682,215	2,593,109	34,965,369	11,657,745	3,393,563	3,607,292	2,243,165	2,226,046	9,995,925	155,033
Mortgages, notes, and bonds payable in less than one year	56,964,993	2,100,856	25,453,195	8,048,385	13,286,233	1,326,621	880,076	2,021,429	3,848,199	100,184
Other current liabilities	64,899,899	1,231,724	43,658,136	6,677,310	2,126,596	2,691,693	1,451,431	2,700,315	4,362,694	70,250
Loans from stockholders	7,948,153	514,036	1,054,159	717,085	1,131,482	1,017,525	464,567	628,936	2,420,363	*38,725
Mortgages, notes, and bonds payable in one year or more	98,321,848	3,222,994	36,929,346	24,514,582	5,227,559	4,161,349	2,297,056	13,138,809	8,830,154	62,773
Other liabilities	17,575,877	539,086	6,045,202	3,999,482	659,024	1,898,944	570,033	2,290,978	1,573,127	*19,503
Capital stock	14,907,073	827,684	2,927,707	1,948,853	1,620,318	2,171,494	652,309	2,102,932	2,655,775	129,966
Paid-in or capital surplus	42,572,300	1,439,018	23,195,631	4,252,062	1,169,887	2,513,421	1,076,862	4,484,394	4,441,026	*295,359
Retained earnings, appropriated	656,202	*65,862	*226,510	73,735	60,658	*18,755	*60,966	*19,380	130,336	--
Retained earnings, unappropriated	93,866,927	6,586,452	33,404,456	7,259,371	7,894,730	9,044,275	5,052,817	9,466,768	15,158,058	16,533
Less: Cost of treasury stock	9,040,543	370,363	2,143,686	1,111,958	839,901	786,013	638,517	1,939,255	1,210,850	*22,137
Total receipts	901,091,803	44,151,114	224,890,012	230,180,792	130,738,641	51,492,545	30,863,232	55,090,569	133,684,899	1,380,536
Business receipts	867,235,619	43,030,532	211,002,848	224,694,996	127,756,254	49,571,341	29,733,836	50,916,777	130,529,036	1,327,788
Interest	9,422,744	462,225	5,713,704	702,523	587,859	603,434	286,640	392,984	673,375	10,440
Interest on Government obligations: State and local	1,235,636	6,777	1,136,763	34,395	1,496	9,899	7,668	6,832	31,805	--
Rents	4,742,817	175,610	1,128,025	723,778	726,549	74,457	50,941	1,537,823	325,635	*27,863
Royalties	1,197,400	57,532	27,217	19,717	*1,479	366,661	*64,927	474,813	185,054	--
Net short-term capital gain reduced by net long-term capital loss	18,900	*1,782	*5,282	2,637	*2,521	*181	*488	2,388	*3,623	--
Net long-term capital gain reduced by net short-term capital loss	2,124,801	19,971	884,242	687,840	65,516	19,137	44,631	280,766	122,697	*2,510
Net gain, noncapital assets	761,809	50,125	95,644	133,617	203,923	1,789	19,055	163,527	94,130	*97
Dividends received from domestic corporations	308,139	10,645	159,501	29,572	4,634	56,311	3,290	14,960	29,225	*1,679
Dividends received from foreign corporations	1,010,789	*366	177,257	*474,164	*458	*1,461	1,499	340,710	14,872	--
Other receipts	13,033,148	335,549	4,559,528	2,677,553	1,387,951	787,874	650,257	958,990	1,675,447	10,159
Total deductions	873,237,439	42,743,604	216,013,586	225,392,111	128,984,085	48,898,959	29,913,101	52,181,159	129,110,835	1,332,449
Cost of sales and operations	603,145,171	30,672,687	137,345,939	171,016,692	106,012,905	29,497,668	18,863,095	21,765,645	87,970,540	876,038
Compensation of officers	11,074,941	1,117,555	564,283	963,654	1,935,920	680,002	816,005	1,399,902	3,597,620	51,654
Repairs	4,571,708	225,488	1,106,873	1,295,365	402,854	199,113	116,226	704,196	521,591	5,518
Bad debts	3,134,732	160,213	1,854,707	153,791	185,927	166,643	174,727	51,858	386,865	16,846
Rent paid on business property	22,983,337	648,624	6,070,451	3,681,636	1,546,038	3,133,531	1,104,514	2,767,134	4,031,409	28,080
Taxes paid	16,571,582	832,477	4,600,289	3,236,442	1,668,841	1,116,646	633,149	2,049,930	2,433,808	42,104
Interest paid	18,201,065	697,920	8,012,739	3,392,661	1,535,194	821,173	383,585	1,677,846	1,679,946	14,124
Contributions or gifts	379,596	15,276	136,334	72,377	20,120	42,381	16,043	27,586	49,479	*444
Amortization	783,372	12,779	128,617	106,462	53,817	88,235	37,903	156,771	198,787	*916
Depreciation	14,554,792	565,485	3,803,226	3,227,270	1,557,101	1,020,009	357,704	2,138,521	1,885,475	23,186
Depletion	6,550	*3,234	268	*1,606	*238	(1)	--	*1,140	*64	--
Advertising	15,191,965	523,429	5,127,993	2,033,294	1,206,111	1,001,174	1,282,332	1,431,390	2,586,242	21,806
Pension, profit-sharing, stock bonus, and annuity plans	2,155,641	138,859	646,554	533,535	117,950	157,832	85,025	155,934	319,953	*5,169
Employee benefit programs	7,023,230	227,037	1,970,557	2,439,896	581,398	340,049	149,491	489,789	825,013	5,643
Net loss, noncapital assets	462,392	6,021	44,458	250,413	20,654	48,678	18,711	28,605	44,853	*310
Other deductions	152,997,366	6,896,520	44,600,297	32,987,016	12,139,016	10,585,826	5,874,592	17,334,910	22,579,188	240,611
Total receipts less total deductions	27,854,364	1,407,510	8,876,426	4,788,681	1,754,556	2,593,586	950,131	2,909,410	4,574,064	48,087
Constructive taxable income from related foreign corporations	720,175	--	156,225	300,695	--	13,676	71	229,119	20,389	--
Net income	27,338,903	1,400,733	7,895,889	5,054,980	1,753,060	2,597,363	942,533	3,131,698	4,562,647	48,087
Income subject to tax	25,154,257	1,238,788	7,652,289	4,690,980	1,446,746	2,447,124	847,235	2,737,896	4,093,197	36,051
Income tax, total [2]	8,236,614	364,888	2,779,937	1,611,382	392,168	799,652	251,248	879,296	1,158,042	8,498
Regular tax	7,970,357	361,811	2,634,885	1,552,935	373,950	789,083	249,935	864,291	1,143,467	8,094
Personal holding company tax	*198	--	--	--	*198	--	--	--	--	--
Recapture of investment credit	1,957	49	610	564	165	54	*8	414	95	--
Alternative minimum tax	236,490	2,370	132,181	52,762	17,819	7,594	*739	11,398	11,627	*398
Environmental tax	29,381	775	12,262	6,368	420	2,922	567	3,193	2,874	6
Foreign tax credit	644,659	*2	110,676	263,350	*112	6,495	*1,028	249,768	13,228	--
U.S. possessions tax credit	24,173	--	20,076	3,349	717	--	--	32	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	*25	--	(1)	--	*24	--	--	1	--	--
General business credit	155,316	5,834	45,663	38,182	8,795	4,216	2,507	33,303	16,816	*44
Prior year minimum tax credit	26,285	*7	*8,000	13,397	1,083	*226	*120	*2,477	2,976	--
Total income tax after credits	7,384,155	359,045	2,595,522	1,293,105	381,437	788,715	247,593	593,715	1,125,023	8,454

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

RETURNS WITH NET INCOME, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13--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	**196,397**	**9,290**	**8,098**	**5,538**	**4,842**	**22,729**	**122,538**	**23,364**
Total assets	**6,468,596,285**	**3,064,062,251**	**1,342,215,968**	**270,697,073**	**1,588,522,838**	**25,777,987**	**89,155,341**	**88,164,827**
Cash	329,766,863	237,066,626	44,824,103	12,102,023	16,370,827	4,466,157	10,163,236	4,773,892
Notes and accounts receivable	1,910,803,988	1,436,646,225	287,333,327	73,822,460	87,814,280	7,543,816	7,756,152	9,887,728
Less: Allowance for bad debts	49,066,773	34,279,295	12,596,095	492,376	1,206,549	99,241	293,668	99,549
Inventories	12,466,289	473,613	2,813,538	1,231,515	2,961,173	7,603	3,812,475	1,166,373
Investments in Government obligations	542,953,394	323,462,889	50,690,796	18,303,519	148,207,262	371,282	630,262	1,287,384
Tax-exempt securities	186,749,063	57,841,112	9,423,328	391,427	117,003,370	548,856	465,118	1,075,852
Other current assets	523,846,212	149,773,919	61,017,915	127,773,124	169,680,631	1,112,775	5,462,014	9,025,835
Loans to stockholders	24,417,664	3,857,887	9,863,987	924,549	2,711,880	233,115	1,489,761	5,336,484
Mortgage and real estate loans	1,011,606,928	236,325,961	596,338,978	929,806	172,825,161	80,514	3,636,408	1,470,100
Other investments	1,378,868,750	307,336,183	217,232,562	22,220,037	771,381,731	7,150,205	13,102,195	40,445,837
Depreciable assets	187,586,930	68,479,838	26,462,646	5,686,450	29,851,342	4,392,426	45,265,705	7,448,523
Less: Accumulated depreciation	69,402,055	26,829,287	11,342,275	2,574,011	5,805,203	2,254,379	17,547,460	3,049,438
Depletable assets	1,109,658	13,759	53,457	225	400,152	*41	340,615	301,410
Less: Accumulated depletion	401,017	4,591	*16,923	79	205,240	--	100,917	73,267
Land	21,697,440	5,148,857	2,279,296	114,750	1,950,360	170,458	10,773,276	1,260,442
Intangible assets (amortizable)	25,638,900	8,369,041	9,142,186	786,164	3,480,676	1,199,785	974,480	1,686,569
Less: Accumulated amortization	4,201,208	1,098,772	1,159,968	275,718	798,704	309,171	218,267	340,608
Other assets	434,155,259	291,478,287	49,855,110	9,753,209	71,899,690	1,163,746	3,443,956	6,561,261
Total liabilities	**6,468,596,285**	**3,064,062,251**	**1,342,215,968**	**270,697,073**	**1,588,522,838**	**25,777,987**	**89,155,341**	**88,164,827**
Accounts payable	203,810,311	65,265,235	45,414,189	57,261,568	21,346,814	7,546,145	3,461,710	3,514,650
Mortgages, notes, and bonds payable in less than one year	658,111,299	305,784,534	269,348,778	22,859,914	26,265,530	1,687,022	8,799,818	23,365,704
Other current liabilities	3,132,053,838	2,101,738,453	558,979,598	152,508,542	304,707,154	2,905,949	6,011,627	5,202,516
Loans from stockholders	31,278,622	7,209,872	8,498,192	483,583	6,672,682	135,311	5,539,528	2,739,455
Mortgages, notes, and bonds payable in one year or more	487,264,317	137,075,893	240,122,083	12,524,107	56,966,222	2,207,386	26,905,780	11,462,846
Other liabilities	1,173,980,991	165,553,714	117,879,824	8,900,340	869,161,113	2,040,838	5,998,514	4,446,647
Capital stock	90,746,994	43,623,510	12,030,787	1,991,615	14,885,249	1,282,745	7,724,812	9,208,276
Paid-in or capital surplus	312,387,019	113,308,832	48,775,324	7,030,840	106,234,832	2,246,743	13,601,344	21,189,104
Retained earnings, appropriated	34,086,762	2,218,561	2,297,049	*38,554	27,865,756	52,574	978,280	635,986
Retained earnings, unappropriated	364,460,472	125,174,595	41,261,819	9,275,602	162,236,886	6,478,757	12,158,379	7,874,435
Less: Cost of treasury stock	19,584,340	2,890,949	2,391,675	2,177,592	7,819,398	805,483	2,024,452	1,474,791
Total receipts	**1,313,392,101**	**373,556,769**	**214,780,063**	**55,257,200**	**576,802,432**	**20,057,870**	**44,275,310**	**28,662,458**
Business receipts	633,833,451	40,647,160	68,857,529	36,608,606	419,461,774	18,571,145	31,834,967	17,852,271
Interest	522,883,107	292,921,446	114,851,386	14,547,626	92,268,784	674,052	2,621,344	4,998,469
Interest on Government obligations: State and local	15,201,851	6,505,942	512,876	117,417	7,835,116	31,066	81,930	117,505
Rents	20,925,917	8,440,562	2,732,081	305,503	5,367,462	80,879	3,554,548	444,883
Royalties	891,966	16,726	35,045	*2,967	72,411	*8,213	247,671	508,933
Net short-term capital gain reduced by net long-term capital loss	1,026,666	125,224	115,654	256,960	348,742	2,007	95,475	82,603
Net long-term capital gain reduced by net short-term capital loss	11,187,708	1,884,485	881,521	307,901	4,484,035	81,228	1,979,147	1,569,391
Net gain, noncapital assets	5,704,152	2,794,017	1,057,586	500,093	659,869	17,730	490,570	184,287
Dividends received from domestic corporations	5,573,300	638,097	725,794	272,484	2,940,902	50,083	151,755	794,185
Dividends received from foreign corporations	1,689,053	290,353	354,229	24,437	611,494	123,594	36,804	248,143
Other receipts	94,474,928	19,292,758	24,656,360	2,313,205	42,751,845	417,873	3,181,099	1,861,788
Total deductions	**1,216,939,109**	**345,914,548**	**190,424,569**	**52,071,653**	**547,931,788**	**18,212,937**	**38,727,876**	**23,655,739**
Cost of sales and operations	384,246,093	588,628	41,756,448	13,986,628	302,592,024	2,096,937	12,299,211	10,926,216
Compensation of officers	20,249,541	9,817,451	1,577,477	1,544,590	1,942,261	2,378,025	2,361,972	627,766
Repairs	3,670,300	1,851,040	563,766	88,220	212,341	110,536	777,331	67,066
Bad debts	26,242,451	17,082,475	7,150,428	231,863	1,256,171	73,883	245,831	201,798
Rent paid on business property	14,474,001	5,407,534	1,746,531	1,211,628	3,949,262	839,333	998,860	320,852
Taxes paid	20,924,788	5,496,702	1,800,964	741,806	9,271,095	734,843	2,274,232	605,146
Interest paid	339,120,356	211,857,608	93,147,623	13,312,966	12,390,956	438,477	3,845,785	4,126,940
Contributions or gifts	745,549	333,013	89,280	47,735	127,287	29,821	53,988	64,426
Amortization	2,869,361	964,353	447,199	119,204	991,923	127,772	98,434	120,475
Depreciation	21,978,182	11,303,316	3,293,336	681,785	3,730,293	436,168	1,925,684	607,601
Depletion	129,311	12,533	1,023	95	57,052	*7	30,336	28,266
Advertising	5,998,910	2,075,588	1,647,436	388,989	1,125,504	161,638	467,626	132,129
Pension, profit-sharing, stock bonus, and annuity plans	4,626,695	1,310,747	383,925	250,096	2,143,957	272,352	163,699	101,919
Employee benefit programs	9,094,033	4,096,878	899,484	507,118	2,604,986	458,704	295,170	231,694
Net loss, noncapital assets	1,981,289	1,129,300	589,615	86,640	91,227	4,407	28,349	51,750
Other deductions	360,588,250	72,587,382	35,330,034	18,872,290	205,445,450	10,050,034	12,861,366	5,441,695
Total receipts less total deductions	96,452,992	27,642,221	24,355,494	3,185,547	28,870,645	1,844,933	5,547,434	5,006,718
Constructive taxable income from related foreign corporations	3,273,985	1,379,677	390,595	143,998	996,642	96,146	*11,293	255,634
Net income	84,525,136	22,515,957	24,233,213	3,212,128	22,032,182	1,910,013	5,476,797	5,144,848
Income subject to tax	68,407,854	20,612,450	19,506,981	2,142,991	16,910,611	1,724,328	3,666,823	3,843,670
Income tax, total [2]	22,260,596	7,366,932	4,797,826	836,802	6,327,265	540,441	1,063,989	1,327,341
Regular tax	20,672,680	6,981,364	4,690,094	717,666	5,474,947	533,943	1,014,475	1,260,189
Personal holding company tax	9,247	681	*10	*131	1	*538	3,485	4,400
Recapture of investment credit	6,556	3,953	379	11	1,441	*9	*524	240
Alternative minimum tax	1,462,320	335,225	93,531	115,421	816,025	4,445	40,182	57,492
Environmental tax	93,491	28,630	18,999	3,572	34,849	1,502	1,764	4,176
Foreign tax credit	1,635,162	526,387	194,600	71,407	612,922	*76,980	14,457	138,408
U.S. possessions tax credit	10,217	--	8,558	--	979	--	53	627
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	1,329	5	--	4	*373	--	*767	*180
General business credit	195,099	70,762	49,866	29,520	29,029	2,635	7,571	5,715
Prior year minimum tax credit	195,160	56,824	38,433	26,498	54,670	*47	5,375	13,312
Total income tax after credits	20,223,630	6,712,953	4,506,370	709,373	5,629,291	460,778	1,035,766	1,169,099

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

RETURNS WITH NET INCOME, OTHER THAN FORMS 1120S, 1120-REIT, AND 1120-RIC

Table 13--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							
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	267,346	6,253	21,231	91,632	37,229	20,199	90,803	***
Total assets	274,552,274	21,178,856	11,955,816	95,371,139	23,191,847	52,343,193	70,511,423	***
Cash	23,014,575	1,096,765	1,191,534	8,841,594	1,426,621	3,889,557	6,568,504	***
Notes and accounts receivable	51,034,909	2,733,515	1,708,507	24,519,577	3,110,994	4,214,196	14,748,121	***
Less: Allowance for bad debts	2,470,087	132,718	22,396	610,834	88,861	191,689	1,423,589	***
Inventories	10,227,201	244,745	853,507	3,109,498	1,886,315	2,523,519	1,609,617	***
Investments in Government obligations	1,087,480	*27,969	*8,468	413,320	33,228	*124,961	479,533	***
Tax-exempt securities	914,352	*8,305	*102,350	449,997	104	*36,962	316,633	***
Other current assets	18,599,871	596,393	861,516	9,010,097	1,457,010	2,540,016	4,134,839	***
Loans to stockholders	2,858,653	176,061	165,454	1,105,728	340,490	297,440	773,480	***
Mortgage and real estate loans	1,170,506	212,152	*29,528	430,860	80,318	224,212	193,437	***
Other investments	52,621,135	4,052,916	1,277,640	17,489,277	1,217,159	14,212,325	14,371,817	***
Depreciable assets	129,984,663	12,343,583	7,478,363	36,240,466	21,097,128	19,042,495	33,782,630	***
Less: Accumulated depreciation	58,343,890	4,125,813	4,194,686	18,728,954	8,977,236	9,058,370	13,258,832	***
Depletable assets	48,346	*1,520	*5,252	*1,265	*4,471	*30,165	*5,674	***
Less: Accumulated depletion	23,251	*904	*4,097	*62	*947	*16,519	*723	***
Land	6,504,695	1,465,734	444,651	907,477	473,825	983,370	2,229,637	***
Intangible assets (amortizable)	15,155,757	246,413	432,329	6,332,275	696,285	3,326,671	4,121,784	***
Less: Accumulated amortization	3,712,464	123,019	108,616	1,563,851	95,865	1,027,104	794,009	***
Other assets	25,879,824	2,355,238	1,726,512	7,423,412	530,808	11,190,985	2,652,870	***
Total liabilities	274,552,274	21,178,856	11,955,816	95,371,139	23,191,847	52,343,193	70,511,423	***
Accounts payable	20,567,473	848,337	596,766	10,947,545	1,564,182	1,972,015	4,638,629	***
Mortgages, notes, and bonds payable in less than one year	22,175,428	798,500	380,243	10,296,760	4,396,898	1,665,179	4,637,847	***
Other current liabilities	31,923,668	1,271,549	1,574,263	12,901,592	2,181,321	4,877,140	9,117,804	***
Loans from stockholders	5,209,357	647,226	330,254	1,620,791	552,938	580,930	1,477,217	***
Mortgages, notes, and bonds payable in one year or more	64,535,411	8,716,981	2,806,575	17,630,048	7,085,012	9,269,706	19,027,089	***
Other liabilities	28,460,817	1,422,056	1,066,208	8,461,841	1,085,402	11,341,586	5,083,723	***
Capital stock	15,182,071	2,354,226	587,569	5,202,916	899,568	2,205,984	3,931,807	***
Paid-in or capital surplus	45,119,262	4,713,712	1,318,273	14,039,332	1,177,724	10,854,233	13,015,988	***
Retained earnings, appropriated	569,362	*22	*28,119	280,655	*15,251	128,971	116,344	***
Retained earnings, unappropriated	47,279,012	1,099,194	3,700,142	16,803,973	4,648,792	10,485,838	10,541,072	***
Less: Cost of treasury stock	6,469,589	692,949	432,597	2,814,314	415,242	1,038,389	1,076,098	***
Total receipts	364,132,893	17,638,076	17,597,758	142,915,804	35,331,687	33,871,051	118,778,517	***
Business receipts	335,140,503	15,566,944	16,399,912	132,162,642	32,415,362	28,425,320	110,170,322	***
Interest	5,759,280	463,530	333,682	1,733,287	431,775	1,301,685	1,495,320	***
Interest on Government obligations: State and local	322,403	2,247	22,269	213,387	1,803	10,066	72,631	***
Rents	4,867,224	348,345	106,515	2,493,727	946,343	411,721	560,573	***
Royalties	2,438,534	*25,712	95,938	856,461	*38,081	1,337,799	84,542	***
Net short-term capital gain reduced by net long-term capital loss	39,592	*3,944	*5,683	14,903	*793	1,934	12,334	***
Net long-term capital gain reduced by net short-term capital loss	2,053,855	349,623	129,958	288,994	24,948	479,849	780,483	***
Net gain, noncapital assets	1,782,401	77,695	46,258	444,306	743,956	206,278	263,907	***
Dividends received from domestic corporations	342,824	25,259	29,974	89,317	5,694	86,666	105,913	***
Dividends received from foreign corporations	766,034	32,138	*9,024	553,115	*6,622	102,954	62,181	***
Other receipts	10,620,244	742,640	418,542	4,065,664	716,310	1,506,777	3,170,311	***
Total deductions	343,817,942	16,524,223	16,445,704	135,421,983	33,958,388	31,211,719	110,255,924	***
Cost of sales and operations	141,967,134	8,010,686	6,600,098	61,546,302	14,288,827	10,720,333	40,800,889	***
Compensation of officers	19,657,270	203,736	884,744	7,434,084	1,452,689	2,103,938	7,578,079	***
Repairs	2,847,197	222,920	189,398	710,110	581,541	283,135	860,093	***
Bad debts	2,178,338	52,076	98,364	547,927	143,054	100,369	1,236,549	***
Rent paid on business property	11,629,616	698,256	710,454	4,455,932	1,315,065	958,527	3,491,382	***
Taxes paid	12,242,466	699,349	698,287	4,526,321	1,784,791	821,689	3,712,029	***
Interest paid	11,228,687	1,064,009	458,561	2,971,359	2,014,728	1,794,095	2,925,936	***
Contributions or gifts	232,569	7,111	14,819	77,655	16,754	28,411	87,818	***
Amortization	2,147,017	31,545	139,099	458,176	52,844	1,116,980	348,371	***
Depreciation	14,786,924	696,023	619,543	5,170,484	3,457,601	1,816,336	3,026,936	***
Depletion	8,802	--	*1,253	*1,191	2	*3,018	3,338	***
Advertising	4,521,904	327,948	354,484	1,918,863	437,353	632,423	850,833	***
Pension, profit-sharing, stock bonus, and annuity plans	2,686,708	59,372	109,913	1,007,880	285,014	125,816	1,098,714	***
Employee benefit programs	4,989,842	215,299	227,811	1,872,328	384,519	164,625	2,125,260	***
Net loss, noncapital assets	242,692	5,859	21,745	130,587	19,869	26,864	37,769	***
Other deductions	112,450,775	4,230,035	5,317,134	42,592,784	7,723,736	10,515,158	42,071,928	***
Total receipts less total deductions	20,314,952	1,113,853	1,152,054	7,493,821	1,373,300	2,659,331	6,522,593	***
Constructive taxable income from related foreign corporations	665,649	16,548	7,294	392,287	*913	*169,699	78,908	***
Net income	20,658,197	1,128,153	1,137,079	7,672,721	1,372,410	2,818,964	6,528,871	***
Income subject to tax	16,181,418	757,189	983,831	6,111,976	1,040,574	2,017,064	5,270,785	***
Income tax, total [2]	5,241,937	268,149	308,806	1,976,213	312,174	680,207	1,696,387	***
Regular tax	5,010,458	246,535	300,517	1,887,169	270,131	651,660	1,654,445	***
Personal holding company tax	*1,374	--	*21	--	--	*505	*848	***
Recapture of investment credit	1,284	46	210	545	*3	*43	437	***
Alternative minimum tax	211,319	19,082	7,162	82,693	41,205	25,163	36,014	***
Environmental tax	16,274	1,196	895	5,455	887	2,851	4,990	***
Foreign tax credit	602,162	*34,559	9,580	372,658	*324	116,334	68,708	***
U.S. possessions tax credit	15,845	6,014	--	5,316	--	37	4,477	***
Orphan drug credit	--	--	--	--	--	--	--	***
Nonconventional source fuel credit	576	--	--	--	--	--	576	***
General business credit	121,398	7,856	3,451	64,247	18,751	4,792	22,302	***
Prior year minimum tax credit	28,224	*897	*625	11,355	3,216	4,679	7,451	***
Total income tax after credits	4,473,733	218,822	295,150	1,522,638	289,883	554,366	1,592,874	***

*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.

[1] 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, FORM 1120S

Table 14--Balance Sheets and Income Statements, by Major Industry

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

Item	All industries	Major industry					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	1,575,092	54,971	16,030	739	926	12,493	1,871
Total assets	744,307,752	21,081,149	11,145,270	273,219	1,633,119	6,628,905	2,610,026
Cash	68,969,946	1,755,191	1,327,711	*3,080	224,121	749,470	351,040
Notes and accounts receivable	141,144,287	1,992,875	1,661,054	*11,405	280,327	908,924	460,398
Less: Allowance for bad debts	2,516,239	6,071	10,437	--	*437	*491	9,510
Inventories	146,150,954	1,730,329	366,961	773	*51,780	158,926	155,483
Investments in Government obligations	5,160,436	34,219	364,758	--	*116,459	236,839	*11,460
Tax-exempt securities	2,087,262	99,618	*5,688	--	*4,608	*1,061	*19
Other current assets	41,255,849	608,035	465,942	*32,523	38,503	280,894	114,022
Loans to stockholders	13,576,468	552,100	230,428	--	*1,639	200,962	27,827
Mortgage and real estate loans	9,903,162	301,946	*37,755	--	*23,887	*11,655	*2,214
Other investments	50,940,102	1,334,706	1,865,282	*46,248	141,373	1,557,347	120,315
Depreciable assets	375,466,545	16,529,458	6,617,405	*187,545	1,279,234	2,784,567	2,366,059
Less: Accumulated depreciation	186,867,030	9,740,972	3,920,336	*104,463	748,168	1,670,508	1,397,198
Depletable assets	3,013,215	341,237	1,731,133	*29,657	*69,481	1,495,019	136,976
Less: Accumulated depletion	901,023	116,581	551,820	--	*3,819	511,971	36,030
Land	40,130,958	4,942,985	454,424	*43,725	41,339	152,659	216,700
Intangible assets (amortizable)	21,691,825	122,583	103,116	*963	*9,974	78,989	13,190
Less: Accumulated amortization	8,141,500	68,175	30,498	*514	*1,664	19,036	9,285
Other assets	23,242,537	667,665	426,705	*22,276	104,483	213,599	86,347
Total liabilities	744,307,752	21,081,149	11,145,270	273,219	1,633,119	6,628,905	2,610,026
Accounts payable	96,728,135	918,553	1,000,878	*17,614	144,803	642,132	196,329
Mortgages, notes, and bonds payable in less than one year	113,652,168	3,490,811	894,270	*48,616	188,567	480,441	176,646
Other current liabilities	56,074,638	750,227	561,518	*2,612	65,617	401,313	91,976
Loans from stockholders	80,154,340	4,486,021	1,742,450	*178,110	136,954	1,216,145	211,241
Mortgages, notes, and bonds payable in one year or more	178,387,605	5,434,538	2,148,541	*18,017	371,984	1,249,186	509,354
Other liabilities	25,365,877	718,182	462,003	*19,231	131,055	186,063	125,654
Capital stock	35,094,732	3,101,379	685,606	110,188	25,052	471,912	78,454
Paid-in or capital surplus	57,366,758	4,122,678	2,032,183	*38,444	255,306	1,610,819	127,614
Retained earnings, unappropriated	113,908,215	-1,480,323	1,932,529	-159,016	355,093	531,731	1,204,721
Less: Cost of treasury stock	12,424,716	460,916	314,709	595	*41,312	160,837	111,965
Total receipts	1,620,702,664	26,108,382	11,069,493	*142,081	3,203,589	4,772,914	2,950,908
Business receipts	1,588,070,882	24,777,448	10,346,584	*128,436	3,157,061	4,275,010	2,786,077
Net long-term capital gain reduced by net short-term capital loss	405,608	51,833	*104	--	*83	--	*22
Net gain, noncapital assets	3,273,249	148,985	109,757	*722	14,174	74,203	20,657
Other receipts	28,680,557	1,126,586	610,841	*12,919	31,318	422,491	144,112
Total deductions	1,587,774,578	26,191,268	10,291,951	149,972	3,148,373	4,186,555	2,807,051
Cost of sales and operations	1,071,813,435	15,013,300	5,467,104	*53,633	2,035,059	1,658,460	1,719,951
Compensation of officers	63,449,505	679,578	306,984	*493	36,908	154,402	115,181
Repairs	8,931,686	584,060	156,475	*19,452	57,602	33,673	45,749
Bad debts	5,124,415	38,887	40,533	933	*985	17,795	20,820
Rent paid on business property	32,449,639	799,492	87,454	*2,720	23,701	39,132	21,902
Taxes paid	33,663,414	556,515	369,723	*8,520	104,840	164,668	91,694
Interest paid	24,888,751	887,029	309,624	*3,297	67,548	168,910	69,869
Amortization	2,955,761	13,371	11,661	59	*1,379	6,021	4,202
Depreciation	29,261,862	1,270,229	614,276	*22,180	126,034	250,037	216,025
Depletion	247,128	*10,956	169,921	--	87,893	39,003	43,025
Advertising	17,017,410	91,693	21,486	13	2,254	6,544	12,675
Pension, profit-sharing, stock bonus, and annuity plans	4,712,688	45,186	35,009	1,381	11,348	8,007	14,274
Employee benefit programs	9,936,608	110,787	86,210	*3,643	37,192	17,842	27,532
Net loss, noncapital assets	530,209	19,601	*16,295	--	*14,922	*938	*435
Other deductions	282,792,066	6,070,584	2,599,196	33,648	540,707	1,621,124	403,718
Total receipts less total deductions	32,928,086	-82,886	777,542	-7,891	55,216	586,359	143,857
Net income (less deficit)	32,250,110	-138,250	775,230	-7,895	54,181	585,148	143,795
Income subject to tax	*39,474	*8,036	--	--	--	--	--
Income tax, total [1]	138,450	4,432	1,319	--	*386	*833	*100

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120S

Table 14--Balance Sheets and Income Statements, 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	**158,045**	**63,489**	**8,208**	**86,348**	**113,289**	**7,857**	**--**	**2,032**	**6,945**
Total assets	**70,247,799**	**38,923,985**	**8,973,188**	**22,350,626**	**138,099,169**	**14,346,570**	**--**	**6,636,676**	**9,926,182**
Cash	8,869,904	3,990,153	1,381,806	3,497,946	11,978,530	1,001,765	--	479,820	635,681
Notes and accounts receivable	18,487,822	7,696,909	2,696,440	8,094,474	34,191,148	2,964,974	--	1,701,120	2,765,769
Less: Allowance for bad debts	82,199	25,106	12,047	45,046	611,323	36,124	--	23,818	70,511
Inventories	12,215,850	9,911,140	263,965	2,040,744	32,036,411	3,031,986	--	1,783,386	3,638,478
Investments in Government obligations	428,286	125,849	142,772	159,665	1,142,222	*122,169	--	*99,632	*92,641
Tax-exempt securities	156,959	46,177	63,565	47,217	595,139	*15,674	--	*21,675	*10,692
Other current assets	8,745,874	6,071,082	857,261	1,817,531	5,251,231	442,805	--	190,823	728,223
Loans to stockholders	1,454,525	742,093	214,943	497,489	1,519,966	114,773	--	29,300	122,010
Mortgage and real estate loans	775,402	659,174	39,321	76,907	300,371	15,478	--	*408	*13,208
Other investments	3,467,540	2,071,828	554,809	840,903	6,809,534	793,386	--	290,501	383,063
Depreciable assets	27,831,352	8,409,319	6,876,346	12,545,686	80,340,613	10,142,626	--	3,775,832	3,000,729
Less: Accumulated depreciation	16,798,298	4,060,351	4,591,942	8,146,005	44,391,808	5,435,255	--	1,902,219	1,697,623
Depletable assets	48,298	*21,001	*27,297	--	299,327	*2,914	--	9,503	*336
Less: Accumulated depletion	11,483	*4,654	*6,829	--	53,264	--	--	5,218	--
Land	2,592,716	1,890,566	263,925	438,225	2,556,803	427,142	--	62,452	74,676
Intangible assets (amortizable)	293,758	122,212	25,614	145,932	4,156,465	585,561	--	51,901	178,868
Less: Accumulated amortization	117,749	45,649	9,326	62,775	1,677,927	163,651	--	21,260	79,099
Other assets	1,889,242	1,302,242	185,268	401,733	3,655,730	320,347	--	92,839	129,041
Total liabilities	**70,247,799**	**38,923,985**	**8,973,188**	**22,350,626**	**138,099,169**	**14,346,570**	**--**	**6,636,676**	**9,926,182**
Accounts payable	12,938,345	7,193,154	1,499,998	4,245,193	18,828,976	2,066,195	--	1,010,658	1,719,540
Mortgages, notes, and bonds payable in less than one year	11,109,649	7,949,632	720,788	2,439,228	15,642,017	1,690,026	--	667,866	1,615,091
Other current liabilities	8,386,282	4,488,448	830,682	3,067,151	10,372,442	817,325	--	353,604	776,992
Loans from stockholders	4,609,538	3,056,220	268,321	1,284,996	7,498,168	683,808	--	156,332	742,901
Mortgages, notes, and bonds payable in one year or more	9,630,664	6,307,348	1,070,102	2,253,214	24,762,572	2,962,424	--	1,063,156	1,204,729
Other liabilities	2,858,819	1,974,534	283,336	600,949	3,198,038	170,366	--	111,679	97,477
Capital stock	1,697,000	768,194	216,898	711,908	4,670,752	494,479	--	183,950	228,232
Paid-in or capital surplus	2,459,828	1,366,451	329,586	763,792	6,566,618	781,913	--	291,195	508,662
Retained earnings, unappropriated	17,534,275	6,166,300	3,910,980	7,456,994	49,516,421	4,978,863	--	2,888,674	3,338,650
Less: Cost of treasury stock	976,600	346,297	157,503	472,801	2,956,834	298,828	--	90,438	306,091
Total receipts	**166,931,987**	**77,239,338**	**18,469,805**	**71,222,845**	**297,357,534**	**40,898,906**	**--**	**13,792,781**	**25,389,979**
Business receipts	165,121,105	76,338,195	18,143,859	70,639,052	293,356,279	40,432,498	--	13,637,402	25,013,375
Net long-term capital gain reduced by net short-term capital loss	2,305	*763	*848	*695	31,079	*351	--	*87	*1,374
Net gain, noncapital assets	201,189	49,677	76,193	75,319	663,817	49,624	--	45,180	6,613
Other receipts	1,576,560	842,698	231,757	502,106	3,227,379	412,889	--	107,236	365,359
Total deductions	**162,229,501**	**75,761,154**	**17,887,247**	**68,581,100**	**285,408,557**	**39,607,594**	**--**	**13,237,614**	**24,645,858**
Cost of sales and operations	127,364,274	64,162,803	14,126,118	49,075,353	205,214,154	31,144,921	--	10,574,058	18,371,546
Compensation of officers	6,199,564	2,092,031	592,017	3,515,517	10,751,096	659,926	--	467,618	960,657
Repairs	621,968	135,250	151,667	335,050	1,125,416	206,299	--	36,257	54,449
Bad debts	371,452	161,426	30,219	179,807	949,561	65,218	--	37,509	83,818
Rent paid on business property	1,277,065	358,041	112,611	806,413	2,949,443	217,066	--	93,110	328,914
Taxes paid	3,284,095	907,532	406,164	1,970,399	6,103,728	618,735	--	239,933	523,638
Interest paid	1,601,754	881,703	192,077	527,974	4,425,943	456,303	--	218,608	425,819
Amortization	46,570	18,239	5,055	23,276	514,906	70,667	--	11,722	20,173
Depreciation	2,520,092	615,946	631,693	1,272,454	6,662,371	818,266	--	354,037	239,316
Depletion	6,746	*1,339	5,259	*149	37,553	*3,183	--	--	--
Advertising	416,968	191,920	16,659	208,389	3,025,551	592,242	--	28,420	271,982
Pension, profit-sharing, stock bonus, and annuity plans	477,358	118,483	73,373	285,503	1,162,967	93,276	--	39,965	83,213
Employee benefit programs	943,451	208,715	86,064	648,672	2,911,081	270,918	--	118,632	189,087
Net loss, noncapital assets	17,742	12,253	*370	5,119	23,055	1,264	--	*1,815	*670
Other deductions	17,080,400	5,895,473	1,457,902	9,727,025	39,551,732	4,389,311	--	1,015,930	3,092,576
Total receipts less total deductions	4,702,487	1,478,183	582,558	2,641,745	11,948,977	1,291,312	--	555,167	744,121
Net income (less deficit)	4,669,354	1,469,415	564,562	2,635,378	11,838,918	1,287,417	--	552,204	739,488
Income subject to tax	--	--	--	--	*14,082	--	--	--	--
Income tax, total [2]	13,753	2,521	2,889	8,344	27,497	1,178	--	*427	*655

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120S

Table 14--Balance Sheets and Income Statements, 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	Chemical 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	7,172	3,317	1,345	21,503	3,541	134	3,656	393	4,106
Total assets	6,029,700	3,379,863	4,406,238	13,897,400	6,019,678	890,425	8,455,062	1,233,958	3,976,282
Cash	643,585	268,788	318,132	1,418,185	554,809	59,843	564,505	87,551	391,740
Notes and accounts receivable	939,845	1,005,233	1,041,908	3,384,586	1,607,717	211,592	2,003,684	396,127	915,394
Less: Allowance for bad debts	16,681	13,025	13,013	73,608	54,906	*4,505	28,037	9,475	22,124
Inventories	1,484,437	906,798	840,019	1,297,129	1,347,625	117,952	1,586,988	425,891	639,402
Investments in Government obligations	*28,707	*33,528	*93,945	164,154	*14,556	--	*2,035	--	*38,451
Tax-exempt securities	*5,266	*8,144	*90,400	134,145	*6,582	--	*59,301	--	*1,384
Other current assets	274,371	121,598	126,846	645,238	198,215	28,355	342,466	77,569	151,945
Loans to stockholders	64,683	22,139	44,284	227,257	47,196	*76,157	80,145	*1,739	36,914
Mortgage and real estate loans	*20,194	*8,933	*5,369	22,085	*15,857	*30,051	*3,432	--	*12,472
Other investments	323,649	176,781	260,606	764,643	223,923	*66,475	644,108	71,834	172,855
Depreciable assets	4,131,278	1,662,720	2,925,266	9,603,626	3,529,957	469,174	5,559,188	313,485	3,226,620
Less: Accumulated depreciation	2,456,724	949,649	1,529,795	5,279,279	1,832,267	231,749	2,845,597	194,343	1,940,284
Depletable assets	135,239	*2,702	*35,766	*14,788	1,547	--	--	--	*71,695
Less: Accumulated depletion	*7,452	--	--	*12,361	891	--	--	--	*14,331
Land	234,060	52,718	54,801	226,158	102,981	*17,709	152,260	6,083	158,423
Intangible assets (amortizable)	46,430	23,803	29,570	1,257,644	111,810	*2,482	180,581	*22,733	90,568
Less: Accumulated amortization	22,777	13,771	12,222	448,313	45,410	*469	82,231	*9,730	54,297
Other assets	201,590	62,423	94,356	551,324	190,377	47,357	232,233	44,494	99,455
Total liabilities	6,029,700	3,379,863	4,406,238	13,897,400	6,019,678	890,425	8,455,062	1,233,958	3,976,282
Accounts payable	541,900	460,535	567,123	1,645,428	908,658	111,273	1,132,805	231,231	482,803
Mortgages, notes, and bonds payable in less than one year	682,609	412,028	405,551	1,352,567	671,720	32,056	814,043	122,283	574,285
Other current liabilities	424,620	267,098	260,959	1,516,254	372,504	42,676	595,020	76,227	239,178
Loans from stockholders	450,710	187,488	72,302	968,135	287,667	*80,382	181,195	*142,893	171,394
Mortgages, notes, and bonds payable in one year or more	885,837	463,538	659,706	3,464,103	963,817	197,065	2,000,567	82,272	713,106
Other liabilities	84,119	37,635	35,219	893,035	137,809	*16,222	142,353	*9,136	33,149
Capital stock	260,904	191,783	84,304	457,180	176,708	20,105	207,787	57,054	97,891
Paid-in or capital surplus	534,989	58,473	248,021	836,425	205,353	*35,401	279,258	*9,315	218,275
Retained earnings, unappropriated	2,244,411	1,368,301	2,147,447	3,109,558	2,415,700	372,122	3,212,030	532,648	1,501,370
Less: Cost of treasury stock	80,400	67,016	74,394	345,286	120,256	*16,876	109,994	*29,101	55,169
Total receipts	13,658,120	8,058,174	8,802,747	27,606,045	12,756,816	1,587,837	14,672,307	2,728,825	7,258,184
Business receipts	13,390,993	7,948,117	8,703,385	27,041,823	12,613,106	1,549,341	14,497,374	2,708,048	7,143,591
Net long-term capital gain reduced by net short-term capital loss	*3,370	(1)	*29	*1,686	*1,727	--	*5,978	--	--
Net gain, noncapital assets	36,250	13,494	11,308	194,446	22,032	*3,502	38,132	*962	26,572
Other receipts	225,749	94,569	80,544	358,822	119,249	34,877	127,699	16,616	86,987
Total deductions	13,335,468	7,742,668	8,366,520	26,767,345	11,838,132	1,510,664	13,886,368	2,629,853	6,973,501
Cost of sales and operations	10,211,748	5,657,710	6,365,199	14,629,418	8,073,341	1,187,516	10,025,343	2,008,543	4,781,164
Compensation of officers	403,062	272,076	264,604	1,461,807	432,654	35,527	526,599	114,135	299,455
Repairs	96,866	26,075	30,644	135,239	49,781	2,549	59,550	4,406	46,168
Bad debts	66,222	26,210	23,249	145,354	46,397	5,769	45,277	12,408	32,973
Rent paid on business property	99,967	98,866	59,014	493,809	126,423	7,841	122,309	19,742	108,778
Taxes paid	288,628	194,630	155,708	724,432	218,253	17,017	342,391	47,898	166,657
Interest paid	187,971	102,198	107,138	507,140	186,150	32,279	250,870	33,349	132,589
Amortization	12,064	5,579	5,218	102,763	18,033	*2,549	30,874	*4,549	16,611
Depreciation	341,332	128,645	221,886	836,417	282,018	45,178	479,842	22,338	263,548
Depletion	*21,383	--	--	*261	3,848	--	--	--	8,002
Advertising	56,090	65,157	30,541	331,742	392,966	10,052	110,993	34,528	43,499
Pension, profit-sharing, stock bonus, and annuity plans	38,547	21,873	48,058	150,085	48,735	*3,552	67,353	5,875	32,848
Employee benefit programs	104,750	93,937	83,466	332,176	84,234	*6,535	160,192	16,468	67,212
Net loss, noncapital assets	*130	*872	*147	1,058	*2,355	--	1,314	--	*320
Other deductions	1,408,709	1,048,839	971,648	6,915,642	1,872,945	154,300	1,663,461	305,613	973,676
Total receipts less total deductions	322,652	315,506	436,227	838,700	918,684	77,173	785,939	98,973	284,683
Net income (less deficit)	317,524	313,512	428,718	827,746	916,255	77,057	776,836	95,774	283,649
Income subject to tax	--	--	--	--	--	--	--	--	--
Income tax, total [2]	*967	*106	*114	*7,894	*2,187	--	880	--	*1,097

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120S

Table 14--Balance Sheets and Income Statements, 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	**1,234**	**18,908**	**6,501**	**9,245**	**738**	**1,984**	**2,756**	**9,924**
Total assets	**3,596,231**	**19,576,201**	**9,433,504**	**9,709,992**	**2,454,117**	**2,599,459**	**3,100,617**	**8,431,015**
Cash	266,269	1,702,166	1,127,425	951,448	235,268	201,647	337,025	732,880
Notes and accounts receivable	952,761	5,010,752	2,358,646	2,584,804	503,152	501,243	879,495	2,462,346
Less: Allowance for bad debts	9,397	65,639	32,319	53,318	3,782	8,045	21,589	51,408
Inventories	773,710	4,388,639	2,529,190	2,630,438	829,874	635,584	839,331	2,309,554
Investments in Government obligations	*23,038	157,017	*57,718	*110,589	*31,459	--	*16,365	*56,217
Tax-exempt securities	*6,015	99,933	*23,106	*61,307	*24,021	*17,115	*10,074	*305
Other current assets	149,718	616,408	308,796	279,101	102,910	82,230	92,585	291,027
Loans to stockholders	17,162	234,276	67,056	97,739	*11,375	*91,830	62,254	71,676
Mortgage and real estate loans	*303	53,804	*17,261	*30,995	*33,911	--	*3,969	*12,642
Other investments	150,008	972,088	446,736	501,757	134,899	37,040	112,962	282,221
Depreciable assets	2,406,937	12,828,390	5,275,808	4,104,007	1,093,688	1,063,188	1,332,411	3,895,684
Less: Accumulated depreciation	1,357,414	7,395,992	3,190,694	2,174,342	616,810	514,736	713,643	2,133,393
Depletable assets	*520	*21,693	*484	*2,142	--	--	--	--
Less: Accumulated depletion	*363	*11,225	--	*1,424	--	--	--	--
Land	68,758	360,517	137,620	202,063	33,277	43,602	43,212	98,292
Intangible assets (amortizable)	85,267	663,337	207,928	224,240	8,736	19,279	86,569	279,157
Less: Accumulated amortization	53,980	419,123	52,083	59,572	*2,150	12,092	21,621	104,074
Other assets	116,917	359,159	150,828	218,018	34,291	441,574	41,219	227,888
Total liabilities	**3,596,231**	**19,576,201**	**9,433,504**	**9,709,992**	**2,454,117**	**2,599,459**	**3,100,617**	**8,431,015**
Accounts payable	534,760	2,715,684	1,121,162	1,258,599	382,095	391,146	377,207	1,170,174
Mortgages, notes, and bonds payable in less than one year	277,424	2,208,101	844,483	1,193,553	347,363	280,430	304,856	1,145,680
Other current liabilities	261,839	1,249,206	909,082	829,187	192,346	199,354	330,631	658,341
Loans from stockholders	141,831	1,013,761	600,072	569,480	56,650	79,010	189,678	722,480
Mortgages, notes, and bonds payable in one year or more	778,115	3,827,477	1,457,231	1,587,893	343,961	375,853	441,767	1,289,956
Other liabilities	82,795	309,990	205,957	264,267	29,048	344,339	58,213	135,231
Capital stock	131,368	561,135	268,421	569,870	29,591	79,662	175,385	394,943
Paid-in or capital surplus	174,758	693,298	340,920	472,491	123,201	110,058	229,848	414,767
Retained earnings, unappropriated	1,346,055	7,402,273	3,926,181	3,169,266	1,039,992	755,295	1,069,829	2,697,754
Less: Cost of treasury stock	132,715	404,724	240,005	204,615	*90,129	*15,689	76,797	198,310
Total receipts	**8,181,698**	**38,523,425**	**17,243,674**	**17,753,659**	**6,331,450**	**5,151,000**	**6,037,037**	**20,924,872**
Business receipts	8,056,986	37,973,634	17,019,478	17,562,222	6,281,487	5,074,547	5,988,385	20,720,488
Net long-term capital gain reduced by net short-term capital loss	--	1,107	*999	*207	--	*14,160	*1	*3
Net gain, noncapital assets	11,510	68,788	47,409	31,246	15,003	13,869	2,877	24,998
Other receipts	112,870	468,339	171,627	153,900	29,691	41,863	43,027	175,467
Total deductions	**7,733,322**	**36,899,284**	**16,229,751**	**17,041,279**	**6,122,517**	**4,991,879**	**5,698,113**	**20,150,829**
Cost of sales and operations	6,386,060	26,705,740	10,887,510	11,379,807	5,048,227	3,736,769	3,172,938	14,866,597
Compensation of officers	245,366	1,646,691	735,065	723,443	135,342	142,814	445,910	778,342
Repairs	23,288	151,622	59,410	42,829	19,674	17,299	18,325	44,686
Bad debts	21,468	108,157	51,993	60,566	11,478	13,160	12,332	80,003
Rent paid on business property	51,420	377,843	172,231	204,368	28,639	47,042	105,693	186,369
Taxes paid	120,316	939,166	421,880	372,972	111,698	129,370	129,845	342,561
Interest paid	98,819	635,345	267,910	294,013	65,863	67,829	79,718	276,034
Amortization	9,348	66,966	34,180	35,844	634	10,297	9,072	47,764
Depreciation	178,975	1,022,087	427,711	383,619	101,416	87,902	119,247	308,592
Depletion	*39	*56	*781	--	--	--	--	--
Advertising	11,652	198,571	176,995	251,816	28,281	34,246	109,828	245,949
Pension, profit-sharing, stock bonus, and annuity plans	27,161	169,955	101,561	78,270	13,533	11,603	61,324	66,180
Employee benefit programs	70,141	547,899	262,064	212,080	42,617	46,204	60,365	142,104
Net loss, noncapital assets	*1,874	5,016	2,351	1,442	*608	*182	*28	1,609
Other deductions	487,395	4,324,171	2,628,109	3,000,212	514,507	647,161	1,373,486	2,764,040
Total receipts less total deductions	448,376	1,624,141	1,013,924	712,380	208,934	159,121	338,924	774,043
Net income (less deficit)	448,045	1,611,477	1,008,764	706,089	203,664	138,401	336,176	770,124
Income subject to tax	--	--	--	--	--	*14,082	--	--
Income tax, total [2]	*209	1,085	*138	*4,573	36	*4,788	*256	*906

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120S

Table 14--Balance Sheets and Income Statements, 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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	**63,957**	**51,407**	**8,227**	**4,324**	**419,833**	**109,233**	**11,028**	**16,113**	**82,092**
Total assets	**33,122,074**	**21,271,393**	**8,269,729**	**3,580,952**	**230,660,549**	**105,430,888**	**7,778,351**	**13,133,197**	**84,519,339**
Cash	2,788,659	1,962,192	431,664	394,803	21,235,144	9,866,313	843,509	1,095,461	7,927,343
Notes and accounts receivable	6,333,324	4,158,424	1,385,993	788,907	48,945,006	32,757,499	2,575,730	3,623,114	26,558,655
Less: Allowance for bad debts	73,413	45,475	23,567	4,372	775,931	522,439	35,182	56,841	430,416
Inventories	676,690	592,137	64,929	19,623	82,411,994	33,479,173	1,873,788	4,873,782	26,731,603
Investments in Government obligations	113,334	*70,601	*35,435	*7,298	940,595	662,567	*30,992	*86,663	544,912
Tax-exempt securities	100,805	73,509	*26,417	879	229,957	105,979	*6,554	*27,804	71,622
Other current assets	1,694,192	1,195,588	293,104	205,499	7,626,662	4,004,621	354,923	448,766	3,200,932
Loans to stockholders	514,384	345,782	93,781	74,821	3,160,837	1,182,398	76,694	105,707	999,997
Mortgage and real estate loans	122,831	102,725	*1,365	*18,741	895,770	300,765	*9,659	33,371	257,735
Other investments	1,941,116	958,677	776,134	206,305	9,005,748	5,314,088	258,173	657,561	4,398,354
Depreciable assets	28,107,339	20,078,129	4,683,075	3,346,135	89,326,486	30,955,675	2,886,994	3,920,487	24,148,194
Less: Accumulated depreciation	14,455,687	10,034,785	2,532,429	1,888,473	47,338,398	17,583,971	1,544,981	2,076,730	13,962,260
Depletable assets	*43,496	*31,419	--	*12,076	209,031	119,504	55	*130	119,319
Less: Accumulated depletion	*10,909	*5,313	--	*5,597	75,073	28,325	--	*49	28,276
Land	838,965	540,873	160,844	137,248	5,697,513	1,783,273	94,283	192,597	1,496,392
Intangible assets (amortizable)	3,861,446	790,275	2,900,380	170,791	6,435,444	1,816,536	262,435	97,713	1,456,388
Less: Accumulated amortization	1,105,783	206,459	830,989	68,335	2,484,171	685,709	59,932	50,565	575,211
Other assets	1,631,288	663,093	803,592	164,602	5,213,937	1,902,941	144,657	154,228	1,604,057
Total liabilities	**33,122,074**	**21,271,393**	**8,269,729**	**3,580,952**	**230,660,549**	**105,430,888**	**7,778,351**	**13,133,197**	**84,519,339**
Accounts payable	4,142,442	3,002,660	550,276	589,505	43,000,757	24,990,835	1,877,586	2,922,425	20,190,825
Mortgages, notes, and bonds payable in less than one year	4,077,779	2,862,837	821,685	393,257	46,093,503	16,359,415	1,121,795	2,168,529	13,069,091
Other current liabilities	2,498,250	1,623,406	610,619	264,225	15,459,372	6,531,017	444,509	918,243	5,168,264
Loans from stockholders	4,276,422	2,393,928	1,527,015	355,479	21,451,874	6,108,653	559,357	752,063	4,797,234
Mortgages, notes, and bonds payable in one year or more	11,978,628	6,279,729	4,734,014	964,886	37,019,769	11,996,464	989,522	1,778,363	9,228,580
Other liabilities	1,648,994	597,424	778,099	273,471	3,441,542	1,580,671	81,415	154,326	1,344,930
Capital stock	1,501,111	1,004,706	359,849	136,556	10,584,584	3,232,664	279,405	352,118	2,601,141
Paid-in or capital surplus	3,755,180	2,564,077	994,345	196,759	11,732,218	3,448,135	230,417	337,612	2,880,107
Retained earnings, unappropriated	-223,119	1,273,388	-1,941,661	445,154	46,095,559	33,455,718	2,404,372	4,036,841	27,014,505
Less: Cost of treasury stock	533,613	330,761	164,512	*38,339	4,218,629	2,272,684	210,026	287,322	1,775,337
Total receipts	**60,312,629**	**47,667,807**	**6,415,099**	**6,229,724**	**777,891,193**	**344,923,253**	**41,186,949**	**30,369,583**	**273,366,720**
Business receipts	59,088,145	46,869,625	6,137,193	6,081,327	768,102,447	341,284,876	40,798,081	29,798,408	270,688,387
Net long-term capital gain reduced by net short-term capital loss	4,269	*3,636	*1	*632	93,873	31,281	--	*1,966	29,315
Net gain, noncapital assets	437,538	297,734	108,801	31,003	748,656	276,738	42,824	50,180	183,734
Other receipts	771,714	490,351	166,433	114,931	8,898,244	3,296,356	344,524	514,644	2,437,188
Total deductions	**60,508,833**	**47,397,977**	**7,135,311**	**5,975,544**	**768,733,683**	**338,154,553**	**40,683,332**	**29,550,938**	**267,920,283**
Cost of sales and operations	30,172,866	24,802,256	1,853,903	3,516,707	590,295,438	274,825,642	34,633,496	21,918,914	218,273,232
Compensation of officers	1,661,334	1,184,294	225,688	251,352	17,098,667	8,294,354	816,676	1,168,911	6,308,768
Repairs	1,041,774	876,987	60,623	104,164	3,153,682	965,731	117,621	91,507	756,603
Bad debts	261,828	134,786	115,120	11,922	1,737,148	962,936	73,409	77,178	812,350
Rent paid on business property	2,069,601	1,810,939	141,786	116,876	14,274,464	3,193,606	287,219	323,509	2,582,878
Taxes paid	1,895,517	1,536,413	211,569	147,535	11,700,208	4,332,020	309,413	395,190	3,627,416
Interest paid	1,720,693	896,334	682,833	141,526	8,331,270	3,135,951	226,299	383,912	2,525,740
Amortization	411,712	99,954	294,881	16,878	914,642	258,747	19,610	19,324	219,814
Depreciation	3,011,136	2,199,878	504,299	306,959	7,578,253	2,662,173	271,446	417,388	1,973,339
Depletion	*5,696	*3,858	*80	*1,757	12,771	3,760	--	*55	*3,705
Advertising	369,163	213,113	142,326	13,724	8,717,321	1,670,836	156,648	151,597	1,362,590
Pension, profit-sharing, stock bonus, and annuity plans	142,609	103,613	10,759	28,237	1,269,777	771,694	79,006	116,595	576,093
Employee benefit programs	481,174	389,298	47,192	44,683	3,045,245	1,229,846	117,520	197,116	915,210
Net loss, noncapital assets	20,447	19,447	747	*253	200,310	33,165	*3,321	5,953	23,891
Other deductions	17,243,284	13,126,807	2,843,505	1,272,972	100,404,486	35,814,092	3,571,650	4,283,788	27,958,655
Total receipts less total deductions	-196,204	269,830	-720,213	254,179	9,157,511	6,768,699	503,616	818,646	5,446,437
Net income (less deficit)	-211,436	259,732	-722,884	251,716	9,015,665	6,703,418	502,098	812,294	5,389,025
Income subject to tax	--	--	--	--	*13,872	--	--	--	--
Income tax, total [8]	28,920	440	*28,217	*262	19,671	8,576	*138	902	7,536

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120S

Table 14--Balance Sheets and Income Statements, 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 furnishing 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, total	309,084	13,939	2,680	30,617	40,520	17,732	13,481	85,131	104,984	1,516
Total assets	124,779,064	7,921,534	3,081,363	11,146,075	46,236,883	4,982,052	5,930,825	18,726,265	26,754,067	450,598
Cash	11,327,684	617,232	248,133	1,107,367	2,949,708	516,776	655,578	2,138,901	3,093,989	41,147
Notes and accounts receivable	16,022,783	1,642,946	399,897	864,937	5,790,162	566,031	1,487,024	790,232	4,481,555	164,723
Less: Allowance for bad debts	252,178	30,594	3,596	3,769	68,557	9,237	35,806	978	99,642	*1,314
Inventories	48,805,528	3,001,416	1,454,853	2,836,194	25,513,309	2,397,671	2,248,437	842,153	10,511,495	127,293
Investments in Government obligations	278,028	*40,582	*14,071	*2,767	*65,224	*22,529	*10,889	*21,260	100,706	--
Tax-exempt securities	123,978	*7,944	*180	--	*18,121	--	*134	24,673	72,925	--
Other current assets	3,618,395	167,124	80,115	518,359	1,062,674	192,425	176,724	553,701	867,272	*3,645
Loans to stockholders	1,978,439	163,309	*7,416	176,032	660,374	61,034	135,352	408,798	366,124	--
Mortgage and real estate loans	593,136	111,360	*125	68,157	76,801	*7,735	*1,179	287,857	39,923	*1,868
Other investments	3,690,966	342,183	88,886	479,895	936,963	131,657	126,652	804,775	779,954	*694
Depreciable assets	58,167,274	3,145,188	1,201,841	8,062,283	12,686,022	1,842,244	1,730,074	18,969,595	10,530,029	203,536
Less: Accumulated depreciation	29,647,954	1,772,465	587,100	4,109,531	6,184,501	910,268	882,137	9,328,976	5,872,977	106,473
Depletable assets	89,527	*5,626	--	--	*26,308	*117	--	*45,697	*11,779	--
Less: Accumulated depletion	48,748	*2,387	--	--	*9,362	*29	--	*29,121	*5,850	--
Land	3,911,963	318,853	87,043	486,011	1,328,776	38,832	108,483	1,104,524	439,440	*2,277
Intangible assets (amortizable)	4,603,709	71,005	83,358	468,733	726,461	52,466	73,884	1,930,813	1,196,990	*15,199
Less: Accumulated amortization	1,792,642	22,664	30,185	200,586	258,995	21,399	16,975	736,412	505,427	*5,821
Other assets	3,307,174	114,878	36,325	389,224	917,393	93,468	111,332	898,772	745,781	*3,822
Total liabilities	124,779,064	7,921,534	3,081,363	11,146,075	46,236,883	4,982,052	5,930,825	18,726,265	26,754,067	450,598
Accounts payable	17,948,828	1,132,097	574,691	2,401,031	3,828,654	991,417	1,241,221	1,879,940	5,899,777	61,094
Mortgages, notes, and bonds payable in less than one year	29,668,952	998,608	293,226	728,675	21,976,833	525,485	613,674	1,643,368	2,889,083	65,137
Other current liabilities	8,896,246	407,683	175,321	804,113	2,844,223	327,353	663,578	1,545,465	2,128,510	32,109
Loans from stockholders	15,284,511	579,590	129,271	1,241,053	3,378,337	823,731	376,750	4,644,612	4,111,167	*58,710
Mortgages, notes, and bonds payable in one year or more	24,928,125	1,382,296	627,772	2,942,391	6,582,641	654,721	886,327	7,460,802	4,391,175	95,180
Other liabilities	1,859,678	101,982	63,700	164,944	393,212	102,063	130,030	356,593	547,153	*1,193
Capital stock	7,348,203	444,164	111,443	574,729	2,485,670	233,064	247,160	1,821,847	1,430,126	3,717
Paid-in or capital surplus	8,261,953	297,850	178,428	476,879	2,655,780	434,803	464,230	1,890,628	1,863,355	*22,129
Retained earnings, unappropriated	12,519,395	2,717,081	984,910	1,998,947	2,650,520	944,676	1,471,747	-2,182,879	3,934,394	120,447
Less: Cost of treasury stock	1,936,827	139,818	57,399	186,687	558,986	55,260	163,892	334,111	440,672	*9,118
Total receipts	431,357,039	21,149,170	7,227,331	57,888,643	192,309,811	11,266,894	14,774,824	52,307,092	74,433,274	1,610,902
Business receipts	425,228,879	20,953,794	7,091,360	57,389,018	189,351,686	11,073,124	14,368,846	51,574,067	73,426,983	1,588,692
Net long-term capital gain reduced by net short-term capital loss	62,587	*1,503	*169	*1,876	*1,752	*729	--	*15,156	*41,402	*5
Net gain, noncapital assets	469,371	19,013	*644	24,974	144,573	6,463	22,258	103,498	147,948	*2,548
Other receipts	5,582,231	174,468	135,116	470,416	2,809,738	186,381	382,371	612,414	811,326	*19,657
Total deductions	428,999,371	20,784,240	7,025,834	57,378,444	192,478,815	11,193,005	14,545,735	52,351,042	73,242,255	1,579,758
Cost of sales and operations	314,447,191	14,921,717	4,720,310	44,322,001	163,908,163	6,779,634	9,216,533	21,563,752	49,015,081	1,022,605
Compensation of officers	8,723,175	646,222	147,269	613,458	1,927,041	381,437	494,297	1,947,272	2,566,180	81,138
Repairs	2,176,705	132,188	33,857	324,125	445,581	51,622	73,703	796,804	318,826	11,246
Bad debts	770,768	93,070	9,359	35,787	216,449	22,710	103,874	77,542	211,979	3,444
Rent paid on business property	11,055,311	368,316	281,254	1,068,941	2,150,699	753,566	571,526	3,421,364	2,439,645	25,546
Taxes paid	7,341,666	395,285	140,203	812,722	1,790,139	267,248	286,024	2,275,064	1,374,981	26,523
Interest paid	5,182,725	279,235	86,719	393,384	2,224,957	135,858	191,201	996,803	874,568	12,594
Amortization	653,092	12,601	4,613	85,519	133,191	12,145	20,579	224,124	160,320	*2,802
Depreciation	4,886,275	244,620	84,255	659,795	1,124,297	141,638	126,068	1,521,979	983,623	29,806
Depletion	9,011	1,381	--	*971	*2,915	--	--	*468	*3,275	--
Advertising	7,034,434	275,758	209,344	568,089	2,056,630	329,555	569,107	1,550,147	1,475,804	12,052
Pension, profit-sharing, stock bonus, and annuity plans	486,006	68,219	14,803	67,171	94,572	17,474	25,290	66,054	132,423	*12,078
Employee benefit programs	1,812,777	107,004	35,727	295,752	752,289	42,304	75,705	224,500	279,496	*2,623
Net loss, noncapital assets	166,843	860	*93	*2,445	10,569	*1,596	*11,168	108,600	31,512	*302
Other deductions	64,253,392	3,237,765	1,258,028	8,128,284	15,641,324	2,256,219	2,780,663	17,576,568	13,374,542	337,001
Total receipts less total deductions	2,357,668	364,930	201,498	510,199	-169,004	73,889	229,089	-43,951	1,191,018	31,143
Net income (less deficit)	2,281,110	363,036	201,287	505,964	-172,818	72,964	227,740	-61,064	1,144,001	31,138
Income subject to tax	*13,872	*398	--	--	--	--	--	--	*13,474	--
Income tax, total [2]	11,095	*360	383	1,584	2,906	*51	*19	*291	5,501	--

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120S

Table 14--Balance Sheets and Income Statements, 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	**241,530**	*28	**5,425**	**6,056**	**1,754**	**31,514**	**184,202**	**12,551**
Total assets	**140,175,320**	*130,436	**8,843,531**	**6,775,042**	**431,490**	**6,606,282**	**105,884,514**	**11,504,025**
Cash	9,124,191	*36,460	532,969	827,012	144,879	1,982,520	4,814,306	786,045
Notes and accounts receivable	13,897,939	--	3,971,380	1,055,243	*52,688	1,857,748	6,196,207	764,673
Less: Allowance for bad debts	283,126	--	63,536	*1,783	*405	5,177	174,777	*37,448
Inventories	12,635,819	--	*141,065	*7,959	--	*2,424	12,483,003	*1,368
Investments in Government obligations	1,868,363	--	*244	880,263	--	*9,821	507,881	470,154
Tax-exempt securities	726,484	--	*9,619	*155,940	--	*232	110,163	450,530
Other current assets	11,851,075	*52,203	864,393	1,730,657	*34,457	378,905	7,560,801	1,229,659
Loans to stockholders	2,912,702	--	89,089	148,125	*7,436	262,488	2,281,120	124,444
Mortgage and real estate loans	6,380,330	--	1,721,438	*59,744	--	33,861	4,081,300	483,986
Other investments	19,140,139	*32,923	1,026,859	1,293,096	*17,167	488,623	10,294,995	5,986,477
Depreciable assets	50,074,879	*13,687	326,813	548,159	130,932	1,867,049	46,371,005	817,235
Less: Accumulated depreciation	13,715,749	*6,457	159,692	259,192	71,972	1,080,913	11,905,408	232,115
Depletable assets	171,230	--	--	*53,285	--	--	110,057	*7,888
Less: Accumulated depletion	32,078	--	--	*27,228	--	--	3,960	*890
Land	18,244,609	*6	20,531	49,616	*3,531	42,562	17,693,319	435,043
Intangible assets (amortizable)	2,297,845	*511	217,952	10,284	*51,913	772,625	1,223,404	21,156
Less: Accumulated amortization	923,601	*256	120,354	3,857	*17,414	337,879	432,667	11,173
Other assets	5,804,268	*1,360	264,760	247,719	78,278	331,393	4,673,766	206,991
Total liabilities	**140,175,320**	*130,436	**8,843,531**	**6,775,042**	**431,490**	**6,606,282**	**105,884,514**	**11,504,025**
Accounts payable	7,334,270	*663	257,512	1,256,769	40,788	2,668,208	2,918,607	191,724
Mortgages, notes, and bonds payable in less than one year	20,830,822	*71,574	3,553,181	650,522	*21,066	417,185	15,249,112	868,183
Other current liabilities	8,298,602	*1,997	399,107	2,042,226	*92,231	878,382	4,316,870	567,790
Loans from stockholders	19,227,238	*7,967	464,595	451,661	*17,231	412,859	16,526,996	1,345,928
Mortgages, notes, and bonds payable in one year or more	54,532,848	*1,655	1,943,006	237,941	80,748	1,007,282	48,571,312	2,690,903
Other liabilities	8,652,356	*5,077	1,036,017	485,982	*44,480	200,601	6,053,897	826,302
Capital stock	7,169,402	*36,393	161,080	321,684	42,056	238,289	5,527,544	842,356
Paid-in or capital surplus	15,849,481	*-1,385	331,508	703,782	*14,416	286,080	10,925,454	3,589,627
Retained earnings, unappropriated	-502,294	*6,496	700,019	693,803	83,412	655,581	-3,317,719	676,113
Less: Cost of treasury stock	1,217,407	--	*2,495	69,328	*4,939	158,183	887,560	94,902
Total receipts	**60,388,316**	*35,168	**2,970,285**	**5,375,466**	**483,094**	**12,176,506**	**37,571,410**	**1,776,387**
Business receipts	55,038,409	*35,032	2,415,583	4,613,291	480,004	11,886,690	34,513,204	1,094,605
Net long-term capital gain reduced by net short-term capital loss	105,779	--	*69	(')	*91	*3,845	97,241	*4,532
Net gain, noncapital assets	364,877	--	5,402	4,688	*285	7,973	160,629	185,901
Other receipts	4,807,992	*136	547,021	753,137	*2,713	276,427	2,784,001	444,556
Total deductions	**60,437,871**	*32,871	**2,854,068**	**5,144,103**	**449,460**	**11,265,768**	**39,059,534**	**1,632,067**
Cost of sales and operations	23,013,826	--	*680,681	1,439,347	*8,969	2,435,077	18,406,061	43,691
Compensation of officers	4,757,001	*692	197,211	937,946	81,287	1,630,017	1,585,453	324,395
Repairs	254,851	*154	9,777	8,703	*4,950	54,860	174,014	2,393
Bad debts	521,857	*418	116,237	9,781	*953	50,129	325,818	*18,521
Rent paid on business property	1,618,375	*1,829	79,500	135,589	29,005	405,535	922,256	44,662
Taxes paid	1,399,530	*858	65,230	132,057	21,077	310,711	829,258	40,340
Interest paid	3,198,554	*7,240	586,890	143,308	8,702	155,422	2,144,392	152,599
Amortization	298,059	*6	22,118	4,588	*2,522	93,819	169,516	5,490
Depreciation	982,176	*1,716	40,594	61,389	9,791	174,110	630,052	64,523
Depletion	*1,902	--	--	--	--	*159	*1,742	--
Advertising	889,983	*227	24,290	36,897	*4,115	131,350	657,993	35,111
Pension, profit-sharing, stock bonus, and annuity plans	266,449	*955	9,347	36,777	*2,005	136,166	71,466	9,733
Employee benefit programs	408,865	--	16,515	40,720	*11,186	139,033	196,229	5,182
Net loss, noncapital assets	117,945	--	*1,146	*865	*36	1,162	114,736	--
Other deductions	22,708,497	*18,776	1,004,533	2,156,135	264,863	5,548,217	12,830,546	885,427
Total receipts less total deductions	-49,555	*2,297	116,216	231,364	33,634	910,738	-1,488,124	144,320
Net income (less deficit)	-226,594	*2,297	113,937	227,013	33,542	905,322	-1,601,700	92,995
Income subject to tax	*3,484	--	--	--	--	--	*3,484	--
Income tax, total [1]	15,470	--	*283	*360	*94	*406	10,642	3,686

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120S

Table 14--Balance Sheets and Income Statements, by Major Industry--Continued

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

Item	Major Industry--Continued							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	**501,733**	**12,981**	**39,551**	**151,971**	**53,218**	**44,635**	**199,376**	**5,705**
Total assets	**99,276,776**	**13,794,645**	**4,810,231**	**29,556,736**	**9,283,730**	**13,752,078**	**28,079,356**	**499,647**
Cash	11,848,899	629,896	528,307	4,284,002	980,977	1,137,934	4,287,783	41,719
Notes and accounts receivable	15,579,324	521,420	650,828	7,097,056	1,348,034	983,138	4,978,849	55,795
Less: Allowance for bad debts	667,046	9,848	9,494	501,432	9,981	21,749	114,542	*6,691
Inventories	4,024,131	88,208	196,710	1,433,039	976,310	663,216	666,647	*52,769
Investments in Government obligations	263,664	*25,737	*20,230	132,506	*790	*28,079	56,323	*4,994
Tax-exempt securities	172,613	*6,193	*28,424	100,835	*14	*4,084	33,062	--
Other current assets	4,994,605	291,610	298,125	1,769,037	358,103	746,300	1,531,430	18,233
Loans to stockholders	3,150,991	266,579	57,866	1,048,106	242,072	280,518	1,255,851	*80,534
Mortgage and real estate loans	1,083,586	372,308	*29,953	302,167	87,217	176,201	115,741	*5,170
Other investments	7,320,374	892,788	259,542	3,047,734	174,280	819,227	2,126,802	*55,663
Depreciable assets	76,482,784	13,326,760	4,423,166	17,425,242	7,410,283	13,197,612	20,699,721	156,230
Less: Accumulated depreciation	36,434,073	4,815,924	2,420,988	9,143,771	3,176,478	6,591,972	10,284,941	71,710
Depletable assets	169,463	*58,292	--	*30,164	*32,538	*31,678	*16,791	--
Less: Accumulated depletion	49,814	*3,732	--	*14,977	*25,195	*1,070	*4,840	--
Land	4,762,057	1,671,682	173,283	603,551	490,703	1,069,883	752,955	*40,885
Intangible assets (amortizable)	4,365,920	281,393	364,476	1,380,183	274,951	786,142	1,278,776	*55,248
Less: Accumulated amortization	1,718,937	117,009	141,071	533,242	115,753	322,211	489,651	*14,659
Other assets	3,928,236	308,294	350,873	1,096,536	234,865	765,069	1,172,600	*25,466
Total liabilities	**99,276,776**	**13,794,645**	**4,810,231**	**29,556,736**	**9,283,730**	**13,752,078**	**28,079,356**	**499,647**
Accounts payable	8,522,171	411,574	318,504	4,317,808	700,981	801,943	1,971,361	41,743
Mortgages, notes, and bonds payable in less than one year	11,427,431	1,147,740	441,428	3,535,094	1,693,469	1,068,015	3,541,683	*85,887
Other current liabilities	9,698,886	706,928	505,415	3,482,604	659,700	1,208,314	3,135,926	49,059
Loans from stockholders	16,750,602	2,303,034	837,198	4,086,278	1,304,391	3,993,149	4,226,552	112,027
Mortgages, notes, and bonds payable in one year or more	32,761,872	8,468,666	1,315,936	6,432,193	2,892,637	4,797,302	8,855,138	118,172
Other liabilities	4,354,974	481,596	197,112	1,364,885	214,970	886,343	1,210,067	30,970
Capital stock	5,655,661	754,730	465,804	1,480,487	518,163	973,508	1,462,968	29,238
Paid-in or capital surplus	10,778,811	1,753,807	413,183	3,040,132	553,647	2,650,755	2,367,288	69,761
Retained earnings, unappropriated	1,070,094	-2,007,953	503,147	2,301,344	866,604	-2,374,285	1,781,239	-34,927
Less: Cost of treasury stock	1,743,725	225,478	187,496	484,090	120,831	252,966	472,866	*2,282
Total receipts	**219,873,675**	**10,589,238**	**11,741,331**	**76,346,021**	**20,957,232**	**20,736,291**	**79,503,563**	**769,452**
Business receipts	211,593,940	10,303,609	11,517,093	73,989,351	20,135,596	18,680,665	76,967,626	646,525
Net long-term capital gain reduced by net short-term capital loss	116,365	*161	*3,637	*2,417	*4	*1,222	*108,924	--
Net gain, noncapital assets	596,160	54,933	9,990	203,454	197,741	71,150	58,890	*2,270
Other receipts	7,540,583	229,658	209,333	2,138,888	621,645	1,978,531	2,362,530	*120,658
Total deductions	**213,198,741**	**11,301,145**	**11,385,470**	**73,424,200**	**20,533,963**	**20,694,659**	**75,859,305**	**774,172**
Cost of sales and operations	74,886,390	2,607,247	4,378,242	32,364,010	10,668,338	5,959,903	18,908,651	386,085
Compensation of officers	21,957,622	235,048	745,900	5,754,147	1,128,510	1,775,895	12,318,121	37,659
Repairs	1,985,796	305,586	123,027	428,438	187,808	324,108	616,830	7,664
Bad debts	1,199,630	35,666	35,868	674,914	40,247	78,538	334,397	*3,520
Rent paid on business property	9,343,682	663,896	805,620	2,334,649	1,001,711	893,341	3,644,465	30,062
Taxes paid	8,329,730	641,977	466,252	2,786,103	832,501	741,364	2,861,533	24,368
Interest paid	4,399,591	918,678	181,841	985,435	424,241	643,532	1,245,864	14,293
Amortization	740,883	35,293	60,279	206,830	37,761	150,874	249,846	*3,957
Depreciation	6,613,737	770,610	367,150	1,727,445	959,920	1,146,676	1,641,936	9,591
Depletion	1,583	*24	--	*391	*531	*156	*481	--
Advertising	3,461,641	346,834	260,564	1,087,371	222,882	611,366	932,624	23,604
Pension, profit-sharing, stock bonus, and annuity plans	1,310,548	15,501	45,337	407,949	48,435	59,617	733,711	*2,783
Employee benefit programs	1,949,267	87,007	64,272	629,627	155,761	103,112	909,489	*527
Net loss, noncapital assets	114,813	*16,665	*4,546	25,619	4,884	20,946	42,152	--
Other deductions	76,903,828	4,621,114	3,846,572	24,011,272	4,820,433	8,185,232	31,419,205	230,059
Total receipts less total deductions	6,674,934	-711,906	355,860	2,921,821	423,269	41,632	3,644,258	-4,720
Net income (less deficit)	6,531,943	-712,944	350,946	2,907,494	421,019	35,687	3,529,740	-4,720
Income subject to tax	--	--	--	--	--	--	--	--
Income tax, total [2]	27,388	--	*24	13,277	*2,203	*1,807	10,077	--

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

[1] Less than $500 per return.

[2] Also includes excess net passive income tax (Form 1120S), and adjustments to income tax and to total tax which are 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 WITH NET INCOME, FORM 1120S

Table 15--Balance Sheets and Income Statements, by Major Industry

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

Item	All Industries	Major industry					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**774,280**	**28,106**	**7,117**	***	***	**6,154**	**777**
Total assets	**437,969,649**	**9,660,423**	**7,719,824**	***	***	**4,723,831**	**1,983,944**
Cash	50,518,179	1,118,592	1,008,892	***	***	611,638	272,314
Notes and accounts receivable	101,106,350	1,084,519	1,034,224	***	***	560,293	352,221
Less: Allowance for bad debts	1,351,531	2,413	6,930	***	***	*491	6,003
Inventories	94,640,007	965,540	279,622	***	***	92,589	143,471
Investments in Government obligations	3,307,000	*26,375	248,792	***	***	*128,146	*11,460
Tax-exempt securities	1,255,703	40,854	*1,080	***	***	*1,061	*19
Other current assets	23,065,901	172,388	285,427	***	***	149,096	99,162
Loans to stockholders	7,319,011	221,916	167,027	***	***	141,833	24,965
Mortgage and real estate loans	4,962,957	115,161	*20,026	***	***	*11,655	*59
Other investments	27,155,292	630,599	1,305,194	***	***	1,157,636	60,505
Depreciable assets	211,705,775	7,775,911	4,897,488	***	***	1,992,414	1,962,886
Less: Accumulated depreciation	117,966,272	5,076,188	2,940,730	***	***	1,180,173	1,220,393
Depletable assets	2,102,761	*165,395	1,326,415	***	***	1,207,113	96,394
Less: Accumulated depletion	614,156	*22,583	439,041	***	***	405,948	29,518
Land	14,094,741	2,086,346	248,465	***	***	47,040	169,770
Intangible assets (amortizable)	8,103,722	43,934	80,290	***	***	65,955	4,265
Less: Accumulated amortization	3,237,451	17,735	19,152	***	***	15,238	2,223
Other assets	11,801,659	331,811	222,736	***	***	159,213	44,593
Total liabilities	**437,969,649**	**9,660,423**	**7,719,824**	***	***	**4,723,831**	**1,983,944**
Accounts payable	63,976,120	448,069	551,298	***	***	336,943	122,936
Mortgages, notes, and bonds payable in less than one year	57,022,733	1,566,024	606,997	***	***	361,551	139,603
Other current liabilities	34,833,867	393,927	438,500	***	***	355,525	54,351
Loans from stockholders	21,861,711	740,269	431,839	***	***	363,080	52,755
Mortgages, notes, and bonds payable in one year or more	68,508,324	1,939,990	1,105,211	***	***	606,168	324,727
Other liabilities	11,164,045	265,279	211,622	***	***	51,422	83,033
Capital stock	14,868,396	1,459,093	253,351	***	***	193,634	38,505
Paid-in or capital surplus	18,503,833	809,885	841,678	***	***	771,809	53,611
Retained earnings, unappropriated	155,439,886	2,252,623	3,564,696	***	***	1,840,685	1,225,741
Less: Cost of treasury stock	8,209,265	214,737	285,366	***	***	156,985	111,317
Total receipts	**1,155,117,326**	**16,340,903**	**8,889,796**	***	***	**4,020,436**	**2,429,659**
Business receipts	1,132,610,995	15,585,959	8,312,197	***	***	3,590,519	2,333,435
Net long-term capital gain reduced by net short-term capital loss	230,654	*34,799	*83	***	***	--	--
Net gain, noncapital assets	2,499,672	88,870	93,734	***	***	66,375	15,558
Other receipts	19,604,478	628,802	482,044	***	***	362,525	80,627
Total deductions	**1,086,789,776**	**14,735,650**	**7,511,295**	***	***	**3,053,718**	**2,187,282**
Cost of sales and operations	757,264,726	9,121,356	4,125,442	***	***	1,258,938	1,408,432
Compensation of officers	43,412,896	436,305	231,899	***	***	102,739	108,719
Repairs	5,669,690	321,923	115,513	***	***	26,745	34,172
Bad debts	2,506,989	22,505	31,526	***	***	15,309	14,676
Rent paid on business property	19,310,490	391,347	61,756	***	***	29,718	16,818
Taxes paid	23,147,810	297,832	277,988	***	***	139,029	67,819
Interest paid	12,170,324	344,640	169,733	***	***	78,435	46,307
Amortization	1,227,849	4,945	6,136	***	***	3,957	1,273
Depreciation	17,698,760	568,028	458,488	***	***	188,985	166,170
Depletion	224,192	*10,817	160,425	***	***	*36,069	40,694
Advertising	10,924,601	52,182	10,370	***	***	4,574	3,555
Pension, profit-sharing, stock bonus, and annuity plans	3,755,035	28,446	30,076	***	***	5,920	12,586
Employee benefit programs	6,954,250	59,061	66,500	***	***	14,133	22,477
Net loss, noncapital assets	127,350	*514	*863	***	***	*851	*12
Other deductions	182,394,816	3,075,749	1,764,580	***	***	1,148,315	243,572
Total receipts less total deductions	68,327,550	1,605,253	1,378,502	***	***	966,718	242,377
Net income (less deficit)	67,925,370	1,567,981	1,376,680	***	***	965,701	242,337
Income subject to tax	*14,082	--	--	***	***	--	--
Income tax, total [2]	97,223	*942	968	***	***	*832	*36

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

RETURNS WITH NET INCOME, FORM 1120S

Table 15–Balance Sheets and Income Statements, 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	**92,284**	**34,588**	**4,998**	**52,698**	**62,745**	**4,030**	**–**	**1,668**	**2,817**
Total assets	**45,835,963**	**22,835,646**	**6,413,061**	**16,587,256**	**104,746,231**	**10,795,071**	**–**	**5,785,181**	**7,523,363**
Cash	6,926,043	2,976,848	1,153,271	2,795,924	10,174,043	878,255	--	443,789	535,716
Notes and accounts receivable	13,637,483	5,367,581	2,050,187	6,219,716	27,012,439	2,375,952	--	1,521,790	2,144,494
Less: Allowance for bad debts	55,152	16,561	7,350	31,241	444,084	30,851	--	18,148	48,869
Inventories	6,943,793	5,242,445	118,782	1,582,566	24,150,540	2,289,550	--	1,563,754	2,675,359
Investments in Government obligations	355,128	76,572	134,602	143,954	955,713	*102,809	--	*99,632	*74,299
Tax-exempt securities	126,495	27,011	56,923	42,560	534,688	*15,674	--	*21,675	*10,673
Other current assets	5,361,133	3,551,496	542,139	1,267,498	4,148,495	320,968	--	170,963	629,660
Loans to stockholders	858,531	366,514	109,487	382,530	955,992	90,848	--	21,725	65,870
Mortgage and real estate loans	494,984	399,481	*34,057	61,446	170,981	14,486	--	*408	*13,059
Other investments	2,210,744	1,188,660	412,302	609,782	5,295,206	635,734	--	269,375	257,208
Depreciable assets	17,496,378	4,273,416	4,771,153	8,451,809	59,930,077	7,655,080	--	3,233,142	2,189,792
Less: Accumulated depreciation	10,919,573	2,147,182	3,297,409	5,474,982	34,039,522	4,274,947	--	1,679,496	1,205,337
Depletable assets	*36,175	*13,752	*22,423	--	236,319	*15	--	9,503	--
Less: Accumulated depletion	*9,125	*4,654	*4,471	--	49,118	--	--	5,218	--
Land	1,189,409	754,810	183,167	251,432	1,836,361	257,338	--	53,838	45,484
Intangible assets (amortizable)	156,737	61,322	16,153	79,262	2,053,918	310,821	--	11,405	85,035
Less: Accumulated amortization	79,221	30,055	5,460	43,706	786,525	95,536	--	1,943	36,294
Other assets	1,106,001	734,189	123,104	248,708	2,610,708	248,873	--	68,987	87,215
Total liabilities	**45,835,963**	**22,835,646**	**6,413,061**	**16,587,256**	**104,746,231**	**10,795,071**	**–**	**5,785,181**	**7,523,363**
Accounts payable	8,868,983	4,777,388	1,065,336	3,026,258	13,198,531	1,486,955	--	867,669	1,245,471
Mortgages, notes, and bonds payable in less than one year	5,583,681	3,703,475	493,297	1,386,909	9,185,264	972,959	--	464,380	1,071,342
Other current liabilities	5,692,982	2,774,621	585,661	2,332,700	7,872,805	659,232	--	315,415	601,036
Loans from stockholders	1,732,070	954,724	150,824	626,522	3,311,047	302,395	--	98,104	442,021
Mortgages, notes, and bonds payable in one year or more	4,181,578	2,333,925	551,070	1,296,583	15,003,467	1,756,647	--	834,446	646,410
Other liabilities	1,832,380	1,143,586	149,339	539,455	2,035,005	123,253	--	93,500	79,284
Capital stock	870,634	308,642	154,965	407,026	2,577,512	232,941	--	102,971	134,915
Paid-in or capital surplus	1,371,094	651,117	208,548	511,429	3,332,517	276,777	--	190,143	281,384
Retained earnings, unappropriated	16,306,213	6,345,615	3,146,086	6,814,513	50,505,310	5,200,559	--	2,901,955	3,149,729
Less: Cost of treasury stock	603,652	157,449	92,065	354,138	2,275,227	216,648	--	83,402	128,229
Total receipts	**122,586,739**	**54,571,726**	**14,065,880**	**53,949,132**	**236,143,540**	**32,572,994**	**–**	**12,194,093**	**20,515,453**
Business receipts	121,189,412	53,898,801	13,816,617	53,473,995	232,907,409	32,203,955	--	12,077,780	20,207,324
Net long-term capital gain reduced by net short-term capital loss	1,894	*472	*846	*577	30,582	*351	--	*87	*1,374
Net gain, noncapital assets	144,557	38,732	58,634	47,191	557,753	18,577	--	45,075	5,800
Other receipts	1,231,521	629,120	179,325	423,076	2,579,874	346,590	--	68,285	298,046
Total deductions	**115,331,947**	**51,667,153**	**13,237,366**	**50,427,427**	**219,693,671**	**30,901,945**	**–**	**11,524,865**	**19,378,797**
Cost of sales and operations	92,173,806	44,659,953	10,447,514	37,066,339	160,185,861	24,533,350	--	9,246,601	14,538,577
Compensation of officers	4,102,229	1,260,013	462,521	2,379,696	8,518,576	511,426	--	425,568	857,056
Repairs	436,639	84,120	112,495	240,025	835,542	156,391	--	30,640	40,091
Bad debts	178,109	47,129	20,967	110,013	632,542	34,492	--	34,484	44,577
Rent paid on business property	829,560	211,204	85,989	532,367	2,005,746	146,630	--	73,713	238,638
Taxes paid	2,326,622	602,764	300,816	1,423,042	4,614,433	451,963	--	208,686	400,202
Interest paid	824,080	389,317	120,843	313,920	2,723,675	264,708	--	163,117	291,474
Amortization	24,646	9,175	3,201	12,271	241,930	30,537	--	4,624	11,824
Depreciation	1,555,165	332,516	412,356	810,292	4,811,442	606,021	--	297,137	188,060
Depletion	5,083	*1,339	*3,744	--	34,076	*1,216	--	--	--
Advertising	260,637	112,125	12,619	135,893	2,383,495	508,541	--	24,702	223,978
Pension, profit-sharing, stock bonus, and annuity plans	368,228	94,351	67,139	206,738	1,030,520	85,124	--	38,447	75,305
Employee benefit programs	636,127	125,194	74,867	436,066	2,226,725	215,139	--	107,797	137,903
Net loss, noncapital assets	4,784	1,164	*136	3,483	17,851	*417	--	*1,815	*184
Other deductions	11,606,231	3,736,789	1,112,160	6,757,283	29,431,258	3,355,991	--	867,535	2,330,928
Total receipts less total deductions	7,254,792	2,904,573	828,514	3,521,704	16,449,869	1,671,049	--	669,229	1,136,656
Net income (less deficit)	7,233,543	2,899,500	817,209	3,516,834	16,351,365	1,667,177	--	666,275	1,132,373
Income subject to tax	--	--	--	--	*14,082	--	--	--	--
Income tax, total [2]	13,541	2,330	2,888	8,322	22,291	1,177	--	*427	*655

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

RETURNS WITH NET INCOME, FORM 1120S

Table 15--Balance Sheets and Income Statements, 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	Chemical 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	4,229	2,191	836	10,127	2,596	99	2,195	295	2,782
Total assets	3,877,860	2,476,429	3,764,771	9,922,336	4,807,987	614,843	6,735,470	1,034,548	2,791,507
Cash	513,282	242,349	302,312	1,092,199	504,457	46,811	490,648	63,817	309,742
Notes and accounts receivable	670,627	778,062	892,814	2,542,134	1,302,702	167,877	1,621,598	347,540	647,824
Less: Allowance for bad debts	11,415	8,530	10,951	55,323	45,676	*733	24,606	6,492	7,968
Inventories	906,228	615,464	717,484	993,017	1,053,173	109,726	1,295,935	362,725	427,754
Investments in Government obligations	*27,075	*33,528	*43,087	119,494	*14,556	--	*1,616	--	*21,742
Tax-exempt securities	*5,266	*2,433	*90,400	*90,940	*6,582	--	*59,301	--	*1,384
Other current assets	195,125	98,063	116,177	439,907	147,536	13,693	300,590	72,721	134,953
Loans to stockholders	26,817	*7,784	43,765	127,257	38,243	--	66,138	*1,739	30,337
Mortgage and real estate loans	*10,535	*5,324	*5,369	22,025	*11,480	--	*3,432	--	*3,383
Other investments	158,862	108,155	227,202	517,840	217,696	*56,007	593,898	39,786	146,329
Depreciable assets	2,558,279	1,177,861	2,551,355	7,085,955	2,697,621	359,610	4,366,606	262,520	2,169,799
Less: Accumulated depreciation	1,588,039	678,959	1,357,011	3,986,325	1,391,780	201,672	2,376,544	168,549	1,334,248
Depletable assets	121,104	*2,702	*35,766	*14,788	1,547	--	--	--	*26,056
Less: Accumulated depletion	*5,543	--	--	*12,361	891	--	--	--	*12,093
Land	145,569	37,392	47,754	159,300	93,164	*17,107	103,895	*4,576	121,471
Intangible assets (amortizable)	29,066	20,063	18,037	644,954	69,673	*617	105,012	*20,922	74,548
Less: Accumulated amortization	15,099	12,123	7,885	227,853	31,549	*258	59,485	*9,521	48,989
Other assets	130,121	46,861	49,096	354,388	119,452	*46,059	187,434	42,763	79,482
Total liabilities	3,877,860	2,476,429	3,764,771	9,922,336	4,807,987	614,843	6,735,470	1,034,548	2,791,507
Accounts payable	337,601	301,726	475,973	1,042,247	624,843	81,472	791,365	147,855	289,157
Mortgages, notes, and bonds payable in less than one year	236,253	207,646	314,389	778,561	431,877	*17,498	561,776	80,946	291,807
Other current liabilities	281,636	194,521	227,066	1,071,543	304,678	36,674	474,574	71,587	152,136
Loans from stockholders	215,379	114,176	49,592	304,900	184,711	*12,384	96,981	*57,955	90,771
Mortgages, notes, and bonds payable in one year or more	437,849	298,418	543,440	2,261,674	618,645	*37,340	1,338,832	*54,728	410,804
Other liabilities	56,454	26,928	32,295	419,661	85,261	*218	107,668	*4,577	21,898
Capital stock	99,816	115,759	46,778	194,144	137,917	19,888	94,600	51,643	72,485
Paid-in or capital surplus	119,215	37,147	142,185	234,146	111,112	*19,217	209,233	*8,820	78,972
Retained earnings, unappropriated	2,142,033	1,224,787	2,001,922	3,921,547	2,404,943	407,028	3,164,560	585,539	1,414,404
Less: Cost of treasury stock	48,376	44,679	68,868	306,086	96,000	*16,876	104,120	*29,101	*30,927
Total receipts	9,577,081	6,282,566	7,696,418	20,016,158	10,290,165	1,447,806	12,055,738	2,440,381	5,330,142
Business receipts	9,351,966	6,182,854	7,621,037	19,561,939	10,168,244	1,431,646	11,918,418	2,423,241	5,261,554
Net long-term capital gain reduced by net short-term capital loss	*3,161	(1)	*29	*1,686	*1,727	--	*5,978	--	--
Net gain, noncapital assets	30,991	13,008	4,394	166,047	19,194	*3,502	37,787	*641	22,100
Other receipts	189,289	84,715	63,478	280,229	100,298	12,541	90,563	13,301	45,455
Total deductions	8,904,632	5,847,333	7,213,703	18,415,678	9,264,420	1,358,339	11,085,702	2,296,495	4,908,388
Cost of sales and operations	6,890,377	4,335,766	5,536,216	10,261,625	6,321,973	1,089,738	8,028,953	1,774,788	3,350,763
Compensation of officers	285,063	215,537	230,219	908,641	339,773	*34,303	414,925	111,538	245,437
Repairs	63,462	16,355	22,270	99,788	41,917	*2,543	51,190	4,069	35,331
Bad debts	18,428	22,125	19,935	107,986	37,640	*2,927	35,087	7,985	16,848
Rent paid on business property	66,216	68,597	47,791	299,729	91,995	7,580	93,515	16,004	69,386
Taxes paid	184,985	149,433	133,472	512,765	165,623	16,471	272,362	41,279	117,648
Interest paid	92,344	58,118	88,536	306,010	124,684	7,405	167,153	18,747	78,510
Amortization	6,345	4,922	2,642	40,800	10,489	*410	17,998	*4,429	13,525
Depreciation	195,423	88,602	190,762	589,821	201,010	30,666	369,867	19,858	177,310
Depletion	*21,233	--	--	*261	3,848	--	--	--	*6,643
Advertising	37,565	46,450	25,489	252,664	320,449	10,052	94,158	32,374	28,528
Pension, profit-sharing, stock bonus, and annuity plans	32,852	19,157	44,699	131,646	44,896	*3,552	60,155	*4,948	22,357
Employee benefit programs	71,214	72,527	67,788	242,755	61,333	*6,051	111,334	11,437	50,247
Net loss, noncapital assets	*114	*483	*147	928	*2,129	--	*1,308	--	*182
Other deductions	939,011	749,262	803,737	4,660,259	1,496,663	146,641	1,367,697	249,039	695,671
Total receipts less total deductions	672,449	435,232	482,715	1,600,480	1,025,744	89,467	970,036	143,886	421,755
Net income (less deficit)	667,614	433,243	475,206	1,592,537	1,023,315	89,351	961,065	140,687	420,721
Income subject to tax	--	--	--	--	--	--	--	--	--
Income tax, total [2]	*967	*106	*39	*2,769	*2,187	--	880	--	*1,097

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

RETURNS WITH NET INCOME, FORM 1120S

Table 15--Balance Sheets and Income Statements, 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	**534**	**10,542**	**4,174**	**3,428**	**460**	**933**	**1,856**	**6,957**
Total assets	**2,964,497**	**13,769,435**	**7,907,571**	**7,106,197**	**1,930,354**	**1,766,452**	**2,220,924**	**6,951,434**
Cash	242,103	1,394,884	1,045,869	803,006	229,350	90,266	286,734	658,456
Notes and accounts receivable	834,714	3,704,783	2,005,368	1,988,074	389,690	366,748	617,480	2,092,166
Less: Allowance for bad debts	7,397	37,256	25,323	37,773	2,603	*6,203	12,487	45,479
Inventories	620,374	2,929,829	2,124,859	1,928,599	606,309	383,416	591,725	1,955,260
Investments in Government obligations	*23,038	155,842	*57,718	*86,523	*31,459	--	*16,365	*46,929
Tax-exempt securities	*6,015	92,861	*23,106	*57,167	*24,021	*17,115	*10,074	--
Other current assets	123,396	445,644	271,130	207,156	94,118	57,048	73,281	236,367
Loans to stockholders	*12,695	101,680	49,175	81,996	*10,099	*89,793	31,416	58,614
Mortgage and real estate loans	*303	*31,818	*10,622	*6,457	*21,064	--	*3,969	*7,248
Other investments	121,867	804,890	357,173	310,035	102,477	30,871	102,352	237,450
Depreciable assets	1,968,898	8,796,467	4,159,728	3,132,672	877,614	619,006	951,130	3,116,939
Less: Accumulated depreciation	1,113,916	5,301,370	2,532,539	1,712,498	511,265	317,321	539,116	1,768,589
Depletable assets	*520	*21,693	*484	*2,142	--	--	--	--
Less: Accumulated depletion	*363	*11,225	--	*1,424	--	--	--	--
Land	52,999	266,947	127,299	136,446	25,112	29,870	35,278	75,523
Intangible assets (amortizable)	44,544	167,415	176,284	37,267	*8,528	*2,512	47,283	179,934
Less: Accumulated amortization	29,208	63,651	45,879	15,624	*2,025	*1,389	15,914	66,300
Other assets	63,915	268,186	102,498	95,976	26,406	404,721	21,356	166,916
Total liabilities	**2,964,497**	**13,769,435**	**7,907,571**	**7,106,197**	**1,930,354**	**1,766,452**	**2,220,924**	**6,951,434**
Accounts payable	464,966	1,658,039	940,157	843,420	257,884	241,754	187,125	912,852
Mortgages, notes, and bonds payable in less than one year	177,435	1,096,069	534,610	706,792	201,748	117,197	139,377	782,599
Other current liabilities	218,780	907,763	769,933	589,336	166,095	130,798	221,968	478,035
Loans from stockholders	86,845	406,171	155,589	158,097	*29,691	18,799	100,011	386,475
Mortgages, notes, and bonds payable in one year or more	507,032	1,907,119	1,104,766	768,704	178,708	220,069	231,299	846,538
Other liabilities	77,958	133,343	148,116	121,401	*28,305	*323,159	56,335	95,391
Capital stock	126,683	330,430	211,652	234,737	22,431	37,107	52,947	257,670
Paid-in or capital surplus	57,355	485,731	266,779	203,266	64,162	49,313	190,214	307,347
Retained earnings, unappropriated	1,362,264	7,192,837	4,001,925	3,651,048	1,000,568	630,727	1,088,789	3,058,146
Less: Cost of treasury stock	114,821	348,067	225,956	170,603	*19,237	*2,471	*47,141	173,620
Total receipts	**6,997,877**	**28,411,864**	**14,700,108**	**14,013,667**	**4,739,934**	**3,385,965**	**4,538,147**	**18,936,383**
Business receipts	6,878,311	27,988,793	14,508,615	13,851,956	4,694,162	3,326,054	4,495,831	18,753,729
Net long-term capital gain reduced by net short-term capital loss	--	1,093	*899	*33	--	*14,160	*1	*3
Net gain, noncapital assets	11,424	57,806	40,034	29,043	14,431	13,713	2,824	21,360
Other receipts	107,810	354,017	146,399	126,862	26,086	31,050	36,888	157,974
Total deductions	**6,482,984**	**26,215,540**	**13,486,639**	**12,813,071**	**4,481,466**	**3,129,859**	**4,110,467**	**17,873,347**
Cost of sales and operations	5,421,964	19,246,407	9,151,906	8,702,285	3,656,871	2,368,584	2,296,257	13,432,860
Compensation of officers	217,013	1,272,108	621,928	573,013	114,377	89,513	329,675	721,461
Repairs	15,299	96,773	50,565	28,522	17,080	10,505	14,991	37,763
Bad debts	6,806	71,430	39,824	51,567	4,448	10,690	9,821	55,440
Rent paid on business property	30,408	223,336	136,497	139,928	20,029	27,568	66,054	142,135
Taxes paid	96,254	673,442	350,833	286,331	82,494	84,600	95,675	269,916
Interest paid	65,936	352,912	197,868	152,615	39,480	26,957	42,787	184,314
Amortization	3,157	28,598	22,663	6,785	619	439	7,793	23,331
Depreciation	146,909	678,410	324,360	268,751	76,020	42,001	85,655	234,800
Depletion	*39	*56	*781	--	--	--	--	--
Advertising	10,056	136,282	157,525	144,867	20,685	19,087	74,260	215,783
Pension, profit-sharing, stock bonus, and annuity plans	24,702	151,914	94,896	71,117	11,445	8,050	39,892	65,366
Employee benefit programs	64,648	388,640	225,778	157,529	31,817	30,622	46,941	125,223
Net loss, noncapital assets	*1,061	4,456	1,921	*846	*608	*156	*28	*1,069
Other deductions	378,733	2,890,778	2,109,293	2,228,914	405,493	411,089	1,000,638	2,343,885
Total receipts less total deductions	514,892	2,196,324	1,213,468	1,200,595	258,468	256,106	427,680	1,063,636
Net income (less deficit)	514,561	2,185,076	1,208,409	1,194,789	253,212	240,958	425,078	1,059,716
Income subject to tax	--	--	--	--	--	*14,082	--	--
Income tax, total [1]	*209	1,085	*138	*4,573	32	*4,788	*256	*906

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

RETURNS WITH NET INCOME, FORM 1120S

Table 15--Balance Sheets and Income Statements, 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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	**31,111**	**24,444**	**3,881**	**2,786**	**203,972**	**60,339**	**5,114**	**9,716**	**45,510**
Total assets	**15,533,798**	**10,926,678**	**2,518,532**	**2,088,587**	**154,690,369**	**80,861,265**	**6,218,648**	**9,873,230**	**64,769,386**
Cash	1,858,566	1,329,662	259,411	269,493	16,132,040	7,877,874	641,369	804,264	6,432,241
Notes and accounts receivable	3,595,827	2,582,558	528,659	484,610	36,611,889	25,923,348	2,156,906	2,803,832	20,962,610
Less: Allowance for bad debts	42,403	28,075	10,597	*3,730	563,247	396,216	32,043	46,184	317,990
Inventories	308,017	257,437	38,932	11,649	54,154,861	26,161,702	1,593,414	3,951,403	20,616,885
Investments in Government obligations	70,665	*51,245	*12,122	*7,298	692,403	471,495	*30,992	*76,408	364,094
Tax-exempt securities	97,979	*70,745	26,355	879	193,011	78,644	*6,554	*7,582	64,508
Other current assets	916,437	670,612	118,907	126,919	5,270,310	2,924,659	236,518	209,042	2,479,098
Loans to stockholders	239,702	157,001	30,615	52,086	2,106,046	842,567	66,911	87,976	687,680
Mortgage and real estate loans	65,615	*45,594	*1,355	*18,666	480,852	207,695	*9,659	*14,916	183,120
Other investments	728,246	429,815	187,506	110,925	6,004,499	3,725,295	136,528	400,749	3,188,018
Depreciable assets	14,101,350	9,941,188	2,065,831	2,094,330	57,212,610	23,120,993	2,283,251	2,924,060	17,913,681
Less: Accumulated depreciation	7,983,653	5,353,525	1,309,242	1,320,885	31,744,745	13,246,797	1,220,144	1,616,971	10,409,682
Depletable assets	*43,496	*31,419	--	*12,076	110,269	67,766	55	*130	67,581
Less: Accumulated depletion	*10,909	*5,313	--	*5,597	19,029	7,807	--	*49	*7,758
Land	388,849	264,821	78,827	45,201	3,423,873	1,172,473	73,073	112,741	986,658
Intangible assets (amortizable)	465,062	158,067	204,739	102,256	2,821,182	1,048,058	132,268	52,585	863,205
Less: Accumulated amortization	172,832	52,520	73,284	47,028	1,124,881	408,666	24,805	27,842	356,019
Other assets	863,783	375,946	358,397	129,441	2,928,426	1,298,183	128,141	118,588	1,051,455
Total liabilities	**15,533,798**	**10,926,678**	**2,518,532**	**2,088,587**	**154,690,369**	**80,861,265**	**6,218,648**	**9,873,230**	**64,769,386**
Accounts payable	2,187,837	1,677,139	134,885	375,812	29,775,939	18,952,704	1,430,532	2,143,028	15,379,144
Mortgages, notes, and bonds payable in less than one year	1,445,596	1,081,793	141,790	222,013	25,954,118	11,460,192	863,832	1,624,311	8,972,049
Other current liabilities	1,336,473	911,047	261,140	164,286	9,933,194	5,056,527	362,945	760,955	3,932,627
Loans from stockholders	842,643	491,288	283,993	67,361	7,301,383	3,074,356	268,882	325,516	2,479,958
Mortgages, notes, and bonds payable in one year or more	3,692,578	2,533,259	690,652	468,667	18,783,267	7,390,766	661,733	1,037,781	5,691,253
Other liabilities	390,156	266,888	70,360	52,907	1,894,984	985,204	72,983	112,848	799,373
Capital stock	595,817	373,221	145,075	77,521	5,003,165	1,948,498	204,832	239,165	1,504,501
Paid-in or capital surplus	912,462	632,812	200,389	79,262	4,186,748	1,675,871	143,039	196,341	1,336,491
Retained earnings, unappropriated	4,463,752	3,182,074	664,153	617,525	54,874,145	32,046,704	2,401,309	3,637,212	26,008,183
Less: Cost of treasury stock	333,515	222,843	73,905	*36,767	3,016,573	1,729,556	191,438	203,926	1,334,193
Total receipts	**37,826,435**	**29,984,933**	**3,419,509**	**4,421,993**	**540,032,357**	**271,643,082**	**34,805,799**	**24,212,069**	**212,625,215**
Business receipts	36,924,471	29,403,317	3,227,274	4,293,879	533,187,926	268,771,309	34,431,709	23,788,501	210,551,100
Net long-term capital gain reduced by net short-term capital loss	*4,013	*3,380	*1	*632	45,160	20,164	--	*1,364	18,800
Net gain, noncapital assets	324,419	191,292	107,447	25,679	548,253	197,180	40,044	27,854	129,282
Other receipts	565,510	382,880	82,658	99,971	6,213,602	2,629,002	333,584	391,369	1,904,050
Total deductions	**35,218,042**	**28,322,149**	**2,907,735**	**3,988,158**	**521,353,856**	**262,102,846**	**34,093,510**	**23,117,895**	**204,891,441**
Cost of sales and operations	18,498,652	15,255,840	1,026,959	2,215,852	405,875,541	214,838,303	29,465,039	17,254,139	168,119,125
Compensation of officers	1,090,967	791,591	93,406	205,970	12,031,301	6,365,217	621,416	934,602	4,809,200
Repairs	593,520	473,586	37,320	82,613	2,039,843	719,074	90,890	70,686	557,498
Bad debts	118,052	67,496	45,104	5,452	988,466	595,004	45,774	57,864	491,365
Rent paid on business property	1,035,066	870,330	69,067	95,669	8,329,040	2,283,438	202,535	240,973	1,839,930
Taxes paid	1,080,586	876,848	96,003	107,735	7,936,142	3,379,122	249,772	312,309	2,817,041
Interest paid	596,865	396,783	134,803	65,279	4,403,800	2,023,861	175,105	246,783	1,601,973
Amortization	103,090	40,195	51,577	11,318	389,688	125,662	12,324	7,967	105,371
Depreciation	1,473,901	1,099,320	178,274	196,307	4,751,881	1,967,483	212,083	303,881	1,451,520
Depletion	*3,350	*1,593	--	*1,757	8,663	3,694	--	*55	*3,639
Advertising	186,557	122,144	54,906	9,508	5,527,929	1,261,453	121,043	115,217	1,025,193
Pension, profit-sharing, stock bonus, and annuity plans	102,478	68,479	8,660	25,340	1,036,333	653,346	58,074	99,405	495,866
Employee benefit programs	310,784	250,436	24,121	36,227	2,016,113	941,076	92,833	153,187	695,056
Net loss, noncapital assets	2,322	2,069	5	*247	76,562	11,892	*3,321	*2,767	5,804
Other deductions	10,021,851	8,005,438	1,087,529	928,884	65,942,553	26,934,223	2,743,301	3,318,060	20,872,862
Total receipts less total deductions	2,608,393	1,662,784	511,774	433,835	18,678,501	9,540,236	712,289	1,094,173	7,733,773
Net income (less deficit)	2,596,358	1,655,340	509,645	431,372	18,595,925	9,494,646	711,827	1,089,828	7,692,990
Income subject to tax	--	--	--	--	--	--	--	--	--
Income tax, total [2]	28,788	309	*28,217	*262	12,354	8,465	*138	875	7,453

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

RETURNS WITH NET INCOME, FORM 1120S

Table 15--Balance Sheets and Income Statements, 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 furnishing 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, total	**143,220**	**7,269**	**1,451**	**15,056**	**18,369**	**6,977**	**6,596**	**38,002**	**49,500**	**412**
Total assets	**73,526,066**	**5,582,944**	**2,464,652**	**7,533,184**	**23,580,670**	**3,333,750**	**3,975,091**	**9,263,101**	**17,792,674**	**303,038**
Cash	8,224,068	485,320	213,080	894,425	1,908,970	388,635	474,990	1,608,013	2,250,635	*30,099
Notes and accounts receivable	10,537,623	1,213,077	310,951	550,130	3,131,659	388,235	1,210,320	458,186	3,275,064	150,918
Less: Allowance for bad debts	165,717	20,482	*2,613	*1,779	37,174	5,009	30,308	*638	67,714	*1,314
Inventories	27,920,261	2,142,417	1,198,342	1,954,665	12,356,871	1,601,296	1,372,529	463,952	6,830,191	*72,898
Investments in Government obligations	220,908	*36,914	--	*2,767	*65,224	*22,529	*10,889	*10,454	72,131	--
Tax-exempt securities	114,367	*6,607	--	--	*10,521	--	*107	*24,245	*72,887	--
Other current assets	2,342,330	129,239	64,322	430,557	616,647	146,848	72,295	281,252	601,171	*3,321
Loans to stockholders	1,263,479	133,912	*6,210	106,037	360,461	42,825	85,965	256,555	271,516	--
Mortgage and real estate loans	271,289	42,305	116	*14,807	51,655	*2,436	*853	150,902	8,216	*1,868
Other investments	2,278,510	233,129	70,073	372,834	501,135	67,005	86,097	388,279	559,959	*694
Depreciable assets	34,015,610	2,141,563	891,143	5,537,574	6,569,210	1,164,437	1,141,069	9,647,704	6,922,911	*76,007
Less: Accumulated depreciation	18,456,018	1,261,085	419,001	2,912,393	3,254,703	564,095	586,833	5,455,114	4,002,793	*41,930
Depletable assets	42,504	*5,626	--	--	*23,976	*117	--	*12,624	*160	--
Less: Accumulated depletion	*11,221	*2,387	--	--	*8,298	*29	--	*440	*68	--
Land	2,251,169	230,608	65,969	277,814	693,485	21,924	76,997	589,440	294,931	*231
Intangible assets (amortizable)	1,757,925	23,030	51,083	226,745	243,598	11,515	25,026	602,726	574,200	*15,199
Less: Accumulated amortization	710,394	10,121	13,698	111,948	89,886	5,224	6,407	224,542	248,568	*5,821
Other assets	1,629,375	53,273	28,675	190,949	437,319	50,307	41,502	449,503	377,847	*867
Total liabilities	**73,526,066**	**5,582,944**	**2,464,652**	**7,533,184**	**23,580,670**	**3,333,750**	**3,975,091**	**9,263,101**	**17,792,674**	**303,038**
Accounts payable	10,771,579	741,554	469,410	1,454,964	1,997,407	604,006	736,984	835,666	3,931,588	*51,655
Mortgages, notes, and bonds payable in less than one year	14,456,003	609,446	231,197	438,199	10,184,455	271,644	394,784	618,086	1,708,193	*37,922
Other current liabilities	4,852,899	322,005	143,153	532,296	1,146,960	221,292	420,554	666,707	1,399,933	*23,769
Loans from stockholders	4,201,901	286,767	31,127	380,887	941,409	318,943	95,289	1,022,553	1,124,927	*25,126
Mortgages, notes, and bonds payable in one year or more	11,364,040	840,552	406,900	1,538,062	2,644,367	374,035	461,866	2,802,928	2,295,330	*28,461
Other liabilities	908,587	43,884	52,271	77,811	202,020	52,550	93,441	109,710	276,900	*1,193
Capital stock	3,051,840	247,118	44,790	262,693	889,940	106,936	154,449	674,126	671,789	*2,827
Paid-in or capital surplus	2,498,617	115,640	54,459	207,367	571,514	236,526	188,962	477,453	646,697	*12,260
Retained earnings, unappropriated	22,707,617	2,438,096	1,078,662	2,749,137	5,321,199	1,187,298	1,577,467	2,299,263	6,056,494	119,824
Less: Cost of treasury stock	1,287,017	62,117	*47,318	108,232	318,600	*39,480	148,705	243,390	319,176	--
Total receipts	**267,245,445**	**16,314,033**	**6,114,526**	**41,211,665**	**101,215,076**	**8,214,764**	**9,967,064**	**31,789,442**	**52,418,874**	**1,143,829**
Business receipts	263,294,143	16,164,356	5,998,166	40,830,374	99,683,176	8,089,178	9,640,860	31,196,206	51,691,827	1,122,474
Net long-term capital gain reduced by net short-term capital loss	24,991	*211	--	*786	*1,144	*729	--	*13,357	*8,763	*5
Net gain, noncapital assets	349,225	13,015	*296	22,300	76,287	*3,033	20,696	77,375	136,223	*1,848
Other receipts	3,565,098	136,138	116,021	355,929	1,452,875	121,643	304,226	500,951	577,314	*19,502
Total deductions	**258,164,002**	**15,672,595**	**5,796,507**	**40,184,854**	**99,576,660**	**7,839,016**	**9,464,136**	**29,928,360**	**49,701,873**	**1,087,008**
Cost of sales and operations	190,206,348	11,513,740	3,976,172	31,435,515	85,274,347	4,927,230	6,123,378	12,618,505	34,337,461	830,890
Compensation of officers	5,636,005	440,292	116,071	402,930	1,195,415	256,318	331,203	1,282,964	1,610,811	*30,080
Repairs	1,317,195	109,712	27,316	211,334	238,106	33,256	51,270	438,188	208,013	*3,573
Bad debts	391,455	60,415	7,429	18,415	82,945	16,923	73,710	15,088	116,531	*2,007
Rent paid on business property	6,032,020	241,022	228,337	618,055	962,850	414,915	342,205	1,826,379	1,398,257	13,582
Taxes paid	4,545,869	276,662	109,215	580,690	974,984	193,406	185,446	1,316,521	908,945	11,151
Interest paid	2,373,457	173,464	60,924	197,527	908,306	74,439	109,149	390,918	458,730	*6,482
Amortization	261,224	5,439	3,132	38,784	41,265	5,581	14,050	75,934	77,039	*2,802
Depreciation	2,776,011	175,425	70,051	428,487	598,219	91,335	86,181	699,152	627,160	8,387
Depletion	*4,969	1,381	--	--	*484	--	--	--	*3,105	--
Advertising	4,257,726	181,984	174,399	392,789	982,788	227,224	370,338	918,043	1,010,160	8,750
Pension, profit-sharing, stock bonus, and annuity plans	377,992	59,799	10,721	55,745	56,593	12,216	17,959	63,051	101,908	*4,996
Employee benefit programs	1,072,601	64,265	30,426	213,815	380,277	29,640	46,656	130,820	176,702	*2,437
Net loss, noncapital assets	64,670	*782	*24	*314	6,911	*1,562	*6,592	46,215	2,268	--
Other deductions	38,846,459	2,368,214	982,289	5,590,452	7,873,170	1,554,971	1,705,999	10,106,582	8,664,782	161,872
Total receipts less total deductions	9,081,443	641,439	318,018	1,026,811	1,638,416	375,748	502,928	1,861,081	2,717,001	56,821
Net income (less deficit)	9,044,464	640,915	317,977	1,023,748	1,635,678	374,837	501,646	1,846,172	2,703,490	56,816
Income subject to tax	--	--	--	--	--	--	--	--	--	--
Income tax, total [1]	3,888	*225	383	1,094	1,294	*51	*19	*291	532	--

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

RETURNS WITH NET INCOME, FORM 1120S

Table 15--Balance Sheets and Income Statements, 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	**68,821**	*16	**2,306**	**2,555**	*973	**19,697**	**40,029**	**3,246**
Total assets	**44,388,225**	*97,396	**6,094,808**	**3,926,823**	*265,649	**4,243,232**	**26,709,357**	**3,050,960**
Cash	4,644,737	*36,367	391,307	584,710	*104,956	1,352,530	1,920,607	254,260
Notes and accounts receivable	7,264,501	--	2,869,099	633,803	*47,283	1,313,034	2,235,325	165,958
Less: Allowance for bad debts	87,862	--	38,517	*-,476	*405	*2,664	46,732	*21
Inventories	5,299,300	--	*55,194	*7,959	--	*1,090	5,235,057	--
Investments in Government obligations	772,762	--	*244	454,196	--	*9,821	*216,361	*92,141
Tax-exempt securities	121,589	--	*9,619	10,710	--	*228	*35,868	*65,164
Other current assets	3,894,457	*52,203	317,344	903,253	*2,907	252,448	2,227,496	138,806
Loans to stockholders	813,293	--	53,074	*74,195	*6,839	145,858	497,130	36,198
Mortgage and real estate loans	3,256,465	--	1,320,271	34	--	*29,320	1,633,913	*272,926
Other investments	7,079,535	--	836,368	830,462	*11,079	277,372	3,258,356	1,865,897
Depreciable assets	9,993,344	*13,687	225,061	418,089	*78,639	1,157,634	7,947,989	152,246
Less: Accumulated depreciation	3,821,411	*6,457	111,317	212,070	*37,316	670,799	2,735,995	47,456
Depletable assets	*79,678	--	--	*53,285	--	--	*26,260	*133
Less: Accumulated depletion	*29,066	--	--	*27,228	--	--	*1,838	--
Land	3,068,616	*6	12,029	*29,649	--	36,078	2,964,108	*26,746
Intangible assets (amortizable)	657,053	*253	152,740	6,527	*30,010	261,722	197,655	*8,146
Less: Accumulated amortization	321,950	*23	91,398	2,963	*12,683	126,906	83,098	*4,880
Other assets	1,703,183	*1,360	93,689	161,736	*34,339	206,467	1,180,894	24,698
Total liabilities	**44,388,225**	*97,395	**6,094,808**	**3,926,823**	*265,649	**4,243,232**	**26,709,357**	**3,050,960**
Accounts payable	3,997,419	*663	176,834	916,592	*36,672	1,616,849	1,143,522	106,288
Mortgages, notes, and bonds payable in less than one year	6,908,132	*71,574	2,232,049	232,864	*17,242	234,784	3,816,329	303,289
Other current liabilities	3,074,558	*1,997	253,509	994,843	*53,079	555,129	1,165,850	50,152
Loans from stockholders	3,176,406	*7,967	169,656	46,342	--	166,902	2,690,210	*95,330
Mortgages, notes, and bonds payable in one year or more	11,632,724	*1,655	1,488,221	127,048	*38,570	485,554	8,343,377	1,148,299
Other liabilities	2,547,774	*5,077	680,247	304,829	*1,942	108,082	1,400,418	*47,180
Capital stock	1,619,067	*1,906	70,349	226,309	*35,432	138,714	1,050,234	96,123
Paid-in or capital surplus	3,414,068	--	183,942	337,512	*4,946	166,074	2,117,294	604,300
Retained earnings, unappropriated	8,298,895	*6,558	840,772	765,903	*77,766	870,519	5,109,947	627,430
Less: Cost of treasury stock	280,818	--	*771	*25,419	--	99,375	127,823	*27,430
Total receipts	**39,327,599**	*35,168	**2,211,505**	**4,136,409**	*362,752	**8,721,264**	**22,457,328**	**1,403,170**
Business receipts	35,858,468	*35,032	1,838,383	3,733,197	*361,959	8,493,251	20,539,328	857,318
Net long-term capital gain reduced by net short-term capital loss	21,116	--	*69	(1)	*91	--	*20,954	*1
Net gain, noncapital assets	299,972	--	5,250	4,333	*283	1,897	112,957	*175,252
Other receipts	3,131,693	*136	365,594	396,900	*419	225,507	1,777,460	365,677
Total deductions	**33,340,407**	*32,871	**1,896,147**	**3,529,667**	*309,062	**7,536,629**	**19,269,872**	**766,160**
Cost of sales and operations	14,503,078	--	*677,741	1,365,241	*8,524	1,674,981	10,763,036	*13,556
Compensation of officers	2,976,753	*692	140,108	563,797	*35,990	1,142,509	793,593	300,064
Repairs	129,355	*154	7,214	6,028	*3,111	34,607	77,555	*686
Bad debts	113,345	*418	39,048	7,882	*770	25,720	38,596	*910
Rent paid on business property	847,838	*1,829	43,346	92,129	*21,032	264,455	390,475	34,573
Taxes paid	810,759	*858	37,590	86,178	*15,541	206,819	437,151	26,622
Interest paid	1,203,571	*7,240	328,772	90,469	*4,351	78,465	655,128	39,145
Amortization	100,025	*6	15,791	3,670	*2,466	34,335	42,209	1,547
Depreciation	465,241	*1,716	30,336	50,928	*6,789	104,062	255,892	15,519
Depletion	*1,083	--	--	--	--	--	*1,083	--
Advertising	444,524	*227	20,159	25,661	*2,796	78,420	307,637	*9,624
Pension, profit-sharing, stock bonus, and annuity plans	180,345	*955	7,722	28,393	*351	91,847	42,413	*8,664
Employee benefit programs	236,205	--	9,368	28,001	*7,442	86,227	101,807	3,360
Net loss, noncapital assets	5,932	--	*440	*455	--	*1,027	4,010	--
Other deductions	11,322,352	*18,776	538,512	1,180,833	*199,898	3,713,154	5,359,287	311,892
Total receipts less total deductions	5,987,191	*2,297	315,358	606,743	*53,690	1,184,636	3,187,457	637,011
Net income (less deficit)	5,949,725	*2,297	313,079	604,764	*53,598	1,184,026	3,159,873	632,088
Income subject to tax	--	--	--	--	--	--	--	--
Income tax, total [2]	2,608	--	*283	*360	*94	*175	*1,331	*365

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

RETURNS WITH NET INCOME, FORM 1120S

Table 15--Balance Sheets and Income Statements, by Major Industry--Continued

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

Item	Major Industry--Continued							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	278,921	4,299	21,589	84,396	32,589	21,198	114,850	*1,202
Total assets	55,270,742	3,793,398	3,131,920	18,699,980	5,490,248	7,019,765	17,135,430	*124,073
Cash	8,634,717	330,880	417,632	3,144,860	812,009	869,683	3,059,653	*20,548
Notes and accounts receivable	10,849,411	199,185	495,821	5,135,437	980,764	564,930	3,473,273	*16,056
Less: Allowance for bad debts	149,425	*2,328	5,865	48,805	8,197	19,384	64,847	*16
Inventories	2,533,532	32,419	139,682	1,053,972	662,062	329,461	315,936	*4,801
Investments in Government obligations	180,167	*25,737	*11,711	67,106	*790	*23,959	*50,865	*4,994
Tax-exempt securities	140,008	*931	*26,530	100,044	*4	*4,066	*8,433	--
Other current assets	3,015,318	57,573	228,732	1,245,440	146,962	332,517	1,004,094	*1,936
Loans to stockholders	1,930,401	74,979	48,590	573,531	209,497	179,404	844,399	*26,103
Mortgage and real estate loans	355,767	*8,914	*2,033	113,331	*41,480	*95,355	94,654	*3,107
Other investments	3,883,568	354,034	147,707	1,589,780	108,251	315,836	1,367,959	*17,700
Depreciable assets	40,234,847	4,109,431	2,565,879	10,588,335	3,921,610	6,560,590	12,489,001	*63,770
Less: Accumulated depreciation	21,396,527	2,005,275	1,447,212	6,051,938	1,799,970	3,332,694	6,759,439	*43,922
Depletable assets	105,015	*56,765	--	*12,575	*32,538	--	*3,137	--
Less: Accumulated depletion	*35,286	*3,503	--	*6,289	*25,195	--	*299	--
Land	1,850,304	459,649	86,491	269,346	201,642	443,637	369,539	*2,520
Intangible assets (amortizable)	1,821,935	45,458	250,915	678,740	102,037	249,840	494,943	*3,611
Less: Accumulated amortization	714,006	18,954	86,593	279,869	47,910	93,248	187,431	*1,149
Other assets	2,030,998	67,504	249,867	494,383	151,873	495,813	571,559	*4,011
Total liabilities	55,270,742	3,793,398	3,131,920	18,699,980	5,490,248	7,019,765	17,135,430	*124,073
Accounts payable	4,929,731	110,195	214,766	2,513,526	478,136	447,686	1,165,421	*18,314
Mortgages, notes, and bonds payable in less than one year	5,766,546	202,666	274,878	1,820,691	1,133,425	399,629	1,935,258	*6,375
Other current liabilities	6,084,972	165,102	403,677	2,303,424	432,283	755,945	2,024,541	*6,455
Loans from stockholders	4,294,806	308,564	263,577	1,575,155	344,504	594,798	1,208,209	*31,247
Mortgages, notes, and bonds payable in one year or more	12,137,589	1,812,833	549,380	2,859,015	1,060,167	1,939,807	3,916,387	*31,921
Other liabilities	1,983,240	54,659	100,523	774,257	107,486	294,036	652,279	*3,606
Capital stock	2,487,727	221,942	175,473	694,769	282,068	401,417	712,058	*2,030
Paid-in or capital surplus	3,647,026	261,705	230,984	1,086,234	296,152	789,684	982,267	*-11,644
Retained earnings, unappropriated	15,136,345	777,245	1,080,281	5,446,787	1,427,128	1,575,810	4,829,094	*37,905
Less: Cost of treasury stock	1,197,240	121,513	161,618	373,877	71,101	179,047	290,084	*2,137
Total receipts	153,546,370	3,690,253	8,261,840	59,011,970	15,516,561	11,843,333	55,222,412	*423,588
Business receipts	148,234,780	3,595,027	8,088,783	57,120,511	14,780,661	11,427,977	53,221,821	*410,373
Net long-term capital gain reduced by net short-term capital loss	93,007	*149	*3,637	*1,176	--	*939	*87,106	--
Net gain, noncapital assets	442,115	*24,888	1,137	158,244	159,168	43,418	55,259	--
Other receipts	4,758,218	69,842	167,392	1,721,833	575,537	368,500	1,855,114	*13,215
Total deductions	139,242,749	3,363,365	7,604,643	53,943,414	14,598,870	10,517,882	49,214,575	*362,158
Cost of sales and operations	52,653,224	665,579	3,069,614	24,491,883	8,122,313	3,354,431	12,949,405	*127,766
Compensation of officers	14,011,192	122,154	466,575	4,216,811	853,755	721,426	7,630,472	*13,674
Repairs	1,194,355	103,050	80,438	292,388	91,925	211,032	415,522	*2,999
Bad debts	422,122	5,034	25,522	137,063	26,842	36,952	190,710	*322
Rent paid on business property	5,797,770	196,546	517,696	1,572,861	606,570	585,983	2,318,113	*12,366
Taxes paid	5,787,725	232,920	311,676	2,285,896	554,161	463,578	1,939,494	*15,723
Interest paid	1,896,735	209,639	75,518	527,784	203,173	247,331	633,290	*7,224
Amortization	357,390	5,224	33,698	103,022	12,620	63,939	138,888	--
Depreciation	3,609,447	230,252	205,841	1,088,637	534,408	588,408	961,902	*5,167
Depletion	*693	--	--	*217	--	--	*476	--
Advertising	2,043,817	71,043	163,722	785,454	134,929	376,504	512,165	*15,090
Pension, profit-sharing, stock bonus, and annuity plans	977,750	*8,491	34,981	318,813	45,692	42,426	527,346	*858
Employee benefit programs	1,402,414	34,833	57,921	479,846	116,342	71,488	641,984	*320
Net loss, noncapital assets	18,522	*1,276	*720	5,520	*2,697	*822	7,487	--
Other deductions	49,069,593	1,477,324	2,560,721	17,637,219	3,293,445	3,753,563	20,347,322	*160,649
Total receipts less total deductions	14,303,621	326,888	657,197	5,068,556	917,691	1,325,451	6,007,837	*61,429
Net income (less deficit)	14,192,363	326,392	652,668	5,057,174	916,496	1,322,013	5,917,620	*61,429
Income subject to tax	--	--	--	--	--	--	--	--
Income tax, total [2]	15,732	--	1	7,991	*1,710	*1,807	4,223	--

*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.

[1] Less than $500 per return.

[2] Also includes excess net passive income tax (Form 1120S), and adjustments to income tax and to total tax which are 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, FORM 1120

Table 16--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**1,848,498**	**61,070**	**19,938**	**627**	**1,888**	**15,534**	**1,889**
Total assets	**14,942,966,503**	**46,596,769**	**207,932,227**	**21,507,463**	**22,094,652**	**151,530,382**	**12,799,730**
Cash	663,852,717	3,063,027	7,219,094	877,595	699,096	5,241,678	400,725
Notes and accounts receivable	3,906,440,917	4,443,927	21,505,479	1,459,336	3,813,548	14,120,829	2,111,766
Less: Allowance for bad debts	107,187,143	46,025	284,978	26,528	31,919	197,727	28,804
Inventories	745,175,632	6,112,213	5,832,765	1,209,605	841,088	2,920,398	861,675
Investments in Government obligations	643,106,437	210,649	634,739	*34,403	*116,831	417,188	*66,317
Tax-exempt securities	170,899,056	187,883	232,204	*9,887	*70,050	143,808	*8,459
Other current assets	977,381,374	1,562,787	6,257,518	1,067,456	1,369,703	3,548,466	271,892
Loans to stockholders	80,277,048	1,148,690	1,366,181	*58,110	71,987	1,199,652	36,432
Mortgage and real estate loans	1,311,434,907	367,685	213,234	*83,412	*2,671	117,640	*9,511
Other investments	2,700,658,135	4,709,663	82,091,246	4,803,605	5,359,267	69,206,713	2,721,661
Depreciable assets	3,907,144,661	31,315,007	92,904,041	11,875,835	9,738,731	62,811,440	8,478,034
Less: Accumulated depreciation	1,653,293,648	18,929,257	46,925,206	5,527,378	5,081,557	32,096,897	4,219,375
Depletable assets	126,317,191	643,568	38,887,067	4,056,067	3,831,819	30,041,980	957,201
Less: Accumulated depletion	54,148,020	272,247	16,062,817	680,076	1,465,344	13,791,952	125,444
Land	164,916,842	9,558,015	3,192,439	338,352	291,222	1,998,855	564,010
Intangible assets (amortizable)	468,280,340	280,624	5,978,072	552,188	860,639	4,179,288	385,956
Less: Accumulated amortization	87,180,619	80,842	2,590,272	98,701	280,430	2,180,889	30,252
Other assets	978,890,678	2,321,403	7,481,422	1,414,294	1,887,249	3,849,911	329,968
Total liabilities	**14,942,966,503**	**46,596,769**	**207,932,227**	**21,507,463**	**22,094,652**	**151,530,382**	**12,799,730**
Accounts payable	969,027,931	2,829,003	12,706,363	916,367	2,261,803	8,650,341	877,852
Mortgages, notes, and bonds payable in less than one year	1,676,777,814	7,041,104	11,171,940	1,447,052	1,557,560	6,608,525	1,558,804
Other current liabilities	4,957,763,570	2,683,764	12,164,863	1,665,089	1,609,206	8,196,537	694,030
Loans from stockholders	185,412,422	2,508,658	3,835,612	903,204	1,219,429	1,564,497	148,482
Mortgages, notes, and bonds payable in one year or more	2,449,532,203	11,176,077	47,291,818	5,896,684	3,030,083	35,857,212	2,507,839
Other liabilities	1,517,436,394	2,523,684	14,776,990	1,634,124	2,662,708	9,876,446	603,713
Capital stock	579,981,573	5,433,084	9,637,685	1,243,810	906,434	6,675,353	812,088
Paid-in or capital surplus	1,557,659,008	4,953,155	101,156,029	7,546,530	7,336,847	84,187,114	2,085,538
Retained earnings, appropriated	28,658,939	92,923	310,525	66,997	24,083	160,801	58,643
Retained earnings, unappropriated	1,203,909,298	8,342,959	-1,047,111	453,558	1,666,889	-7,105,024	3,937,467
Less: Cost of treasury stock	183,192,646	987,642	4,072,487	265,951	180,390	3,141,420	484,725
Total receipts	**9,108,630,545**	**61,033,772**	**99,534,663**	**11,992,289**	**17,495,204**	**60,632,299**	**9,414,872**
Business receipts	7,897,356,727	56,447,051	86,157,732	10,448,199	16,248,169	50,637,389	8,823,974
Interest	738,822,485	644,254	3,809,768	275,254	415,615	2,928,426	190,474
Interest on Government obligations: State and local	17,801,064	24,517	34,992	*5,908	3,461	22,092	3,531
Rents	91,496,517	473,658	366,273	32,107	67,769	203,780	62,617
Royalties	32,114,515	79,612	395,535	66,125	70,991	242,460	15,959
Net short-term capital gain reduced by net long-term capital loss	2,610,662	31,433	23,018	*153	*7,939	14,215	*710
Net long-term capital gain reduced by net short-term capital loss	39,891,340	497,603	1,954,536	657,440	130,967	1,065,228	100,901
Net gain, noncapital assets	27,855,226	247,131	1,121,216	39,508	92,792	926,760	62,156
Dividends received from domestic corporations	11,103,302	75,015	317,966	56,662	21,200	231,435	8,669
Dividends received from foreign corporations	33,232,812	32,378	280,771	10,420	61,351	200,855	*8,144
Other receipts	216,345,895	2,481,120	5,072,856	400,510	374,950	4,159,660	137,735
Total deductions	**8,862,704,964**	**59,696,219**	**95,354,846**	**11,421,693**	**17,240,186**	**57,604,106**	**9,088,862**
Cost of sales and operations	5,254,392,690	37,358,943	56,202,005	6,491,189	12,861,433	31,363,165	5,486,218
Compensation of officers	137,889,084	1,564,226	1,219,465	72,706	115,774	862,003	168,983
Repairs	86,302,982	1,083,571	745,912	66,451	143,531	307,503	228,427
Bad debts	75,301,729	114,107	647,936	39,610	40,530	542,770	25,025
Rent paid on business property	147,765,993	1,482,234	1,086,156	53,589	139,905	769,666	122,996
Taxes paid	209,261,138	1,308,602	2,895,310	458,708	694,527	1,483,060	259,015
Interest paid	734,270,057	1,929,608	6,355,604	645,181	570,441	4,752,477	387,505
Contributions or gifts	4,676,848	32,151	45,984	8,972	6,189	23,463	7,360
Amortization	27,583,624	65,305	484,565	160,335	74,372	228,506	21,352
Depreciation	299,063,239	2,276,016	5,019,301	937,631	503,709	2,922,484	655,476
Depletion	9,338,351	23,163	2,886,490	824,548	396,022	1,495,374	170,546
Advertising	108,270,214	234,139	103,960	4,342	13,117	69,001	17,500
Pension, profit-sharing, stock bonus, and annuity plans	36,010,776	114,107	280,286	39,660	18,038	176,343	46,244
Employee benefit programs	101,623,536	408,702	869,679	129,471	172,005	461,697	106,506
Net loss, noncapital assets	19,945,011	106,784	401,387	27,170	29,358	333,687	11,171
Other deductions	1,611,009,692	11,594,562	16,110,807	1,462,130	1,461,234	11,812,906	1,374,538
Total receipts less total deductions	245,925,582	1,337,552	4,179,817	570,596	255,018	3,028,193	326,010
Constructive taxable income from related foreign corporations	36,749,053	*18,214	361,578	5,513	36,673	310,584	8,807
Net income (less deficit)	264,874,717	1,331,248	4,506,403	570,201	288,231	3,316,685	331,286
Income subject to tax	356,020,808	2,053,983	5,653,812	1,010,984	317,839	3,917,590	407,399
Income tax, total [2]	124,064,915	579,086	2,218,788	424,078	162,500	1,464,364	167,846
Regular tax	115,999,067	559,047	1,894,753	343,240	107,007	1,309,462	135,044
Personal holding company tax	12,126	--	--	--	--	--	--
Recapture of investment credit	118,482	183	331	9	*16	238	*68
Alternative minimum tax	7,566,691	18,791	328,365	78,731	54,063	162,776	32,794
Environmental tax	501,259	1,065	10,304	2,097	951	6,626	630
Foreign tax credit	24,840,872	*17,508	788,105	*91,910	9,441	680,039	*6,715
U.S. possessions tax credit	3,193,502	472	--	--	--	--	--
Orphan drug credit	15,637	--	--	--	--	--	--
Nonconventional source fuel credit	81,704	--	16,976	--	*197	16,779	--
General business credit	2,808,880	14,280	39,251	1,605	8,077	27,107	2,462
Prior year minimum tax credit	630,499	2,775	31,312	15,185	*1,065	15,057	5
Total income tax after credits	92,514,021	544,052	1,343,144	315,378	143,720	725,382	158,664

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120

Table 16--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	**224,132**	**88,872**	**15,421**	**119,839**	**173,539**	**8,336**	**58**	**2,497**	**10,226**
Total assets	**172,696,135**	**88,899,129**	**35,878,989**	**47,918,017**	**3,782,400,230**	**294,370,627**	**209,011,162**	**36,022,141**	**32,164,023**
Cash	18,084,381	8,068,554	3,795,339	6,220,488	81,230,773	6,787,965	473,775	677,174	925,577
Notes and accounts receivable	49,036,243	20,795,614	9,463,235	18,777,393	805,762,277	62,172,813	52,719,867	7,624,505	6,019,853
Less: Allowance for bad debts	524,543	266,814	101,132	156,598	17,151,264	703,156	199,456	174,415	191,457
Inventories	19,874,369	13,978,017	1,779,056	4,117,296	347,263,702	26,960,185	8,205,239	6,351,099	7,815,939
Investments in Government obligations	1,115,704	910,862	80,469	124,373	17,953,727	1,257,126	108,245	*496,562	*11,190
Tax-exempt securities	694,302	96,978	543,019	54,305	15,724,753	216,016	251,044	*40,881	*149
Other current assets	18,560,802	11,397,350	2,849,173	4,314,279	216,516,076	11,306,045	7,016,349	939,055	1,298,456
Loans to stockholders	2,909,135	1,075,877	610,112	1,223,146	25,630,902	2,064,189	74,190	264,148	104,061
Mortgage and real estate loans	7,101,940	6,744,880	98,783	258,277	31,694,261	106,861	252,910	*6,354	21,664
Other investments	15,357,666	8,011,597	5,625,665	1,720,404	897,933,307	77,555,267	78,094,959	4,013,226	7,402,524
Depreciable assets	67,175,130	18,496,697	24,116,067	24,562,365	1,562,691,253	104,686,289	18,196,956	20,515,559	8,505,386
Less: Accumulated depreciation	40,339,250	9,255,733	15,458,689	15,624,828	759,147,356	43,742,054	5,956,658	9,852,773	3,979,415
Depletable assets	293,582	100,087	150,293	43,201	73,866,704	88,869	193	*2,979	*3,993
Less: Accumulated depletion	88,415	41,406	32,770	*14,239	32,424,068	20,947	145	*437	*1,229
Land	5,109,911	3,371,627	935,313	802,972	42,553,605	4,566,565	706,122	284,720	202,509
Intangible assets (amortizable)	1,968,732	1,194,864	154,840	619,027	280,191,028	29,920,704	40,372,457	1,489,233	2,568,782
Less: Accumulated amortization	407,561	204,448	60,291	142,823	53,062,901	2,912,977	*2,383,650	170,109	435,027
Other assets	6,774,009	4,424,524	1,330,505	1,018,979	245,173,451	14,060,867	11,078,765	3,514,380	1,891,068
Total liabilities	**172,696,135**	**88,899,129**	**35,878,989**	**47,918,017**	**3,782,400,230**	**294,370,627**	**209,011,162**	**36,022,141**	**32,164,023**
Accounts payable	32,009,970	16,467,552	5,499,992	10,042,426	344,515,226	39,755,264	4,806,202	3,760,257	4,705,276
Mortgages, notes, and bonds payable in less than one year	23,825,239	14,948,108	3,593,382	5,283,749	468,712,602	33,988,335	59,361,689	4,495,667	3,168,099
Other current liabilities	23,273,763	11,231,925	4,732,300	7,309,539	361,034,927	19,751,537	*10,280,340	3,047,019	3,470,879
Loans from stockholders	6,226,237	3,673,430	590,148	1,962,658	61,510,332	5,006,282	*165,052	420,288	549,946
Mortgages, notes, and bonds payable in one year or more	34,519,447	22,792,296	5,825,007	5,902,144	796,908,640	65,808,170	40,827,854	11,702,964	8,462,836
Other liabilities	9,859,124	5,235,914	2,793,060	1,830,150	415,484,117	26,261,926	14,833,132	2,049,369	1,322,078
Capital stock	6,668,610	2,672,437	2,081,798	1,914,375	174,704,953	14,641,445	4,736,516	1,973,979	1,952,749
Paid-in or capital surplus	13,491,836	5,831,116	5,284,379	2,376,341	623,421,769	49,009,088	61,365,752	3,960,584	5,400,231
Retained earnings, appropriated	341,459	151,214	*31,902	158,343	8,366,647	584,974	95,524	*466	33,331
Retained earnings, unappropriated	25,559,509	6,837,405	6,475,228	12,246,876	635,970,533	55,001,791	13,683,641	5,186,804	3,969,246
Less: Cost of treasury stock	3,079,059	942,268	1,028,208	1,108,583	108,229,515	15,438,184	*1,144,539	575,257	870,649
Total receipts	**364,543,839**	**159,277,336**	**63,118,935**	**142,147,568**	**3,387,349,097**	**336,001,085**	**74,368,131**	**45,175,226**	**47,636,693**
Business receipts	354,418,605	153,828,287	60,522,618	140,067,700	3,136,838,665	322,203,394	64,517,846	43,715,967	46,133,537
Interest	3,412,498	2,310,990	565,630	535,878	79,406,053	3,923,639	4,593,207	442,228	471,962
Interest on Government obligations: State and local	117,931	30,904	69,704	17,322	1,630,655	33,737	*3,877	10,653	*11,394
Rents	1,149,987	725,303	234,844	189,841	35,383,767	1,202,994	702,346	59,272	64,089
Royalties	44,742	14,103	18,662	11,978	25,337,647	1,648,298	458,192	66,538	231,931
Net short-term capital gain reduced by net long-term capital loss	45,993	12,253	10,576	23,163	574,413	87,201	1,889	*2,302	*25,385
Net long-term capital gain reduced by net short-term capital loss	634,234	324,264	135,825	174,145	13,490,512	800,329	942,795	118,524	76,295
Net gain, noncapital assets	636,183	130,046	320,412	185,725	9,982,639	359,782	1,239,213	109,188	47,758
Dividends received from domestic corporations	87,548	33,444	42,646	11,459	3,899,108	382,613	87,745	14,640	7,626
Dividends received from foreign corporations	157,466	71,306	77,303	*8,857	28,143,825	1,734,365	798,960	105,536	138,712
Other receipts	3,838,652	1,796,436	1,120,715	921,500	52,661,814	3,624,734	1,022,062	530,377	428,005
Total deductions	**362,362,107**	**159,394,066**	**62,099,502**	**140,868,539**	**3,255,560,187**	**324,491,141**	**67,235,280**	**44,711,449**	**46,759,987**
Cost of sales and operations	278,408,998	130,218,063	48,073,152	100,117,784	2,169,184,913	220,929,949	31,733,343	33,040,276	32,954,954
Compensation of officers	12,916,967	4,172,480	1,339,148	7,405,338	26,650,297	1,898,393	233,362	445,410	1,002,830
Repairs	1,706,960	417,198	474,020	815,743	32,029,539	2,638,512	271,677	221,814	153,326
Bad debts	1,528,659	873,197	133,768	521,694	10,963,585	400,078	48,044	117,870	198,423
Rent paid on business property	3,362,158	957,158	661,494	1,743,506	33,421,925	2,775,105	421,890	354,740	799,553
Taxes paid	7,534,305	2,150,565	1,090,618	4,293,121	80,310,698	6,954,178	3,930,671	913,733	1,059,676
Interest paid	5,733,202	3,445,933	897,059	1,390,209	146,733,176	11,019,167	9,199,317	2,110,108	1,832,021
Contributions or gifts	115,656	43,263	28,291	44,102	2,369,766	317,088	106,113	20,536	30,000
Amortization	138,921	65,629	17,453	55,839	10,977,787	1,369,151	906,371	112,291	152,407
Depreciation	6,151,937	1,593,445	1,915,557	2,642,935	114,392,144	8,147,183	2,303,315	1,552,736	704,438
Depletion	47,508	10,892	31,898	4,719	5,458,265	85,375	27	*307	*120
Advertising	1,016,298	389,300	73,425	553,573	54,312,945	15,228,341	4,914,352	360,626	775,853
Pension, profit-sharing, stock bonus, and annuity plans	1,420,903	370,239	302,027	748,636	15,521,191	1,129,686	*211,590	178,607	122,468
Employee benefit programs	2,268,319	654,409	386,911	1,227,000	48,158,496	3,579,997	1,028,233	547,426	478,177
Net loss, noncapital assets	355,862	84,437	198,787	72,638	3,180,656	95,845	110	32,069	43,628
Other deductions	39,655,454	13,947,861	6,475,892	19,231,701	501,894,803	47,923,092	11,926,863	4,702,901	6,452,114
Total receipts less total deductions	2,181,733	-116,730	1,019,434	1,279,029	131,788,910	11,509,944	7,132,851	463,777	876,707
Constructive taxable income from related foreign corporations	162,816	*41,381	120,835	600	29,542,054	1,431,496	1,564,180	63,280	176,048
Net income (less deficit)	2,226,617	-106,253	1,070,564	1,262,307	159,701,469	12,907,703	8,693,155	516,404	1,041,361
Income subject to tax	6,832,093	2,265,901	1,844,201	2,721,991	179,302,316	14,381,563	7,881,769	1,163,594	1,845,246
Income tax, total [2]	2,068,160	686,811	623,016	758,333	64,347,835	4,950,980	2,702,576	417,931	621,535
Regular tax	1,960,410	647,362	595,373	717,676	60,635,410	4,854,689	2,679,844	390,795	614,628
Personal holding company tax	*15	*14	--	(1)	116	--	--	--	--
Recapture of investment credit	2,916	464	2,368	84	55,039	2,290	10,612	515	63
Alternative minimum tax	102,678	37,709	23,465	41,504	3,417,685	75,106	743	25,437	4,895
Environmental tax	2,563	829	1,429	304	261,722	18,558	11,562	1,406	1,949
Foreign tax credit	90,444	30,502	59,798	*144	20,777,364	933,483	374,031	46,221	99,557
U.S. possessions tax credit	6,820	--	6,810	10	3,072,082	371,750	15,219	1,944	39,073
Orphan drug credit	--	--	--	--	15,637	--	--	--	--
Nonconventional source fuel credit	*14	(1)	2	*12	49,393	8	--	--	--
General business credit	38,735	8,835	20,752	9,148	1,229,009	74,854	36,406	8,247	4,459
Prior year minimum tax credit	48,845	15,698	10,801	22,346	270,841	11,199	--	2,284	2,905
Total income tax after credits	1,883,301	631,776	524,853	726,672	38,933,510	3,559,686	2,276,919	359,234	475,541

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120

Table 16--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	Chemical 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	**10,423**	**6,454**	***	**26,134**	***	**1,112**	**7,405**	**1,164**	***
Total assets	**64,535,891**	**18,901,856**	***	**190,785,367**	***	**555,382,457**	**45,902,953**	**15,962,506**	***
Cash	1,577,809	837,847	***	4,474,583	***	4,224,762	1,471,502	257,659	***
Notes and accounts receivable	5,493,882	3,680,844	***	27,419,511	***	84,236,410	8,591,081	4,328,749	***
Less: Allowance for bad debts	125,571	118,724	***	2,337,613	***	772,693	270,406	44,762	***
Inventories	6,028,095	3,500,632	***	9,766,019	***	21,285,207	7,234,241	2,570,651	***
Investments in Government obligations	146,224	*25,489	***	720,359	***	285,858	*29,217	*13,822	***
Tax-exempt securities	*14,223	*715	***	495,033	***	256,159	39,872	*13,224	***
Other current assets	3,440,793	543,801	***	8,452,833	***	20,248,033	1,118,925	407,157	***
Loans to stockholders	213,101	103,283	***	1,768,067	***	7,937,270	348,097	23,398	***
Mortgage and real estate loans	1,614,708	*48,797	***	93,518	***	60,407	*35,405	*3,339	***
Other investments	9,306,099	3,512,111	***	48,213,398	***	192,621,724	6,390,182	694,455	***
Depreciable assets	38,568,543	8,100,792	***	61,183,686	***	309,844,664	29,175,212	4,141,995	***
Less: Accumulated depreciation	17,726,214	4,001,718	***	28,497,511	***	157,733,987	12,763,061	2,225,385	***
Depletable assets	6,943,447	*7,747	***	*107,786	***	50,278,517	*14,562	--	***
Less: Accumulated depletion	231,003	*5,648	***	*62,731	***	25,850,714	*5,858	--	***
Land	740,281	223,511	***	2,280,510	***	6,793,205	511,274	4,984,182	***
Intangible assets (amortizable)	611,642	2,049,479	***	44,125,167	***	43,155,462	2,871,565	428,503	***
Less: Accumulated amortization	68,181	187,696	***	5,457,624	***	23,326,738	480,580	109,657	***
Other assets	7,988,014	580,594	***	18,040,377	***	21,838,910	1,591,725	475,175	***
Total liabilities	**64,535,891**	**18,901,856**	***	**190,785,367**	***	**555,382,457**	**45,902,953**	**15,962,506**	***
Accounts payable	5,473,020	2,001,646	***	11,810,265	***	66,527,166	4,700,930	866,900	***
Mortgages, notes, and bonds payable in less than one year	2,524,836	1,850,028	***	13,344,750	***	18,966,140	5,335,896	535,113	***
Other current liabilities	3,420,151	1,506,743	***	17,010,442	***	35,765,570	4,119,108	1,962,788	***
Loans from stockholders	423,858	255,831	***	3,854,309	***	13,931,869	755,703	*24,982	***
Mortgages, notes, and bonds payable in one year or more	21,453,037	6,135,597	***	58,079,463	***	91,899,226	13,588,913	5,425,494	***
Other liabilities	3,983,977	714,247	***	18,743,546	***	82,139,227	3,417,223	4,491,133	***
Capital stock	3,279,754	768,361	***	16,509,812	***	16,852,220	2,063,501	1,774,563	***
Paid-in or capital surplus	11,609,143	2,510,582	***	26,740,997	***	114,375,745	5,813,018	818,208	***
Retained earnings, appropriated	89,973	*3,508	***	132,259	***	404,665	30,816	12,346	***
Retained earnings, unappropriated	12,887,676	3,469,406	***	30,194,899	***	139,900,875	6,497,818	286,831	***
Less: Cost of treasury stock	609,534	314,094	***	5,635,376	***	25,380,246	419,974	235,852	***
Total receipts	**65,817,542**	**29,491,563**	***	**148,416,769**	***	**541,461,568**	**59,152,815**	**15,057,733**	***
Business receipts	62,828,288	28,711,131	***	138,080,296	***	510,330,223	56,947,200	14,408,517	***
Interest	984,071	121,609	***	2,746,086	***	10,120,523	579,785	274,379	***
Interest on Government obligations: State and local	5,040	7,624	***	46,138	***	42,882	4,168	8,710	***
Rents	130,492	31,078	***	662,859	***	2,393,019	167,531	39,999	***
Royalties	65,882	25,663	***	2,008,351	***	1,588,251	196,407	45,653	***
Net short-term capital gain reduced by net long-term capital loss	9,901	*1,626	***	10,835	***	119,404	*645	*343	***
Net long-term capital gain reduced by net short-term capital loss	579,881	107,745	***	1,718,237	***	883,771	227,667	5,370	***
Net gain, noncapital assets	89,983	17,679	***	299,661	***	1,547,363	58,369	17,178	***
Dividends received from domestic corporations	42,408	6,720	***	170,557	***	941,027	25,666	19,879	***
Dividends received from foreign corporations	167,824	31,648	***	211,004	***	3,298,369	252,255	28,099	***
Other receipts	913,772	429,039	***	2,462,744	***	10,196,737	693,123	209,607	***
Total deductions	**64,462,855**	**29,232,485**	***	**142,290,385**	***	**513,441,639**	**58,379,957**	**14,570,656**	***
Cost of sales and operations	47,034,425	20,317,440	***	68,033,884	***	398,691,298	39,686,599	10,042,390	***
Compensation of officers	810,699	510,049	***	3,227,024	***	566,054	961,315	146,538	***
Repairs	1,333,408	102,681	***	918,539	***	6,930,451	536,765	61,642	***
Bad debts	176,899	142,743	***	1,032,703	***	354,344	182,681	34,131	***
Rent paid on business property	623,286	430,862	***	2,612,719	***	4,002,839	747,819	288,193	***
Taxes paid	1,518,547	708,906	***	4,072,427	***	18,923,784	1,143,591	396,632	***
Interest paid	2,326,083	914,426	***	7,636,870	***	18,817,341	2,023,624	596,245	***
Contributions or gifts	33,112	17,761	***	176,567	***	225,661	19,290	11,175	***
Amortization	53,558	71,126	***	2,498,036	***	978,902	173,163	11,018	***
Depreciation	2,375,703	630,912	***	5,847,194	***	12,353,036	2,020,636	216,505	***
Depletion	515,316	750	***	21,159	***	3,208,110	*3,845	40,194	***
Advertising	286,983	456,066	***	3,047,313	***	1,095,241	664,625	283,449	***
Pension, profit-sharing, stock bonus, and annuity plans	206,338	146,008	***	1,052,739	***	1,103,867	351,574	43,999	***
Employee benefit programs	664,956	408,072	***	2,375,826	***	2,442,549	1,102,312	212,626	***
Net loss, noncapital assets	24,220	28,368	***	124,472	***	1,110,276	23,700	7,081	***
Other deductions	6,479,321	4,346,314	***	39,612,915	***	42,637,883	8,738,417	2,178,839	***
Total receipts less total deductions	1,354,687	259,079	***	6,126,384	***	28,019,929	772,858	487,077	***
Constructive taxable income from related foreign corporations	47,645	27,768	***	149,680	***	5,201,602	126,876	*11,451	***
Net income (less deficit)	1,397,291	279,223	***	6,229,926	***	33,178,649	895,567	489,817	***
Income subject to tax	1,862,452	950,134	***	8,115,861	***	30,391,333	1,887,719	467,304	***
Income tax, total [2]	682,347	317,374	***	2,777,312	***	11,174,686	653,886	158,550	***
Regular tax	613,542	314,755	***	2,717,157	***	10,322,793	629,348	156,930	***
Personal holding company tax	--	--	***	--	***	--	--	--	***
Recapture of investment credit	608	322	***	1,378	***	5,100	1,946	28	***
Alternative minimum tax	67,241	1,235	***	49,623	***	793,157	21,789	*1,010	***
Environmental tax	2,967	1,077	***	10,280	***	53,824	1,869	581	***
Foreign tax credit	38,025	*3,566	***	225,563	***	5,376,170	96,127	8,720	***
U.S. possessions tax credit	--	22	***	2,625	***	23,059	11,240	17,808	***
Orphan drug credit	--	--	***	--	***	--	--	--	***
Nonconventional source fuel credit	7	--	***	*1	***	44,042	37	--	***
General business credit	13,728	3,817	***	38,026	***	94,218	17,794	12,741	***
Prior year minimum tax credit	*834	*526	***	4,663	***	*43,645	1,207	524	***
Total income tax after credits	629,753	309,443	***	2,506,433	***	5,593,551	527,481	118,757	***

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120

Table 16--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	**3,229**	**29,069**	**16,874**	**11,911**	**1,451**	**3,651**	**4,527**	**14,946**
Total assets	**125,686,233**	**111,197,510**	**293,787,266**	**373,475,910**	**402,930,426**	**135,513,686**	**95,485,458**	**71,544,488**
Cash	3,221,714	4,279,449	9,479,194	14,866,933	5,011,721	2,009,155	5,074,074	2,447,634
Notes and accounts receivable	20,357,030	22,331,212	73,721,349	78,116,171	173,524,408	28,291,344	23,683,936	13,766,424
Less: Allowance for bad debts	448,100	419,864	1,946,955	3,703,448	1,950,507	438,224	458,458	561,117
Inventories	16,426,458	17,786,415	39,014,765	40,681,470	18,343,894	35,558,798	13,120,338	8,804,990
Investments in Government obligations	419,816	322,153	4,554,777	4,982,998	*2,639,421	*62,918	178,528	71,954
Tax-exempt securities	65,426	210,953	2,628,961	5,707,334	*3,833,545	11,921	260,785	*481,730
Other current assets	4,793,228	3,689,373	14,632,960	70,951,121	14,511,769	10,958,660	4,100,832	2,758,542
Loans to stockholders	1,635,341	437,917	2,078,375	702,849	1,113,633	548,880	227,203	267,618
Mortgage and real estate loans	*252,146	124,020	467,068	1,148,349	*21,481,058	*370,827	*68,315	152,427
Other investments	23,380,561	22,128,305	54,123,284	56,064,766	68,178,197	15,208,701	13,053,470	19,214,895
Depreciable assets	77,630,548	52,227,718	126,198,345	132,537,348	124,334,610	60,204,187	41,100,227	19,303,901
Less: Accumulated depreciation	37,465,982	26,803,261	66,559,548	70,224,734	63,551,640	30,882,531	19,979,396	8,832,760
Depletable assets	2,556,368	205,047	110,743	*692,082	6,724	131,963	*1,236	*109,474
Less: Accumulated depletion	676,450	127,421	*17,601	*310,785	456	23,192	*60	*12,143
Land	1,396,043	1,382,756	2,458,743	2,350,101	1,564,455	1,552,705	999,300	635,483
Intangible assets (amortizable)	5,542,126	5,235,313	18,149,298	16,077,195	11,960,253	3,890,799	6,949,242	6,506,578
Less: Accumulated amortization	618,043	610,593	2,870,817	2,665,411	974,435	949,087	1,438,445	1,089,845
Other assets	7,218,001	8,798,017	17,564,324	25,501,570	22,903,777	9,005,860	8,544,332	7,518,703
Total liabilities	**125,686,233**	**111,197,510**	**293,787,266**	**373,475,910**	**402,930,426**	**135,513,686**	**95,485,458**	**71,544,488**
Accounts payable	14,506,218	10,316,811	28,203,883	28,812,770	24,459,432	12,635,571	11,980,952	5,172,172
Mortgages, notes, and bonds payable in less than one year	6,644,391	10,443,384	41,200,522	77,110,581	102,898,625	12,850,194	8,713,733	8,039,186
Other current liabilities	12,183,083	9,527,346	35,991,642	42,102,019	46,914,639	33,730,462	9,929,343	5,733,436
Loans from stockholders	3,488,162	1,910,033	2,700,535	2,446,965	1,725,196	665,710	2,028,235	1,103,605
Mortgages, notes, and bonds payable in one year or more	27,460,279	22,484,634	54,252,331	60,567,978	89,983,252	25,309,358	20,244,160	17,690,663
Other liabilities	23,131,086	10,864,549	21,684,240	63,440,701	47,782,708	9,017,079	6,221,935	8,211,838
Capital stock	6,969,517	7,100,934	22,046,332	17,316,802	7,414,489	7,565,173	5,848,850	4,541,844
Paid-in or capital surplus	32,792,351	20,218,849	40,629,313	37,765,792	32,846,754	8,307,204	17,452,048	12,748,229
Retained earnings, appropriated	602,329	183,950	2,217,018	979,220	259,262	137,401	1,213,203	176,902
Retained earnings, unappropriated	-113,010	21,917,675	52,891,373	52,694,095	49,931,617	28,627,379	17,850,172	9,703,008
Less: Cost of treasury stock	1,978,174	3,770,655	8,029,920	9,761,012	1,285,547	3,331,845	5,997,171	1,576,397
Total receipts	**138,382,439**	**138,523,577**	**283,644,030**	**297,032,456**	**284,618,344**	**171,861,435**	**94,180,305**	**65,440,021**
Business receipts	132,899,490	133,222,383	241,664,257	271,004,452	248,625,140	161,262,947	87,573,630	61,669,511
Interest	2,085,237	1,606,586	6,067,276	7,998,731	23,160,585	2,404,536	1,042,452	942,434
Interest on Government obligations: State and local	15,734	40,105	314,128	534,726	231,550	14,797	52,426	88,253
Rents	494,491	422,041	12,217,094	5,923,057	6,477,957	1,733,700	960,550	183,182
Royalties	179,794	316,149	9,378,870	1,888,117	151,647	252,023	1,004,007	451,759
Net short-term capital gain reduced by net long-term capital loss	16,377	1,278	154,331	64,838	*1,899	10,867	1,343	30,034
Net long-term capital gain reduced by net short-term capital loss	378,086	342,587	729,224	1,175,826	173,002	458,502	124,708	280,901
Net gain, noncapital assets	184,020	362,813	431,267	1,394,018	1,853,088	511,711	107,856	87,373
Dividends received from domestic corporations	112,303	77,044	244,894	280,836	162,929	106,733	31,119	286,211
Dividends received from foreign corporations	574,342	640,069	6,851,573	2,010,249	1,499,868	1,314,048	1,773,013	336,038
Other receipts	1,442,566	1,492,522	5,591,118	4,757,607	2,280,679	3,791,573	1,509,201	1,084,325
Total deductions	**136,282,805**	**134,273,021**	**273,395,464**	**286,068,660**	**285,011,810**	**163,834,593**	**89,682,114**	**63,766,809**
Cost of sales and operations	105,185,952	94,670,805	157,606,431	174,706,046	199,513,042	122,482,921	51,155,976	39,749,742
Compensation of officers	809,749	3,452,111	2,961,838	2,687,642	519,139	515,719	1,009,202	1,231,438
Repairs	2,631,422	818,011	1,649,921	1,883,776	2,048,558	1,197,768	352,930	286,012
Bad debts	507,384	390,393	1,202,779	1,296,049	1,863,385	275,035	334,302	271,642
Rent paid on business property	1,141,430	1,262,701	3,755,108	3,647,786	1,876,704	1,416,293	978,434	805,885
Taxes paid	2,372,484	3,320,333	6,468,623	6,441,664	5,272,327	3,299,199	1,696,464	1,349,324
Interest paid	3,783,790	4,265,044	10,827,691	17,652,674	21,388,928	3,985,735	3,309,379	2,849,483
Contributions or gifts	33,577	61,053	248,353	132,834	81,306	74,618	144,829	37,401
Amortization	265,608	336,656	646,618	800,401	185,287	178,651	344,452	366,899
Depreciation	4,647,908	3,934,428	9,832,271	14,039,577	15,641,771	3,998,890	2,602,680	1,780,525
Depletion	503,637	12,026	49,295	15,334	*4,862	*29,647	118	*4,843
Advertising	235,600	1,136,532	2,876,933	3,418,298	2,962,600	413,405	2,458,248	1,512,577
Pension, profit-sharing, stock bonus, and annuity plans	1,412,683	712,329	1,562,341	1,910,603	940,535	968,052	652,403	221,683
Employee benefit programs	2,304,340	2,355,476	6,301,954	5,527,130	4,634,705	3,573,543	1,573,699	906,671
Net loss, noncapital assets	113,020	111,362	524,590	295,564	22,294	23,462	99,315	112,935
Other deductions	10,334,220	17,433,760	66,880,719	51,613,281	28,056,366	21,401,656	22,969,685	12,279,750
Total receipts less total deductions	2,099,634	4,250,556	10,248,566	10,963,797	-393,466	8,026,842	4,498,192	1,673,212
Constructive taxable income from related foreign corporations	356,268	427,033	5,507,007	1,968,938	4,404,540	588,749	994,006	219,837
Net income (less deficit)	2,440,168	4,637,484	15,442,605	12,398,009	3,779,524	8,600,795	5,439,771	1,804,796
Income subject to tax	4,005,860	5,918,462	18,225,161	15,566,704	6,298,357	8,042,011	6,438,985	2,726,521
Income tax, total [8]	1,497,834	1,983,385	6,516,969	5,457,732	3,107,593	2,782,558	2,236,532	939,212
Regular tax	1,353,096	1,927,769	6,167,377	5,278,806	2,151,268	2,732,265	2,179,253	904,824
Personal holding company tax	--	--	116	--	--	--	--	--
Recapture of investment credit	949	740	7,809	4,171	5,883	1,983	1,749	71
Alternative minimum tax	135,932	49,075	318,840	153,918	936,720	41,598	47,810	30,845
Environmental tax	7,577	5,840	23,163	21,910	14,799	12,787	7,769	3,224
Foreign tax credit	355,549	367,010	4,167,438	1,208,468	1,730,382	351,871	825,366	156,165
U.S. possessions tax credit	202	3,920	117,622	268,700	9,737	993	346,759	55,955
Orphan drug credit	--	--	--	--	--	--	*86	--
Nonconventional source fuel credit	--	42	254	417	--	--	--	--
General business credit	83,536	20,174	131,393	230,840	64,280	41,982	44,152	10,434
Prior year minimum tax credit	5,987	11,249	18,258	16,253	*549	92,389	33,986	*3,427
Total income tax after credits	1,052,561	1,580,991	2,082,004	3,733,054	1,302,645	2,295,323	986,183	713,231

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120

Table 16--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 furnishing 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, total	340,908	***	5,597	32,689	***	***	23,190	65,802	110,189	2,840
Total assets	**627,871,770**	***	**241,836,357**	**83,990,253**	***	***	**19,867,828**	**71,462,311**	**82,118,508**	**1,675,382**
Cash	26,518,028	***	6,608,948	3,376,974	***	***	1,384,116	2,870,773	5,258,664	190,464
Notes and accounts receivable	115,919,861	***	71,385,666	5,634,241	***	***	4,165,836	5,272,784	11,692,516	389,885
Less: Allowance for bad debts	2,251,726	***	942,562	67,067	***	***	148,833	174,554	494,710	4,544
Inventories	149,577,595	***	40,320,668	18,144,072	***	***	7,460,790	1,903,721	30,826,451	466,967
Investments in Government obligations	762,142	***	*84,961	258,475	***	***	*31,410	*19,336	179,209	*7,277
Tax-exempt securities	1,314,211	***	*881,910	261,769	***	***	*67,914	18,977	54,829	--
Other current assets	37,717,197	***	25,614,129	1,972,667	***	***	911,964	2,046,219	2,677,723	69,203
Loans to stockholders	6,255,314	***	1,900,228	230,299	***	***	186,782	876,844	1,881,198	*9,162
Mortgage and real estate loans	5,478,309	***	4,606,556	86,892	***	***	*38,089	227,764	134,509	--
Other investments	71,516,571	***	33,382,555	10,238,550	***	***	1,239,412	13,312,126	4,083,229	209,250
Depreciable assets	237,583,828	***	61,338,715	48,507,373	***	***	6,248,941	44,112,370	29,331,263	510,790
Less: Accumulated depreciation	97,790,889	***	21,275,212	20,271,248	***	***	2,895,332	17,243,508	14,408,904	264,156
Depletable assets	314,925	***	793	*86,856	***	***	--	85,259	*32,672	12,948
Less: Accumulated depletion	102,207	***	394	*20,795	***	***	--	*36,757	*27,426	2,108
Land	20,617,105	***	4,820,373	4,115,836	***	***	306,181	5,837,495	1,510,172	45,422
Intangible assets (amortizable)	25,530,044	***	3,001,334	3,801,352	***	***	702,888	7,591,826	6,419,226	*8,416
Less: Accumulated amortization	4,590,066	***	519,691	398,261	***	***	299,151	1,108,850	1,467,427	*1,003
Other assets	33,501,529	***	10,627,380	8,032,270	***	***	466,822	5,850,485	4,435,314	27,410
Total liabilities	**627,871,770**	***	**241,836,357**	**83,990,253**	***	***	**19,867,828**	**71,462,311**	**82,118,508**	**1,675,382**
Accounts payable	91,688,785	***	39,531,908	14,201,392	***	***	3,445,272	4,166,165	15,755,229	340,606
Mortgages, notes, and bonds payable in less than one year	86,457,930	***	29,361,745	9,364,530	***	***	1,773,859	4,679,396	9,326,125	254,236
Other current liabilities	80,269,719	***	47,764,934	8,017,419	***	***	2,082,011	6,323,337	6,866,774	190,106
Loans from stockholders	17,432,541	***	3,046,603	1,370,534	***	***	904,990	2,426,316	4,191,939	79,351
Mortgages, notes, and bonds payable in one year or more	158,328,370	***	49,770,793	31,702,060	***	***	4,050,942	30,215,052	17,533,596	249,298
Other liabilities	39,018,605	***	17,356,651	6,594,756	***	***	669,481	5,935,273	3,981,441	62,210
Capital stock	26,148,049	***	4,657,197	2,827,714	***	***	1,077,965	4,258,141	5,947,621	148,685
Paid-in or capital surplus	62,616,957	***	25,642,368	5,847,602	***	***	1,687,157	9,919,664	9,575,541	394,136
Retained earnings, appropriated	861,611	***	*249,364	74,156	***	***	95,816	23,277	195,468	--
Retained earnings, unappropriated	75,995,089	***	26,676,228	5,380,670	***	***	4,863,447	5,867,467	10,233,021	-7,478
Less: Cost of treasury stock	10,945,886	***	2,221,435	1,390,579	***	***	783,113	2,351,777	1,488,247	*35,768
Total receipts	**1,237,330,347**	***	**271,227,431**	**285,171,735**	***	***	**43,499,662**	**97,925,678**	**191,442,126**	**3,907,182**
Business receipts	1,191,431,148	***	253,790,022	278,931,196	***	***	42,048,557	90,356,828	186,829,991	3,824,218
Interest	12,216,920	***	6,754,954	823,234	***	***	367,680	950,746	1,127,422	19,182
Interest on Government obligations: State and local	1,240,206	***	1,136,763	35,790	***	***	8,824	7,322	32,089	*186
Rents	6,249,791	***	1,526,451	821,508	***	***	108,513	1,895,997	484,464	*29,180
Royalties	1,602,058	***	39,407	31,745	***	***	*65,885	743,517	270,302	--
Net short-term capital gain reduced by net long-term capital loss	23,431	***	*5,282	2,798	***	***	*488	6,499	3,671	--
Net long-term capital gain reduced by net short-term capital loss	2,625,158	***	911,780	703,542	***	***	54,274	504,828	223,392	*2,714
Net gain, noncapital assets	1,182,105	***	115,856	163,378	***	***	41,315	320,424	167,000	*349
Dividends received from domestic corporations	334,607	***	167,954	29,897	***	***	4,626	19,784	32,086	*1,680
Dividends received from foreign corporations	1,024,140	***	177,476	*474,164	***	***	1,499	347,786	15,945	18
Other receipts	19,400,782	***	6,601,485	3,154,482	***	***	798,001	2,771,947	2,255,764	29,655
Total deductions	**1,222,843,590**	***	**265,253,606**	**281,829,645**	***	***	**43,074,193**	**96,575,426**	**190,161,754**	**3,971,345**
Cost of sales and operations	832,134,220	***	165,836,098	212,756,166	***	***	26,822,942	40,262,832	125,315,205	2,852,364
Compensation of officers	16,152,080	***	700,498	1,602,427	***	***	1,174,026	2,052,266	5,196,360	86,877
Repairs	6,503,706	***	1,380,965	1,654,413	***	***	172,092	1,236,366	810,366	13,216
Bad debts	4,473,101	***	2,167,345	243,472	***	***	248,100	143,278	809,650	25,404
Rent paid on business property	33,857,024	***	7,408,548	5,029,885	***	***	1,633,005	5,140,834	6,638,442	85,538
Taxes paid	23,279,342	***	5,547,196	3,998,917	***	***	956,342	3,739,563	3,581,323	82,017
Interest paid	30,206,812	***	11,653,395	4,383,681	***	***	691,051	4,071,389	3,638,145	55,729
Contributions or gifts	381,089	***	136,254	72,332	***	***	16,080	27,625	50,174	528
Amortization	1,873,414	***	263,512	220,785	***	***	63,457	422,289	518,219	1,790
Depreciation	20,619,599	***	4,762,227	4,053,720	***	***	568,862	3,524,311	3,006,657	72,793
Depletion	13,936	***	*350	*1,606	***	***	--	*2,879	4,108	1,448
Advertising	21,566,452	***	6,213,413	2,565,492	***	***	1,874,611	2,469,725	3,936,997	31,006
Pension, profit-sharing, stock bonus, and annuity plans	2,515,696	***	687,283	570,044	***	***	106,536	239,431	404,339	10,737
Employee benefit programs	9,352,755	***	2,304,774	2,885,006	***	***	228,643	891,898	1,202,554	17,517
Net loss, noncapital assets	1,105,063	***	256,293	350,178	***	***	28,564	103,015	131,602	*2,832
Other deductions	218,809,304	***	55,935,456	41,441,520	***	***	8,489,882	32,247,725	34,917,616	631,549
Total receipts less total deductions	14,486,756	***	5,973,826	3,342,089	***	***	425,469	1,350,252	1,280,372	-64,163
Constructive taxable income from related foreign corporations	738,186	***	161,413	300,695	***	***	71	240,939	*21,214	--
Net income (less deficit)	13,984,736	***	4,998,476	3,606,994	***	***	416,716	1,583,869	1,269,496	-64,348
Income subject to tax	25,089,136	***	7,651,570	4,688,644	***	***	846,082	2,723,627	4,063,608	35,683
Income tax, total [2]	8,284,453	***	2,779,970	1,619,762	***	***	252,538	916,044	1,157,461	8,679
Regular tax	7,960,844	***	2,634,777	1,552,585	***	***	249,762	862,036	1,139,398	8,039
Personal holding company tax	*198	***	--	--	***	***	--	--	--	--
Recapture of investment credit	2,555	***	643	596	***	***	*46	708	180	--
Alternative minimum tax	293,023	***	132,288	61,421	***	***	*2,160	49,856	15,008	*629
Environmental tax	29,705	***	12,262	6,406	***	***	570	3,445	2,899	12
Foreign tax credit	644,659	***	110,676	263,350	***	***	*1,028	249,768	13,228	--
U.S. possessions tax credit	24,173	***	20,076	3,349	***	***	--	32	--	--
Orphan drug credit	--	***	--	--	***	***	--	--	--	--
Nonconventional source fuel credit	*25	***	(1)	--	***	***	--	1	--	--
General business credit	155,836	***	45,663	38,182	***	***	2,507	33,303	17,337	*44
Prior year minimum tax credit	28,285	***	*8,000	13,397	***	***	*120	*2,477	2,976	--
Total income tax after credits	7,431,474	***	2,595,554	1,301,484	***	***	248,883	630,464	1,123,921	8,635

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120

Table 16--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	**307,144**	**10,914**	**14,032**	**9,141**	**1,093**	**32,889**	**202,014**	**37,061**
Total assets	**7,559,597,702**	**4,017,577,488**	**1,774,509,306**	**402,429,759**	**920,035,803**	**32,582,691**	**250,399,031**	**162,063,622**
Cash	443,797,191	324,316,580	63,549,383	15,221,920	11,176,050	5,812,240	15,946,915	7,774,102
Notes and accounts receivable	2,513,119,128	1,931,234,344	343,918,117	98,116,918	90,814,815	9,703,784	20,349,257	18,981,893
Less: Allowance for bad debts	74,624,722	54,077,037	17,747,488	542,163	1,292,286	131,018	582,206	252,523
Inventories	22,900,696	785,232	3,863,054	1,693,376	2,836,255	18,402	10,595,361	3,109,016
Investments in Government obligations	594,576,326	411,123,827	67,398,765	27,899,929	84,058,998	432,070	1,026,502	2,636,236
Tax-exempt securities	148,320,533	69,439,002	9,921,690	452,049	65,770,867	605,748	579,462	1,551,716
Other current assets	563,382,424	172,896,716	81,235,972	177,359,501	104,015,590	1,499,585	12,878,142	13,496,917
Loans to stockholders	33,265,355	6,616,348	11,898,250	946,362	3,336,385	401,241	2,942,887	7,123,882
Mortgage and real estate loans	1,258,800,311	344,299,464	824,131,682	1,488,258	70,090,439	87,083	13,868,470	4,834,916
Other investments	1,275,735,884	393,831,618	277,666,700	57,990,104	419,693,817	7,765,554	44,027,090	74,761,001
Depreciable assets	297,278,783	92,431,227	35,162,957	7,631,476	23,718,638	5,722,170	117,233,030	15,379,285
Less: Accumulated depreciation	104,144,850	36,767,506	14,341,328	3,452,795	6,511,255	3,000,946	34,602,171	5,468,849
Depletable assets	1,926,507	17,386	97,628	*500	581,675	*41	562,148	667,130
Less: Accumulated depletion	588,961	6,337	19,383	*207	293,836	--	164,333	104,865
Land	48,322,149	6,746,284	4,388,112	207,759	1,413,740	175,600	32,621,589	2,769,064
Intangible assets (amortizable)	41,027,146	13,368,964	12,710,271	1,786,201	4,010,988	2,796,111	2,727,453	3,627,158
Less: Accumulated amortization	7,830,654	2,151,723	1,759,953	509,741	913,733	780,438	827,418	887,650
Other assets	504,334,456	343,473,099	72,434,876	16,140,315	47,528,655	1,475,464	11,216,853	12,065,194
Total liabilities	**7,559,597,702**	**4,017,577,488**	**1,774,509,306**	**402,429,759**	**920,035,803**	**32,582,691**	**250,399,031**	**162,063,622**
Accounts payable	258,257,530	85,990,975	51,853,045	64,467,204	28,173,480	10,102,529	8,364,735	9,305,562
Mortgages, notes, and bonds payable in less than one year	819,142,835	365,121,040	314,801,166	32,026,230	41,980,840	2,076,342	27,775,414	35,361,804
Other current liabilities	4,194,443,683	2,825,548,452	867,943,589	250,474,879	219,801,435	3,947,750	16,490,405	10,237,174
Loans from stockholders	58,064,750	9,226,641	10,025,254	1,012,737	8,444,628	281,435	21,560,021	7,514,034
Mortgages, notes, and bonds payable in one year or more	699,484,442	178,923,945	302,124,199	19,535,542	57,437,774	3,144,956	99,616,803	38,701,223
Other liabilities	765,287,966	208,573,830	145,751,561	14,231,060	365,972,471	2,355,444	17,094,653	11,308,947
Capital stock	129,431,423	58,386,195	15,301,012	3,721,681	11,338,606	1,570,633	22,385,694	16,727,602
Paid-in or capital surplus	406,841,865	149,252,852	60,473,032	12,107,122	92,405,507	3,974,193	52,738,908	35,890,252
Retained earnings, appropriated	14,083,784	2,755,063	3,372,932	44,943	5,692,800	54,190	1,397,400	766,456
Retained earnings, unappropriated	236,430,111	137,329,709	5,470,659	7,144,386	95,836,496	5,995,741	-14,072,994	-1,273,886
Less: Cost of treasury stock	21,870,687	3,531,213	2,607,143	2,336,024	7,048,233	920,522	2,952,007	2,475,546
Total receipts	**1,277,605,653**	**451,122,621**	**264,419,785**	**83,336,538**	**322,633,047**	**26,739,889**	**81,250,691**	**48,103,082**
Business receipts	533,357,755	49,080,597	75,199,014	48,773,538	244,732,402	24,765,981	58,050,533	32,755,691
Interest	596,232,900	350,387,779	153,179,631	28,730,101	49,362,603	861,462	6,165,871	7,545,454
Interest on Government obligations: State and local	13,969,013	8,312,494	709,251	162,865	4,479,030	36,039	90,205	179,129
Rents	25,775,034	11,832,243	3,345,495	699,257	2,515,241	106,263	6,583,085	693,451
Royalties	1,024,263	19,299	37,586	6,099	78,509	*8,213	299,817	574,740
Net short-term capital gain reduced by net long-term capital loss	1,268,015	266,980	133,021	348,433	269,163	2,263	134,424	113,730
Net long-term capital gain reduced by net short-term capital loss	11,212,039	2,325,264	1,244,145	430,787	2,751,535	91,504	2,566,003	1,802,802
Net gain, noncapital assets	6,646,811	3,503,776	1,420,921	528,948	137,093	27,456	713,174	315,444
Dividends received from domestic corporations	4,812,415	815,019	834,636	365,333	1,720,732	55,589	175,290	845,816
Dividends received from foreign corporations	1,831,488	346,435	406,609	57,183	594,553	124,629	46,714	255,366
Other receipts	81,475,920	24,232,735	27,909,477	3,233,995	15,992,189	660,490	6,425,576	3,021,459
Total deductions	**1,231,538,272**	**431,511,364**	**252,458,318**	**81,203,558**	**310,269,705**	**25,461,217**	**83,984,423**	**46,649,687**
Cost of sales and operations	266,788,424	841,026	43,602,176	17,701,188	158,648,655	2,888,993	23,200,989	19,905,397
Compensation of officers	26,332,582	11,774,290	2,192,113	2,476,562	1,584,674	3,378,056	3,826,750	1,100,137
Repairs	5,364,617	2,406,613	772,831	124,808	219,432	151,514	1,527,625	161,794
Bad debts	44,602,166	27,019,598	13,897,459	506,919	1,405,150	143,673	1,115,466	513,901
Rent paid on business property	18,898,046	7,328,670	2,464,877	1,926,181	3,011,902	1,191,157	2,181,390	793,870
Taxes paid	23,032,013	6,814,222	2,372,947	1,352,774	5,779,712	981,623	4,631,479	1,099,256
Interest paid	438,111,664	248,746,497	128,788,004	26,832,193	12,800,323	593,017	12,297,318	8,054,313
Contributions or gifts	712,341	341,205	91,206	47,964	83,883	30,385	53,564	64,134
Amortization	3,752,918	1,293,542	665,255	283,392	493,711	223,924	424,288	368,805
Depreciation	30,131,275	16,027,377	4,162,101	993,392	2,549,718	590,839	4,536,819	1,271,028
Depletion	140,395	13,867	1,291	112	47,652	*7	43,306	34,159
Advertising	7,508,779	2,710,941	1,891,175	458,708	876,396	243,270	1,023,764	304,525
Pension, profit-sharing, stock bonus, and annuity plans	4,744,767	1,758,013	472,166	338,737	1,349,144	351,898	292,170	182,640
Employee benefit programs	11,636,659	5,404,699	1,212,304	717,040	2,585,070	604,680	549,111	563,754
Net loss, noncapital assets	8,504,876	4,948,272	2,600,250	140,002	65,287	18,188	531,093	201,784
Other deductions	341,276,751	94,082,533	47,272,163	27,303,586	118,768,996	14,069,992	27,749,290	12,030,191
Total receipts less total deductions	46,067,382	19,611,257	11,961,468	2,132,980	12,363,342	1,278,671	-2,733,732	1,453,395
Constructive taxable income from related foreign corporations	3,735,910	1,689,157	397,166	163,867	1,053,232	96,269	12,896	323,322
Net income (less deficit)	35,834,265	12,987,920	11,649,383	2,133,981	8,937,531	1,338,901	-2,811,040	1,597,588
Income subject to tax	58,783,330	19,041,372	19,506,449	2,140,734	9,094,831	1,698,409	3,488,426	3,813,109
Income tax, total [2]	18,699,940	6,933,000	4,799,953	837,443	3,253,296	536,038	1,020,767	1,319,442
Regular tax	17,483,400	6,450,731	4,690,075	717,328	2,872,186	529,487	972,937	1,250,657
Personal holding company tax	9,532	681	*10	*131	1	*538	3,636	4,534
Recapture of investment credit	6,395	4,496	546	24	409	*12	642	267
Alternative minimum tax	1,128,415	449,926	95,518	116,385	361,667	4,499	41,486	58,934
Environmental tax	76,331	27,295	19,008	3,575	19,033	1,502	1,757	4,161
Foreign tax credit	1,492,085	523,629	194,600	71,407	473,072	*76,980	13,988	138,408
U.S. possessions tax credit	9,237	--	8,558	--	--	--	53	627
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	1,243	5	--	4	287	--	*767	*180
General business credit	173,798	71,955	49,890	29,520	6,891	2,237	7,590	5,715
Prior year minimum tax credit	158,903	55,472	38,433	26,498	19,726	*47	5,415	13,312
Total income tax after credits	16,864,674	6,281,939	4,508,473	710,014	2,753,321	456,773	992,954	1,161,200

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

RETURNS OF ACTIVE CORPORATIONS, FORM 1120

Table 16--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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	**427,225**	**11,122**	**34,701**	**141,107**	**54,131**	**34,278**	**151,886**	**9,268**
Total assets	**470,444,279**	**45,818,405**	**14,594,085**	**166,042,140**	**38,770,089**	**93,877,220**	**111,342,341**	**1,243,267**
Cash	31,991,801	2,058,012	1,442,422	12,299,911	1,890,827	4,876,475	9,424,154	114,203
Notes and accounts receivable	84,226,409	4,779,953	2,065,206	37,422,015	4,855,740	10,941,357	24,162,139	149,987
Less: Allowance for bad debts	4,323,133	270,488	30,040	1,007,548	152,845	637,029	2,225,183	*2,658
Inventories	16,929,656	461,386	1,012,788	4,879,206	2,741,138	5,381,486	2,453,652	196,830
Investments in Government obligations	1,694,844	60,544	*8,468	717,344	30,944	135,537	742,007	*941
Tax-exempt securities	1,112,372	*34,088	*102,724	577,820	*266	*41,686	355,788	--
Other current assets	28,646,120	1,789,303	970,043	12,505,993	1,885,450	5,278,385	6,216,945	33,491
Loans to stockholders	4,411,180	268,218	231,606	1,688,905	467,160	454,364	1,300,927	65,482
Mortgage and real estate loans	1,960,282	450,161	32,211	629,895	117,491	349,151	381,373	*42,982
Other investments	90,079,454	7,625,895	1,436,708	35,883,945	2,555,218	22,750,733	19,826,953	120,690
Depreciable assets	227,890,454	26,414,245	9,743,506	69,431,138	31,577,902	37,922,175	52,801,487	394,592
Less: Accumulated depreciation	95,039,969	7,405,722	5,482,695	33,483,726	12,219,086	16,704,784	19,743,956	144,195
Depletable assets	179,291	*1,520	*5,252	*69,743	*6,013	*43,361	53,404	--
Less: Accumulated depletion	33,524	*904	*4,097	*5,154	*1,099	*20,708	*1,562	--
Land	13,734,820	4,146,794	549,895	1,754,095	912,562	2,769,054	3,602,421	93,666
Intangible assets (amortizable)	35,673,658	1,885,213	742,159	12,634,987	3,015,748	10,018,508	7,377,044	40,948
Less: Accumulated amortization	8,203,352	272,069	178,975	3,093,013	224,935	2,536,946	1,897,415	2,016
Other assets	39,513,918	3,792,255	1,946,905	13,136,586	1,311,594	12,814,416	6,512,162	138,324
Total liabilities	**470,444,279**	**45,818,405**	**14,594,085**	**166,042,140**	**38,770,089**	**93,877,220**	**111,342,341**	**1,243,267**
Accounts payable	38,223,994	1,682,455	830,591	17,454,936	2,709,772	6,999,143	8,547,097	136,355
Mortgages, notes, and bonds payable in less than one year	49,514,787	3,995,771	626,690	21,094,505	7,726,799	5,363,697	10,707,325	108,420
Other current liabilities	54,297,667	3,085,306	1,828,880	22,169,531	4,060,426	8,770,941	14,382,583	60,236
Loans from stockholders	13,851,369	2,930,148	519,382	4,620,350	1,021,819	1,776,339	2,983,332	181,632
Mortgages, notes, and bonds payable in one year or more	143,541,611	18,967,064	3,812,779	45,455,639	13,049,047	26,281,615	35,975,468	343,471
Other liabilities	44,635,699	3,797,647	1,404,582	14,804,584	1,790,786	14,886,911	7,951,190	85,342
Capital stock	29,986,733	4,718,010	804,642	9,285,335	2,097,542	5,692,006	7,389,198	145,839
Paid-in or capital surplus	92,633,511	13,043,487	1,609,898	31,834,331	2,421,125	18,844,730	24,879,940	479,798
Retained earnings, appropriated	1,033,897	*37,080	*56,635	503,070	*15,312	134,540	287,260	*10
Retained earnings, unappropriated	11,896,837	-5,662,727	3,624,650	2,647,965	4,423,231	7,132,206	-268,488	-294,409
Less: Cost of treasury stock	9,171,826	775,836	524,645	3,828,106	545,769	2,004,905	1,492,565	*3,427
Total receipts	**550,197,705**	**31,347,744**	**23,211,162**	**209,979,872**	**51,828,053**	**56,566,062**	**177,264,813**	**6,371,197**
Business receipts	505,583,165	28,051,348	21,841,597	191,772,018	47,630,435	49,183,547	167,104,221	5,532,384
Interest	8,975,277	903,198	363,421	3,188,312	573,194	1,741,483	2,205,670	86,481
Interest on Government obligations: State and local	351,109	5,433	22,295	227,231	1,967	10,841	83,342	*1,141
Rents	7,734,043	609,276	118,060	4,178,204	1,220,220	723,153	885,129	*35,872
Royalties	2,717,306	56,887	96,001	988,713	*38,081	1,415,406	122,217	*3,037
Net short-term capital gain reduced by net long-term capital loss	73,976	4,530	*5,683	39,751	*793	9,410	13,808	--
Net long-term capital gain reduced by net short-term capital loss	2,522,137	399,364	144,816	409,719	94,808	516,290	957,140	*22,835
Net gain, noncapital assets	2,743,186	126,514	62,412	804,550	1,149,807	254,324	345,579	*851
Dividends received from domestic corporations	409,288	29,915	31,019	118,537	11,403	91,042	127,371	--
Dividends received from foreign corporations	877,593	34,812	*12,168	613,322	*6,622	115,016	95,654	--
Other receipts	18,210,625	1,126,467	513,690	7,639,514	1,100,723	2,505,551	5,324,680	688,596
Total deductions	**546,245,137**	**32,120,471**	**22,325,275**	**208,533,106**	**51,335,877**	**56,640,683**	**175,289,726**	**6,425,011**
Cost of sales and operations	213,583,990	14,705,902	8,692,524	90,604,164	21,659,864	17,481,669	60,439,867	5,176,992
Compensation of officers	30,129,732	410,827	1,303,514	10,654,613	2,177,069	2,953,586	12,630,123	81,588
Repairs	4,403,343	418,696	250,535	1,225,427	729,135	574,580	1,204,970	22,017
Bad debts	4,642,644	338,977	116,412	1,068,437	211,730	616,438	2,290,650	*11,375
Rent paid on business property	20,197,421	1,165,191	1,073,196	7,470,909	2,214,718	2,001,705	6,271,700	77,232
Taxes paid	18,546,761	1,302,475	946,991	6,668,944	2,316,734	1,624,959	5,686,657	103,008
Interest paid	22,511,469	2,393,371	602,653	7,149,356	3,106,234	3,905,342	5,354,513	32,427
Contributions or gifts	231,744	7,119	14,880	77,569	15,499	28,444	88,233	*778
Amortization	4,912,475	98,990	160,164	1,072,891	108,014	2,799,822	672,593	*1,497
Depreciation	26,673,358	1,390,615	832,453	10,228,263	5,404,372	4,011,340	4,806,315	27,725
Depletion	13,650	--	*897	6,274	*23	*3,018	3,436	--
Advertising	7,796,557	601,455	479,506	3,007,273	733,653	1,493,921	1,480,748	19,986
Pension, profit-sharing, stock bonus, and annuity plans	3,617,897	87,748	132,171	1,266,831	312,998	206,270	1,611,878	*22,818
Employee benefit programs	7,694,594	445,835	264,959	2,655,761	565,524	357,516	3,404,998	4,250
Net loss, noncapital assets	827,437	75,275	28,121	383,323	64,095	67,717	208,906	*108,955
Other deductions	180,462,067	8,677,994	7,426,298	64,993,069	11,716,213	18,514,354	69,134,139	734,362
Total receipts less total deductions	3,952,568	-772,727	885,887	1,446,766	492,176	-74,621	1,975,087	-53,814
Constructive taxable income from related foreign corporations	825,578	32,606	7,294	418,340	*9,848	262,263	95,225	--
Net income (less deficit)	4,427,035	-745,555	870,886	1,637,875	500,058	176,801	1,986,969	-54,956
Income subject to tax	16,011,712	752,400	972,323	6,056,196	1,018,319	2,000,331	5,212,143	53,391
Income tax, total [2]	5,305,161	269,959	307,045	2,012,630	321,629	697,264	1,696,634	13,306
Regular tax	4,983,182	246,543	298,698	1,877,736	266,794	650,025	1,643,385	13,306
Personal holding company tax	*1,496	(1)	*22	--	--	*626	*848	--
Recapture of investment credit	2,494	86	215	487	*555	168	985	--
Alternative minimum tax	299,289	20,815	7,215	129,430	53,229	41,812	46,788	--
Environmental tax	16,825	1,203	896	5,756	982	2,953	5,036	--
Foreign tax credit	602,440	*34,559	9,580	372,965	*324	116,334	68,679	--
U.S. possessions tax credit	15,845	6,014	--	5,316	--	37	4,477	(1)
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	576	--	--	--	--	--	576	--
General business credit	122,943	7,181	3,451	66,477	18,751	4,792	22,291	--
Prior year minimum tax credit	28,452	*897	*625	11,584	3,216	4,679	7,451	--
Total income tax after credits	4,534,905	221,307	293,390	1,556,289	299,337	571,423	1,593,160	13,305

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

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

[1] Less than $500 per return.

[2] Also includes adjustments to income tax and to total tax which are 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 WITH NET INCOME, FORM 1120

Table 17--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	**1,007,038**	**38,112**	**9,931**	***	***	***	**888**
Total assets	**11,162,061,599**	**33,119,731**	**164,508,393**	***	***	***	**10,289,875**
Cash	488,560,933	2,476,140	5,282,236	***	***	***	298,214
Notes and accounts receivable	2,988,826,272	3,213,267	17,267,176	***	***	***	1,750,925
Less: Allowance for bad debts	71,112,666	29,873	181,551	***	***	***	21,298
Inventories	521,978,123	4,594,038	4,681,933	***	***	***	588,661
Investments in Government obligations	478,089,086	165,434	605,985	***	***	***	*62,284
Tax-exempt securities	144,074,826	178,220	216,918	***	***	***	3,625
Other current assets	761,068,135	1,073,941	5,013,232	***	***	***	186,207
Loans to stockholders	56,802,254	805,807	593,747	***	***	***	30,009
Mortgage and real estate loans	913,691,151	262,287	99,738	***	***	***	*9,511
Other investments	2,065,852,304	3,628,200	69,918,086	***	***	***	2,625,479
Depreciable assets	3,026,519,142	21,383,675	73,830,504	***	***	***	6,407,228
Less: Accumulated depreciation	1,323,812,762	13,497,166	37,024,972	***	***	***	3,325,425
Depletable assets	101,356,159	339,568	22,324,271	***	***	***	899,849
Less: Accumulated depletion	43,816,249	220,189	8,957,367	***	***	***	120,229
Land	103,191,592	7,086,189	2,642,434	***	***	***	443,529
Intangible assets (amortizable)	277,463,499	150,563	4,879,804	***	***	***	280,452
Less: Accumulated amortization	58,525,149	51,921	2,127,330	***	***	***	26,719
Other assets	731,854,950	1,561,552	5,443,549	***	***	***	197,572
Total liabilities	**11,162,061,599**	**33,119,731**	**164,508,393**	***	***	***	**10,289,875**
Accounts payable	743,761,408	1,824,924	9,299,240	***	***	***	666,485
Mortgages, notes, and bonds payable in less than one year	1,240,733,245	4,101,791	6,047,465	***	***	***	1,236,116
Other current liabilities	3,542,929,029	1,594,166	10,077,993	***	***	***	549,370
Loans from stockholders	92,902,699	1,346,709	1,479,401	***	***	***	50,471
Mortgages, notes, and bonds payable in one year or more	1,659,121,801	6,603,820	34,882,528	***	***	***	1,635,730
Other liabilities	1,107,065,206	1,781,266	11,576,369	***	***	***	452,957
Capital stock	391,401,232	3,761,592	6,406,828	***	***	***	651,844
Paid-in or capital surplus	1,106,261,879	2,846,870	74,515,431	***	***	***	1,827,470
Retained earnings, appropriated	22,045,861	84,317	204,955	***	***	***	*46,024
Retained earnings, unappropriated	1,414,880,007	9,876,567	13,652,639	***	***	***	3,603,690
Less: Cost of treasury stock	159,040,766	702,292	3,634,455	***	***	***	430,281
Total receipts	**6,949,428,947**	**46,012,229**	**79,726,956**	***	***	***	**7,290,778**
Business receipts	6,048,322,909	42,360,519	68,815,814	***	***	***	6,811,618
Interest	538,072,602	489,621	3,035,227	***	***	***	154,454
Interest on Government obligations: State and local	15,252,743	20,348	29,237	***	***	***	3,159
Rents	69,637,883	323,154	281,656	***	***	***	55,434
Royalties	26,643,342	74,416	332,099	***	***	***	14,270
Net short-term capital gain reduced by net long-term capital loss	1,560,659	23,285	16,145	***	***	***	*704
Net long-term capital gain reduced by net short-term capital loss	32,317,065	410,053	1,733,087	***	***	***	83,697
Net gain, noncapital assets	20,590,106	195,687	968,071	***	***	***	42,932
Dividends received from domestic corporations	9,251,287	56,692	301,564	***	***	***	3,808
Dividends received from foreign corporations	31,696,702	*30,015	264,843	***	***	***	*8,144
Other receipts	156,083,650	2,028,438	3,949,212	***	***	***	112,558
Total deductions	**6,566,772,105**	**43,298,540**	**72,408,130**	***	***	***	**6,804,147**
Cost of sales and operations	4,012,446,769	27,450,445	44,986,154	***	***	***	4,058,482
Compensation of officers	95,835,859	1,169,729	788,596	***	***	***	121,867
Repairs	68,533,234	799,839	596,420	***	***	***	219,517
Bad debts	44,005,288	53,037	136,500	***	***	***	12,466
Rent paid on business property	97,601,400	1,046,435	720,596	***	***	***	81,005
Taxes paid	163,126,767	969,345	2,299,963	***	***	***	205,191
Interest paid	506,004,282	1,185,546	4,735,902	***	***	***	257,853
Contributions or gifts	4,622,085	32,050	43,947	***	***	***	7,360
Amortization	14,855,566	43,941	309,847	***	***	***	12,406
Depreciation	222,658,051	1,542,318	3,664,929	***	***	***	483,549
Depletion	7,791,306	20,880	2,092,561	***	***	***	140,080
Advertising	80,491,885	165,401	77,546	***	***	***	13,437
Pension, profit-sharing, stock bonus, and annuity plans	26,235,289	92,620	229,969	***	***	***	38,404
Employee benefit programs	75,717,223	305,772	717,913	***	***	***	83,582
Net loss, noncapital assets	6,227,834	19,743	45,347	***	***	***	*2,736
Other deductions	1,138,619,269	8,401,439	10,961,942	***	***	***	1,066,213
Total receipts less total deductions	382,656,842	2,713,689	7,318,826	***	***	***	486,631
Constructive taxable income from related foreign corporations	34,708,706	*18,214	331,939	***	***	***	324
Net income	402,113,964	2,711,554	7,621,529	***	***	***	483,796
Income subject to tax	355,955,449	2,053,983	5,653,812	***	***	***	407,399
Income tax, total [8]	122,989,297	574,879	2,194,550	***	***	***	163,843
Regular tax	115,962,415	559,047	1,894,753	***	***	***	135,044
Personal holding company tax	11,719	--	--	***	***	***	--
Recapture of investment credit	108,652	107	287	***	***	***	*28
Alternative minimum tax	6,491,594	14,663	303,633	***	***	***	28,814
Environmental tax	494,553	1,062	10,163	***	***	***	628
Foreign tax credit	24,835,767	*17,508	788,105	***	***	***	*6,715
U.S. possessions tax credit	3,193,502	472	--	***	***	***	--
Orphan drug credit	15,637	--	--	***	***	***	--
Nonconventional source fuel credit	81,704	--	16,976	***	***	***	--
General business credit	2,804,153	14,280	39,251	***	***	***	2,462
Prior year minimum tax credit	630,207	2,775	31,312	***	***	***	5
Total income tax after credits	91,428,327	539,845	1,318,906	***	***	***	154,662

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

RETURNS WITH NET INCOME, FORM 1120

Table 17–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	***	45,761	***	***	98,472	4,709	51	1,377	4,855
Total assets	***	55,483,333	***	***	3,065,154,480	223,132,667	208,812,776	19,365,856	24,672,048
Cash	***	6,033,250	***	***	64,893,539	6,084,439	472,851	489,743	671,211
Notes and accounts receivable	***	15,057,692	***	***	661,164,248	48,195,762	52,693,377	3,875,743	4,289,398
Less: Allowance for bad debts	***	102,945	***	***	12,403,092	539,791	196,972	93,921	108,988
Inventories	***	7,620,344	***	***	269,773,344	21,056,592	8,159,285	3,859,255	5,465,141
Investments in Government obligations	***	148,377	***	***	16,772,783	1,244,643	108,245	*485,417	*7,099
Tax-exempt securities	***	66,558	***	***	14,092,247	215,394	251,044	*40,210	*149
Other current assets	***	7,552,015	***	***	186,258,316	8,267,447	*7,000,432	532,747	858,734
Loans to stockholders	***	604,414	***	***	19,430,066	1,818,371	71,758	112,819	57,590
Mortgage and real estate loans	***	4,596,720	***	***	26,030,981	41,358	252,910	*6,145	*6,294
Other investments	***	4,221,306	***	***	760,449,925	61,286,097	78,076,919	2,199,408	7,079,043
Depreciable assets	***	10,847,193	***	***	1,295,648,075	86,016,681	18,113,236	12,236,442	6,139,442
Less: Accumulated depreciation	***	5,814,992	***	***	643,639,723	37,065,745	5,913,366	6,635,913	2,837,471
Depletable assets	***	*72,424	***	***	68,772,870	59,182	193	*2,979	*145
Less: Accumulated depletion	***	*37,577	***	***	30,568,621	8,084	145	*437	--
Land	***	1,668,462	***	***	33,504,682	3,391,892	704,732	173,760	149,278
Intangible assets (amortizable)	***	399,555	***	***	186,063,378	15,050,378	40,365,690	587,494	1,434,307
Less: Accumulated amortization	***	104,208	***	***	41,827,855	1,324,994	2,383,458	110,865	274,231
Other assets	***	2,654,747	***	***	190,739,317	9,343,045	11,036,045	1,604,828	1,734,907
Total liabilities	***	55,483,333	***	***	3,065,154,480	223,132,667	208,812,776	19,365,856	24,672,048
Accounts payable	***	11,666,645	***	***	283,855,966	34,971,182	4,791,456	1,848,119	3,583,371
Mortgages, notes, and bonds payable in less than one year	***	7,145,376	***	***	363,628,013	22,589,567	59,321,719	1,160,369	1,806,352
Other current liabilities	***	7,388,722	***	***	287,299,630	16,505,276	10,267,876	1,413,248	2,641,461
Loans from stockholders	***	1,676,591	***	***	33,330,187	2,378,812	165,034	156,579	236,498
Mortgages, notes, and bonds payable in one year or more	***	11,986,288	***	***	579,222,870	47,096,310	40,699,389	5,062,272	5,321,410
Other liabilities	***	2,504,875	***	***	344,849,967	19,070,930	14,819,242	1,157,611	980,703
Capital stock	***	1,385,679	***	***	122,389,941	9,671,178	4,736,498	837,634	1,245,578
Paid-in or capital surplus	***	3,061,531	***	***	464,834,441	27,731,297	61,352,600	1,589,662	4,070,695
Retained earnings, appropriated	***	34,836	***	***	7,090,552	557,638	95,524	136	*18,547
Retained earnings, unappropriated	***	9,204,250	***	***	678,206,538	57,333,062	13,706,221	6,404,871	5,457,224
Less: Cost of treasury stock	***	571,459	***	***	99,553,623	14,772,585	1,142,783	264,644	689,790
Total receipts	***	118,587,804	***	***	2,778,842,220	274,489,589	74,034,386	28,180,394	33,983,498
Business receipts	***	114,912,102	***	***	2,566,013,364	263,384,889	64,188,238	27,402,022	32,771,504
Interest	***	1,461,537	***	***	65,308,494	2,590,612	4,591,250	160,761	415,907
Interest on Government obligations: State and local	***	27,009	***	***	1,520,875	32,623	3,795	10,560	*11,388
Rents	***	468,615	***	***	31,545,691	1,009,376	702,341	42,708	50,993
Royalties	***	10,861	***	***	21,061,898	1,369,030	458,075	17,649	186,263
Net short-term capital gain reduced by net long-term capital loss	***	10,309	***	***	371,152	38,790	1,889	*1,193	*25,270
Net long-term capital gain reduced by net short-term capital loss	***	273,755	***	***	11,799,247	720,382	942,795	52,779	58,459
Net gain, noncapital assets	***	73,637	***	***	8,279,402	268,200	1,239,213	29,117	44,503
Dividends received from domestic corporations	***	31,170	***	***	3,481,865	370,601	87,745	13,932	7,588
Dividends received from foreign corporations	***	71,075	***	***	27,114,377	1,720,559	798,960	70,712	130,805
Other receipts	***	1,247,734	***	***	42,345,856	2,984,526	1,020,086	378,961	280,819
Total deductions	***	115,600,000	***	***	2,609,358,591	260,728,126	66,893,480	26,953,624	32,097,869
Cost of sales and operations	***	96,572,135	***	***	1,752,841,863	179,803,915	31,526,494	20,303,703	23,016,734
Compensation of officers	***	2,996,141	***	***	19,504,607	1,510,796	204,131	318,979	688,802
Repairs	***	286,316	***	***	26,806,503	2,305,118	271,102	144,473	110,831
Bad debts	***	145,745	***	***	6,937,431	250,013	47,853	86,075	131,614
Rent paid on business property	***	647,195	***	***	25,372,869	2,138,973	421,874	208,727	456,247
Taxes paid	***	1,527,583	***	***	68,720,766	6,008,049	3,913,569	607,735	735,435
Interest paid	***	1,719,124	***	***	108,077,253	7,145,562	9,182,485	691,039	1,202,353
Contributions or gifts	***	43,195	***	***	2,351,880	317,080	106,113	20,536	29,968
Amortization	***	37,373	***	***	6,276,866	651,201	903,698	50,028	106,567
Depreciation	***	1,017,327	***	***	91,295,375	6,453,315	2,297,317	866,556	505,227
Depletion	***	5,626	***	***	5,003,253	15,487	27	*307	*25
Advertising	***	263,912	***	***	44,826,630	12,527,642	4,900,334	278,395	568,964
Pension, profit-sharing, stock bonus, and annuity plans	***	326,038	***	***	12,318,771	1,011,655	211,388	102,648	100,508
Employee benefit programs	***	467,392	***	***	37,269,083	2,982,930	1,027,192	349,698	305,525
Net loss, noncapital assets	***	17,051	***	***	2,055,957	45,852	13	25,871	4,604
Other deductions	***	9,527,848	***	***	399,699,485	37,560,536	11,879,889	2,898,854	4,134,464
Total receipts less total deductions	***	2,987,804	***	***	169,483,629	13,761,464	7,140,906	1,226,771	1,885,629
Constructive taxable income from related foreign corporations	***	*41,381	***	***	28,543,506	1,421,792	1,562,995	61,074	174,787
Net income	***	3,002,176	***	***	196,507,420	15,150,632	8,700,106	1,277,285	2,049,029
Income subject to tax	***	2,265,702	***	***	179,302,316	14,381,563	7,881,769	1,163,594	1,845,246
Income tax, total [2]	***	678,887	***	***	64,095,286	4,916,412	2,702,576	412,182	620,148
Regular tax	***	646,551	***	***	60,634,281	4,854,672	2,679,844	390,795	614,557
Personal holding company tax	***	*14	***	***	116	--	--	--	--
Recapture of investment credit	***	329	***	***	49,892	1,704	10,612	128	60
Alternative minimum tax	***	31,206	***	***	3,170,522	42,451	743	20,092	3,583
Environmental tax	***	822	***	***	260,135	18,381	11,562	1,389	1,948
Foreign tax credit	***	30,502	***	***	20,777,364	933,483	374,031	46,221	99,557
U.S. possessions tax credit	***	--	***	***	3,072,082	371,750	15,219	1,944	39,073
Orphan drug credit	***	--	***	***	15,637	--	--	--	--
Nonconventional source fuel credit	***	(*)	***	***	49,393	8	--	--	--
General business credit	***	8,835	***	***	1,229,009	74,854	36,406	8,247	4,459
Prior year minimum tax credit	***	15,698	***	***	270,841	11,199	--	2,284	2,905
Total income tax after credits	***	623,852	***	***	38,680,961	3,525,118	2,276,919	353,485	474,154

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

RETURNS WITH NET INCOME, FORM 1120

Table 17--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	Chemical 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	**5,459**	**3,101**	***	**13,255**	**3,847**	**872**	**3,887**	**629**	***
Total assets	**56,001,606**	**10,417,825**	***	**121,908,499**	**407,892,458**	**538,475,122**	**20,614,804**	**14,712,468**	***
Cash	1,317,868	487,994	***	3,342,822	8,454,308	3,828,841	1,117,303	234,914	***
Notes and accounts receivable	4,312,962	2,435,354	***	18,519,858	71,775,854	82,379,662	4,859,809	3,964,289	***
Less: Allowance for bad debts	91,646	67,645	***	1,143,218	954,417	685,610	124,436	23,788	***
Inventories	4,658,129	2,047,438	***	6,719,874	33,967,960	20,320,894	3,696,445	2,192,445	***
Investments in Government obligations	*139,996	*25,189	***	638,769	813,759	285,858	*28,417	*13,822	***
Tax-exempt securities	*12,924	*713	***	472,074	787,736	256,159	15	*13,224	***
Other current assets	3,155,320	286,702	***	5,362,185	23,278,835	20,044,664	510,107	314,666	***
Loans to stockholders	109,514	25,517	***	628,763	4,389,109	5,902,363	163,336	*17,483	***
Mortgage and real estate loans	*1,252,799	*40,383	***	74,839	313,657	45,157	*20,708	*3,339	***
Other investments	8,275,304	1,028,126	***	37,602,870	119,265,588	184,921,036	2,416,996	629,351	***
Depreciable assets	34,052,056	5,655,619	***	44,744,125	170,907,109	304,180,036	12,158,765	3,818,479	***
Less: Accumulated depreciation	15,258,441	2,749,452	***	21,712,139	82,756,406	154,521,137	6,075,973	2,063,199	***
Depletable assets	6,321,951	*7,747	***	*5,867	6,763,721	48,888,277	--	--	***
Less: Accumulated depletion	*219,335	*5,648	***	*4,337	3,715,930	24,960,293	--	--	***
Land	382,166	137,545	***	1,496,737	4,091,891	6,610,062	293,393	4,975,723	***
Intangible assets (amortizable)	226,220	758,831	***	16,286,938	21,958,557	41,977,626	1,228,648	294,592	***
Less: Accumulated amortization	46,830	79,484	***	2,794,798	4,367,610	22,481,737	308,126	92,619	***
Other assets	7,400,650	382,894	***	11,667,269	32,918,738	21,483,264	629,397	419,749	***
Total liabilities	**56,001,606**	**10,417,825**	***	**121,908,499**	**407,892,458**	**538,475,122**	**20,614,804**	**14,712,468**	***
Accounts payable	4,486,108	1,086,458	***	8,756,678	40,120,559	64,527,823	1,956,758	644,141	***
Mortgages, notes, and bonds payable in less than one year	1,462,468	538,015	***	4,977,399	32,857,600	18,472,213	1,688,183	311,713	***
Other current liabilities	2,918,902	915,651	***	10,461,750	31,481,642	35,264,174	1,908,406	1,881,785	***
Loans from stockholders	246,012	87,334	***	2,008,861	4,681,411	11,802,559	465,946	*18,386	***
Mortgages, notes, and bonds payable in one year or more	18,286,896	1,900,925	***	30,676,098	76,227,685	88,116,481	4,114,981	5,071,751	***
Other liabilities	3,308,948	344,733	***	8,699,306	43,145,028	80,021,426	892,277	4,449,501	***
Capital stock	2,810,301	479,959	***	7,142,095	17,327,185	16,627,434	944,608	1,658,882	***
Paid-in or capital surplus	10,449,338	721,214	***	18,016,885	79,294,042	108,728,614	2,438,510	487,406	***
Retained earnings, appropriated	59,806	*2,952	***	120,736	760,090	404,649	*11,357	8,714	***
Retained earnings, unappropriated	12,533,613	4,595,240	***	34,774,456	99,311,976	139,212,560	6,517,608	401,913	***
Less: Cost of treasury stock	560,785	254,653	***	3,725,765	17,314,759	24,702,810	323,829	221,823	***
Total receipts	**51,665,796**	**18,663,956**	***	**105,460,681**	**332,133,522**	**528,818,892**	**31,979,967**	**13,061,568**	***
Business receipts	49,225,502	18,204,528	***	98,722,156	305,297,231	498,226,054	30,841,651	12,462,148	***
Interest	872,428	76,160	***	2,021,726	5,966,896	9,967,186	205,118	261,245	***
Interest on Government obligations: State and local	4,594	7,575	***	44,405	112,818	42,882	3,973	*8,702	***
Rents	74,635	18,679	***	408,022	767,970	2,344,440	108,661	36,824	***
Royalties	64,315	8,370	***	473,526	4,134,039	1,563,871	137,374	42,557	***
Net short-term capital gain reduced by net long-term capital loss	6,997	*1,626	***	9,545	29,686	119,404	*3	*259	***
Net long-term capital gain reduced by net short-term capital loss	469,073	105,031	***	1,502,034	2,817,792	865,343	154,461	2,668	***
Net gain, noncapital assets	65,810	5,752	***	207,162	842,419	1,524,289	26,855	17,169	***
Dividends received from domestic corporations	35,964	5,494	***	104,812	625,555	847,761	9,346	19,391	***
Dividends received from foreign corporations	166,804	31,397	***	182,326	4,954,486	3,297,097	155,428	*24,097	***
Other receipts	679,674	199,345	***	1,784,968	6,584,632	10,020,566	337,098	186,508	***
Total deductions	**49,518,560**	**17,634,657**	***	**96,778,383**	**301,241,141**	**500,482,826**	**29,975,255**	**12,489,087**	***
Cost of sales and operations	35,695,980	12,379,194	***	45,325,875	183,999,766	388,136,933	20,796,915	8,466,427	***
Compensation of officers	568,788	331,117	***	2,380,890	1,649,475	519,224	676,961	112,166	***
Repairs	1,256,991	64,020	***	707,471	4,367,989	6,910,797	134,987	57,171	***
Bad debts	95,347	83,751	***	692,128	497,657	318,878	70,567	22,598	***
Rent paid on business property	498,021	236,557	***	1,801,222	3,106,408	3,917,451	263,751	273,993	***
Taxes paid	1,265,719	480,889	***	3,053,068	5,928,814	18,788,828	668,622	364,388	***
Interest paid	1,865,855	244,284	***	4,080,063	10,086,776	18,323,458	643,191	521,305	***
Contributions or gifts	29,730	17,684	***	166,502	499,095	225,661	19,171	11,175	***
Amortization	43,368	25,885	***	870,537	825,875	967,327	94,783	5,495	***
Depreciation	2,041,386	439,596	***	4,380,064	10,836,181	12,148,089	961,223	192,828	***
Depletion	411,113	750	***	*17,679	526,942	3,116,872	*409	40,194	***
Advertising	231,022	245,394	***	1,652,974	9,703,151	1,023,159	276,506	261,089	***
Pension, profit-sharing, stock bonus, and annuity plans	183,256	123,128	***	867,769	1,643,142	1,094,221	210,244	41,373	***
Employee benefit programs	560,041	250,116	***	1,862,524	4,519,265	2,389,165	471,308	190,342	***
Net loss, noncapital assets	9,030	8,635	***	66,080	114,489	1,099,371	6,320	*4,231	***
Other deductions	4,762,933	2,703,655	***	28,853,538	62,936,117	41,503,393	4,680,295	1,924,311	***
Total receipts less total deductions	2,147,236	1,029,299	***	8,682,299	30,892,381	28,336,066	2,004,712	572,481	***
Constructive taxable income from related foreign corporations	47,645	3,367	***	149,114	4,993,577	5,198,857	93,351	*11,451	***
Net income	2,190,286	1,025,091	***	8,787,008	35,773,141	33,492,040	2,094,091	575,230	***
Income subject to tax	1,862,452	950,134	***	8,115,861	33,534,803	30,391,333	1,887,719	467,304	***
Income tax, total [1]	682,131	316,725	***	2,769,672	11,875,053	11,147,821	646,436	158,052	***
Regular tax	613,542	314,755	***	2,717,157	11,401,661	10,322,793	629,348	156,930	***
Personal holding company tax	--	--	***	--	--	--	--	--	***
Recapture of investment credit	590	283	***	1,223	7,084	5,078	51	28	***
Alternative minimum tax	67,042	*626	***	42,189	427,574	766,296	16,162	*513	***
Environmental tax	2,967	1,076	***	10,228	45,501	53,654	1,826	581	***
Foreign tax credit	38,025	*3,566	***	225,563	3,607,904	5,376,170	96,127	8,720	***
U.S. possessions tax credit	--	22	***	2,625	1,773,810	23,059	11,240	17,808	***
Orphan drug credit	--	--	***	--	15,551	--	--	--	***
Nonconventional source fuel credit	7	--	***	*1	*3,343	44,042	37	--	***
General business credit	13,728	3,817	***	38,026	235,934	94,218	17,794	12,741	***
Prior year minimum tax credit	*834	*526	***	4,663	15,994	*43,645	1,207	524	***
Total income tax after credits	629,538	308,795	***	2,498,793	6,222,516	5,566,686	520,031	118,260	***

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

RETURNS WITH NET INCOME, FORM 1120

Table 17–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	1,977	19,260	10,390	7,121	677	1,288	3,034	8,230
Total assets	81,330,779	80,082,742	230,165,865	318,868,075	313,601,620	120,938,149	75,163,782	53,431,880
Cash	1,726,812	3,389,890	7,205,485	12,582,434	4,130,208	1,718,175	3,893,115	1,703,276
Notes and accounts receivable	14,290,294	16,196,044	59,050,270	65,564,896	135,290,836	26,011,842	19,587,971	9,817,813
Less: Allowance for bad debts	253,659	262,926	1,431,256	3,310,364	1,549,501	365,933	310,153	426,939
Inventories	10,806,906	12,509,752	27,992,232	31,756,775	13,331,300	32,469,488	9,827,806	5,807,192
Investments in Government obligations	272,063	313,799	4,530,919	4,834,083	*2,501,761	*62,918	99,716	71,940
Tax-exempt securities	61,608	201,428	2,622,856	5,578,110	*2,522,447	11,920	260,785	*481,666
Other current assets	3,345,638	2,663,206	11,292,277	68,381,601	11,608,507	10,418,190	3,057,403	1,975,353
Loans to stockholders	1,598,440	238,541	1,338,696	565,567	964,983	463,943	131,458	190,369
Mortgage and real estate loans	*40,812	120,754	439,744	1,078,104	*21,471,316	*368,802	*65,781	*140,543
Other investments	16,566,034	17,807,115	44,049,702	49,533,282	49,786,006	12,406,111	10,224,305	17,883,471
Depreciable assets	47,763,495	37,082,751	100,812,565	110,108,518	103,186,715	55,013,807	34,784,930	13,303,057
Less: Accumulated depreciation	22,836,820	19,593,906	52,824,925	59,449,361	56,544,119	28,758,467	17,183,234	6,404,801
Depletable assets	2,287,842	200,361	*107,426	688,314	644	131,963	*1,236	*104,763
Less: Accumulated depletion	630,943	*125,346	*16,981	309,636	456	23,192	*60	*8,840
Land	912,837	954,016	1,870,308	1,780,635	1,064,380	1,341,439	768,992	415,635
Intangible assets (amortizable)	1,804,108	2,460,816	10,602,535	9,957,953	6,079,632	2,570,315	4,223,752	3,764,855
Less: Accumulated amortization	427,021	283,899	1,813,511	1,589,644	623,713	793,675	743,694	649,057
Other assets	4,002,334	6,210,346	14,337,525	21,116,807	20,380,673	7,890,502	6,473,674	5,261,584
Total liabilities	81,330,779	80,082,742	230,165,865	318,868,075	313,601,620	120,938,149	75,163,782	53,431,880
Accounts payable	10,015,459	7,020,035	21,627,477	22,122,655	16,419,452	11,223,457	10,422,414	3,287,135
Mortgages, notes, and bonds payable in less than one year	3,737,270	6,169,157	29,021,152	69,773,618	78,928,078	11,487,311	7,252,742	5,176,293
Other current liabilities	6,015,767	6,730,217	28,965,484	35,076,382	43,071,044	31,883,181	6,861,361	3,807,163
Loans from stockholders	3,077,073	695,457	929,201	1,285,082	1,228,331	257,476	1,595,280	385,482
Mortgages, notes, and bonds payable in one year or more	16,079,145	12,571,359	38,187,096	45,733,413	69,213,638	19,484,524	14,237,470	8,700,884
Other liabilities	15,507,761	7,859,173	17,875,773	59,647,077	35,123,466	7,873,606	4,717,543	6,202,230
Capital stock	5,013,285	4,337,204	15,707,481	9,706,517	4,963,619	6,706,115	4,291,200	2,162,832
Paid-in or capital surplus	21,893,545	14,868,777	24,593,538	21,118,668	18,836,341	5,967,843	7,505,752	8,301,533
Retained earnings, appropriated	130,727	146,255	2,075,472	665,237	*243,073	120,836	*1,210,114	158,457
Retained earnings, unappropriated	1,357,884	23,018,462	58,209,644	62,086,320	46,623,736	29,073,267	22,851,688	16,680,919
Less: Cost of treasury stock	1,497,137	3,333,355	7,026,453	8,346,893	1,049,157	3,139,467	5,781,783	1,431,048
Total receipts	94,932,023	100,797,973	216,747,920	235,898,474	226,031,186	158,573,718	77,435,515	46,972,561
Business receipts	91,511,940	96,697,913	179,753,632	212,928,508	196,903,701	148,502,478	71,657,452	44,216,037
Interest	1,271,024	1,204,381	4,755,665	7,136,350	19,429,453	2,241,394	647,905	561,027
Interest on Government obligations: State and local	14,521	37,442	282,909	526,519	199,241	14,662	51,115	82,288
Rents	96,178	339,942	11,724,099	5,837,898	4,859,230	1,660,936	938,502	155,321
Royalties	99,887	288,720	8,159,801	1,625,391	128,800	240,598	966,227	296,682
Net short-term capital gain reduced by net long-term capital loss	*11,985	907	41,632	43,269	*531	9,709	397	27,776
Net long-term capital gain reduced by net short-term capital loss	319,178	295,538	641,742	965,675	84,554	416,998	85,706	268,197
Net gain, noncapital assets	63,648	286,377	289,636	1,295,640	1,358,457	429,999	90,963	48,511
Dividends received from domestic corporations	103,082	53,878	221,873	252,740	125,653	104,696	26,236	283,478
Dividends received from foreign corporations	507,898	617,320	6,562,822	1,919,421	1,445,130	1,306,121	1,736,240	267,580
Other receipts	932,681	975,554	4,314,109	3,367,063	1,496,435	3,646,127	1,234,770	765,664
Total deductions	90,219,254	94,491,938	201,898,432	219,859,179	223,569,492	149,730,030	71,399,957	43,692,281
Cost of sales and operations	72,497,811	67,018,382	115,811,403	131,569,110	156,013,530	112,448,254	40,722,962	27,746,789
Compensation of officers	593,153	2,658,398	2,136,002	1,865,931	383,432	408,178	684,741	823,978
Repairs	829,547	622,948	1,222,937	1,610,630	1,672,597	1,157,919	286,464	230,362
Bad debts	84,449	209,641	933,727	1,084,263	1,590,974	196,208	152,718	154,577
Rent paid on business property	628,021	891,583	2,713,861	2,782,783	1,354,885	1,292,037	702,545	490,617
Taxes paid	1,656,953	2,424,181	4,874,996	5,307,171	4,477,058	2,975,330	1,361,238	972,572
Interest paid	1,992,662	2,406,951	7,419,721	14,949,835	16,734,546	3,181,107	2,402,345	1,436,474
Contributions or gifts	33,518	60,818	248,188	132,558	81,289	74,618	143,879	37,384
Amortization	161,450	148,924	300,156	381,382	58,383	103,025	214,091	168,772
Depreciation	2,756,173	2,739,123	7,201,625	11,894,093	12,603,281	3,419,303	2,119,965	1,236,887
Depletion	452,105	10,462	49,185	*15,311	*4,862	29,413	109	*4,843
Advertising	184,042	890,106	2,168,833	2,420,459	2,417,820	344,240	2,269,795	1,107,718
Pension, profit-sharing, stock bonus, and annuity plans	613,805	540,124	1,336,736	1,727,373	267,622	864,743	577,657	168,606
Employee benefit programs	1,456,146	1,600,883	4,388,754	4,633,417	3,219,297	3,312,369	1,245,659	646,428
Net loss, noncapital assets	88,392	17,658	267,857	134,687	8,527	14,824	30,244	45,924
Other deductions	6,191,027	12,251,756	50,824,449	39,350,175	22,681,389	19,908,461	18,485,546	8,420,351
Total receipts less total deductions	4,712,769	6,306,035	14,849,489	16,039,296	2,461,694	8,843,688	6,035,557	3,280,280
Constructive taxable income from related foreign corporations	343,477	417,953	5,029,048	1,875,712	4,388,761	581,801	984,916	215,963
Net income	5,041,724	6,686,546	19,596,787	17,388,488	6,651,213	9,410,827	6,969,358	3,413,955
Income subject to tax	4,005,860	5,918,462	18,225,161	15,566,704	6,298,357	8,042,011	6,438,985	2,726,521
Income tax, total *	1,471,523	1,972,814	6,508,446	5,454,084	3,103,079	2,767,663	2,236,067	937,782
Regular tax	1,353,067	1,927,769	6,167,377	5,278,702	2,150,679	2,732,265	2,179,253	904,824
Personal holding company tax	--	--	116	--	--	--	--	--
Recapture of investment credit	335	632	7,568	3,898	5,822	1,875	1,730	62
Alternative minimum tax	110,783	38,666	310,317	150,700	932,655	23,596	47,377	29,427
Environmental tax	7,338	5,798	23,131	21,884	14,771	12,688	7,756	3,221
Foreign tax credit	355,549	367,010	4,167,438	1,208,468	1,730,382	351,871	825,366	156,165
U.S. possessions tax credit	202	3,920	117,622	268,700	9,737	993	348,759	55,955
Orphan drug credit	--	--	--	--	--	--	*86	--
Nonconventional source fuel credit	--	42	254	417	--	--	--	--
General business credit	83,536	20,174	131,393	230,840	64,280	41,982	44,152	10,434
Prior year minimum tax credit	5,987	11,249	18,258	16,253	*549	92,389	33,986	*3,427
Total income tax after credits	1,026,249	1,570,420	2,073,481	3,729,405	1,298,131	2,280,428	985,718	711,802

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

RETURNS WITH NET INCOME, FORM 1120

Table 17--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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	**45,501**	**36,242**	***	***	**301,124**	**120,207**	**9,907**	**21,912**	**88,388**
Total assets	**1,177,430,535**	**164,444,823**	***	***	**787,205,366**	**327,775,893**	**33,154,471**	**44,131,438**	**250,489,984**
Cash	17,873,543	6,858,168	***	***	40,665,914	20,907,346	1,573,565	2,918,078	16,415,703
Notes and accounts receivable	128,312,328	22,380,555	***	***	198,725,497	102,442,071	9,435,570	11,648,686	81,357,816
Less: Allowance for bad debts	3,470,324	528,339	***	***	3,314,596	1,813,006	195,045	225,058	1,392,903
Inventories	23,345,060	3,168,137	***	***	186,098,032	80,153,138	8,285,421	13,617,437	58,250,280
Investments in Government obligations	4,559,234	1,469,133	***	***	2,660,099	1,964,055	*105,184	370,751	1,488,120
Tax-exempt securities	2,815,477	600,248	***	***	1,713,317	435,436	*31,861	*9,371	394,204
Other current assets	44,206,871	6,050,072	***	***	54,083,957	21,267,972	916,902	1,759,863	18,591,207
Loans to stockholders	1,309,152	656,873	***	***	5,709,053	2,309,309	518,948	325,991	1,464,371
Mortgage and real estate loans	3,453,685	545,767	***	***	5,944,631	678,733	143,677	116,343	418,714
Other investments	167,002,080	18,548,367	***	***	92,968,958	36,369,832	2,331,591	6,170,987	27,867,255
Depreciable assets	1,033,589,882	146,295,228	***	***	252,202,192	83,733,304	13,056,759	11,334,454	59,342,090
Less: Accumulated depreciation	362,411,384	58,807,735	***	***	113,635,953	42,356,724	6,344,135	5,908,387	30,104,202
Depletable assets	7,601,277	398,343	***	***	926,155	763,047	*14,690	119,151	629,206
Less: Accumulated depletion	3,087,665	176,094	***	***	482,725	407,639	*9,909	*38,018	359,712
Land	10,185,351	2,872,606	***	***	19,797,470	5,745,856	702,464	665,922	4,377,470
Intangible assets (amortizable)	27,035,499	4,274,005	***	***	18,433,381	7,850,603	1,825,580	626,675	5,398,347
Less: Accumulated amortization	3,275,442	531,463	***	***	3,394,122	1,514,663	265,132	151,604	1,097,927
Other assets	78,385,912	10,370,951	***	***	28,104,108	9,247,223	1,026,481	770,795	7,449,947
Total liabilities	**1,177,430,535**	**164,444,823**	***	***	**787,205,366**	**327,775,893**	**33,154,471**	**44,131,438**	**250,489,984**
Accounts payable	66,984,124	16,278,372	***	***	140,178,626	69,416,950	6,814,518	7,914,430	54,688,002
Mortgages, notes, and bonds payable in less than one year	62,310,284	7,999,709	***	***	116,446,012	59,380,835	2,598,594	6,667,953	50,114,288
Other current liabilities	91,369,713	18,035,622	***	***	92,876,722	27,951,129	3,274,962	3,167,546	21,508,622
Loans from stockholders	3,188,763	1,608,931	***	***	14,709,738	7,064,550	538,677	712,016	5,813,858
Mortgages, notes, and bonds payable in one year or more	336,899,149	40,973,122	***	***	140,669,278	42,546,413	7,279,033	5,844,435	29,422,945
Other liabilities	164,867,336	24,075,630	***	***	28,178,005	10,600,696	1,716,736	3,341,547	5,542,412
Capital stock	121,846,774	5,454,348	***	***	33,301,735	18,383,997	1,316,286	2,269,023	14,798,688
Paid-in or capital surplus	167,057,085	15,968,586	***	***	64,751,478	21,916,278	2,293,143	2,825,325	16,797,810
Retained earnings, appropriated	2,724,928	313,150	***	***	1,165,537	509,334	99,897	71,308	338,129
Retained earnings, unappropriated	174,996,643	37,061,256	***	***	168,088,564	74,248,584	7,751,573	12,178,914	54,318,096
Less: Cost of treasury stock	14,814,264	3,323,904	***	***	13,160,329	4,242,872	528,949	861,057	2,852,866
Total receipts	**671,307,185**	**186,560,582**	***	***	**1,803,066,511**	**903,235,292**	**151,563,529**	**85,103,166**	**666,568,596**
Business receipts	630,074,748	176,715,440	***	***	1,749,971,956	883,937,787	148,943,671	82,571,089	652,423,027
Interest	12,649,132	2,657,127	***	***	15,275,071	5,849,186	387,188	645,522	4,816,476
Interest on Government obligations: State and local	291,687	22,754	***	***	1,356,047	121,268	16,300	16,221	88,746
Rents	8,284,580	1,880,716	***	***	7,128,424	2,358,743	255,623	545,050	1,558,070
Royalties	348,051	123,723	***	***	1,467,672	270,272	*24,701	24,344	221,227
Net short-term capital gain reduced by net long-term capital loss	125,146	3,897	***	***	96,161	77,261	*816	*5,704	70,740
Net long-term capital gain reduced by net short-term capital loss	4,090,807	811,759	***	***	2,914,807	788,709	26,370	124,036	638,303
Net gain, noncapital assets	2,407,758	1,582,276	***	***	1,581,940	820,084	45,345	176,176	598,563
Dividends received from domestic corporations	586,184	74,152	***	***	608,061	298,338	16,735	32,143	249,460
Dividends received from foreign corporations	172,020	43,066	***	***	1,526,711	515,922	*3,495	30,542	481,884
Other receipts	12,277,072	2,645,672	***	***	21,139,663	8,197,722	1,843,286	932,339	5,422,098
Total deductions	**622,524,566**	**178,972,967**	***	***	**1,756,602,683**	**884,569,715**	**149,637,095**	**82,392,477**	**652,540,143**
Cost of sales and operations	291,374,669	77,116,026	***	***	1,344,658,120	742,005,240	129,662,410	62,254,691	550,088,139
Compensation of officers	4,134,519	2,398,696	***	***	23,075,757	12,108,327	1,149,750	2,224,936	8,733,642
Repairs	25,785,156	3,865,923	***	***	6,962,087	2,412,459	495,924	277,871	1,638,663
Bad debts	4,143,147	467,497	***	***	4,875,955	1,725,763	211,733	219,425	1,294,604
Rent paid on business property	15,401,191	8,466,473	***	***	29,152,169	6,295,538	991,951	824,456	4,479,130
Taxes paid	32,272,179	7,397,581	***	***	25,873,980	9,364,875	1,340,863	1,135,291	6,888,721
Interest paid	39,698,225	5,598,531	***	***	29,252,195	11,059,782	1,150,179	1,205,067	8,704,536
Contributions or gifts	527,365	87,789	***	***	632,210	252,916	47,575	34,490	170,851
Amortization	2,453,621	325,845	***	***	1,315,366	534,784	99,023	54,112	381,649
Depreciation	64,522,364	9,947,835	***	***	22,894,323	8,361,578	1,167,288	1,310,125	5,884,165
Depletion	463,723	73,948	***	***	60,076	53,526	58	14,263	39,205
Advertising	3,393,078	1,211,656	***	***	21,465,579	6,351,992	476,062	462,841	5,413,088
Pension, profit-sharing, stock bonus, and annuity plans	4,278,535	1,722,901	***	***	3,913,927	1,753,162	292,995	292,984	1,167,183
Employee benefit programs	12,610,706	4,085,613	***	***	10,392,113	3,377,072	699,273	533,647	2,144,151
Net loss, noncapital assets	1,388,255	49,795	***	***	584,101	122,619	4,336	31,020	87,264
Other deductions	120,077,832	56,156,860	***	***	231,494,725	78,790,083	11,847,675	11,517,257	55,425,151
Total receipts less total deductions	48,782,619	7,587,615	***	***	46,463,829	18,665,576	1,926,434	2,710,690	14,028,453
Constructive taxable income from related foreign corporations	340,479	165,948	***	***	1,412,078	691,903	*5,393	18,717	667,793
Net income	48,831,411	7,730,810	***	***	46,519,861	19,236,212	1,915,527	2,713,186	14,607,500
Income subject to tax	45,387,301	6,646,999	***	***	41,940,381	16,818,050	1,751,804	2,238,474	12,827,772
Income tax, total [2]	16,681,404	2,476,852	***	***	13,657,754	5,423,059	571,891	705,428	4,145,740
Regular tax	15,200,278	2,166,141	***	***	13,260,956	5,292,920	560,103	674,544	4,058,273
Personal holding company tax	*5	*5	***	***	*962	*765	--	*1	*764
Recapture of investment credit	45,736	1,153	***	***	3,311	1,354	328	251	775
Alternative minimum tax	1,387,366	298,950	***	***	352,357	115,469	10,467	29,265	75,737
Environmental tax	86,164	11,052	***	***	43,099	13,712	1,696	1,366	10,651
Foreign tax credit	138,131	36,416	***	***	934,596	289,937	*1,501	12,536	275,899
U.S. possessions tax credit	58,332	(1)	***	***	30,713	6,539	23	70	6,447
Orphan drug credit	--	--	***	***	--	--	--	--	--
Nonconventional source fuel credit	12,955	431	***	***	547	*521	--	*45	*476
General business credit	977,010	175,920	***	***	213,170	57,930	3,687	12,467	41,776
Prior year minimum tax credit	46,080	10,149	***	***	43,291	15,006	*1,679	2,043	11,284
Total income tax after credits	15,448,896	2,253,936	***	***	12,435,437	5,053,125	565,001	678,266	3,809,859

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

RETURNS WITH NET INCOME, FORM 1120

Table 17--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 furnishing 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, total	**179,647**	**16,001**	**3,079**	**16,294**	**27,784**	**13,117**	**12,700**	**28,005**	**62,667**	**1,270**
Total assets	**458,568,061**	**18,718,755**	**205,640,130**	**67,973,836**	**35,642,995**	**27,604,051**	**14,092,581**	**36,920,309**	**51,975,425**	**861,412**
Cash	19,659,326	1,377,984	5,117,823	2,591,174	2,728,112	1,080,696	997,609	1,866,861	3,899,067	99,242
Notes and accounts receivable	96,098,106	3,439,139	66,353,717	4,817,759	4,856,847	3,591,799	3,156,876	1,987,359	7,894,609	185,320
Less: Allowance for bad debts	1,499,197	47,497	817,167	48,064	70,307	116,370	103,632	90,990	205,171	*2,392
Inventories	105,659,698	6,321,742	32,807,341	14,560,106	17,146,414	8,029,902	5,157,564	1,013,440	20,623,189	285,196
Investments in Government obligations	695,060	*7,515	*67,850	245,661	*74,352	86,507	*31,198	*19,235	162,742	*984
Tax-exempt securities	1,277,881	*4,223	*881,216	261,730	*3,119	*8,745	*67,914	*10,054	40,881	--
Other current assets	32,801,014	969,823	24,758,387	1,532,718	866,333	1,353,586	708,632	1,017,310	1,594,226	14,971
Loans to stockholders	3,398,019	180,197	606,271	155,071	359,234	191,381	118,714	534,593	1,252,558	*1,725
Mortgage and real estate loans	5,265,897	223,181	*4,606,553	50,498	100,301	*8,677	*24,385	170,561	81,742	--
Other investments	56,462,374	1,030,507	29,379,651	9,493,655	1,025,388	4,625,479	1,132,981	7,435,886	2,338,827	*136,751
Depreciable assets	168,209,230	7,341,860	47,724,283	39,233,759	13,241,915	11,045,313	4,129,078	26,278,679	19,214,344	259,659
Less: Accumulated depreciation	71,125,478	3,622,779	17,143,071	16,506,621	6,829,313	4,330,300	1,977,299	11,119,248	9,596,845	153,751
Depletable assets	163,107	*39,455	793	*6,815	*1,228	--	--	*82,978	*31,838	--
Less: Accumulated depletion	75,085	*5,914	394	*4,024	*954	--	--	*36,757	*27,043	--
Land	14,034,851	877,648	3,332,716	3,461,505	1,144,410	217,306	181,603	3,725,807	1,093,856	*16,762
Intangible assets (amortizable)	10,581,109	237,165	1,646,032	1,951,320	372,015	1,167,611	170,934	2,741,096	2,294,937	*1,669
Less: Accumulated amortization	1,879,452	38,571	168,858	279,731	148,005	203,150	29,218	485,350	526,568	*8
Other assets	18,841,601	383,078	6,486,986	6,450,506	771,906	846,869	325,223	1,768,795	1,808,238	15,285
Total liabilities	**458,568,061**	**18,718,755**	**205,640,130**	**67,973,836**	**35,642,995**	**27,604,051**	**14,092,581**	**36,920,309**	**51,975,425**	**861,412**
Accounts payable	70,607,661	2,590,290	34,961,279	11,653,488	3,393,182	3,592,296	2,232,688	2,221,081	9,963,358	154,015
Mortgages, notes, and bonds payable in less than one year	56,964,993	2,100,856	25,453,195	8,048,385	13,286,233	1,326,621	880,076	2,021,429	3,848,199	100,184
Other current liabilities	64,857,333	1,231,196	43,657,068	6,675,700	2,124,152	2,686,166	1,448,370	2,688,409	4,346,271	68,260
Loans from stockholders	7,606,463	514,036	1,044,164	679,085	956,291	986,378	464,567	589,688	2,372,254	*38,725
Mortgages, notes, and bonds payable in one year or more	98,061,523	3,213,419	36,901,076	24,493,735	5,208,779	4,160,730	2,297,056	13,016,010	8,770,719	61,342
Other liabilities	17,557,807	535,255	6,045,201	3,999,482	659,024	1,898,508	569,093	2,278,117	1,573,126	*19,503
Capital stock	14,787,772	826,240	2,904,793	1,945,836	1,586,895	2,169,144	649,738	2,068,107	2,637,020	129,966
Paid-in or capital surplus	42,539,841	1,439,018	23,196,118	4,248,473	1,165,815	2,513,421	1,076,862	4,469,712	4,430,424	*295,359
Retained earnings, appropriated	656,202	*65,862	*226,510	73,735	60,658	*18,755	*60,966	*19,380	130,336	--
Retained earnings, unappropriated	93,823,787	6,572,946	33,394,415	7,267,874	7,905,571	9,038,045	5,051,664	9,485,305	15,107,967	16,194
Less: Cost of treasury stock	8,895,320	370,363	2,143,686	1,111,958	703,605	786,013	638,517	1,936,929	1,204,248	*22,137
Total receipts	**898,466,932**	**43,998,293**	**224,727,807**	**230,015,366**	**130,355,286**	**51,312,786**	**30,828,212**	**54,546,301**	**132,682,880**	**1,364,288**
Business receipts	864,722,622	42,877,985	210,841,651	224,533,390	127,373,748	49,405,573	29,698,919	50,376,104	129,615,251	1,311,547
Interest	9,415,453	462,070	5,713,678	702,213	587,110	603,228	286,640	390,772	669,741	10,433
Interest on Government obligations: State and local	1,234,779	6,777	1,136,763	34,395	1,496	9,899	7,668	6,832	30,948	--
Rents	4,741,818	175,610	1,127,043	723,778	726,549	74,457	50,941	1,537,823	325,617	*27,863
Royalties	1,197,400	57,532	27,217	19,717	*1,479	366,661	*64,927	474,813	185,054	--
Net short-term capital gain reduced by net long-term capital loss	18,900	*1,782	*5,282	2,637	*2,521	*181	*488	2,388	*3,623	--
Net long-term capital gain reduced by net short-term capital loss	2,123,588	19,971	884,242	687,840	65,516	19,137	44,631	279,554	122,697	*2,510
Net gain, noncapital assets	761,758	50,125	95,644	133,617	203,923	1,789	19,055	163,527	94,079	*97
Dividends received from domestic corporations	308,044	10,645	159,501	29,477	4,634	56,311	3,290	14,960	29,225	*1,679
Dividends received from foreign corporations	1,010,789	*366	177,257	*474,164	*458	*1,461	1,499	340,710	14,872	--
Other receipts	12,931,781	335,429	4,559,528	2,674,137	1,387,851	774,090	650,154	958,820	1,591,772	10,159
Total deductions	**870,715,628**	**42,596,112**	**215,858,191**	**225,230,793**	**128,614,039**	**48,723,905**	**29,879,235**	**51,660,671**	**128,152,683**	**1,317,339**
Cost of sales and operations	601,782,609	30,569,015	137,248,778	170,925,371	105,760,280	29,398,547	18,841,747	21,565,559	87,473,312	870,271
Compensation of officers	10,915,775	1,107,178	550,928	953,043	1,914,477	678,738	813,247	1,375,057	3,523,107	51,654
Repairs	4,544,562	224,885	1,106,774	1,293,843	392,240	198,636	114,790	696,968	516,427	5,066
Bad debts	3,133,376	160,201	1,854,707	153,384	185,800	166,599	174,727	51,814	386,145	16,816
Rent paid on business property	22,829,130	647,254	6,066,059	3,668,850	1,532,406	3,114,849	1,102,396	2,717,824	3,979,490	27,502
Taxes paid	16,467,018	829,987	4,595,072	3,231,653	1,659,249	1,109,324	632,961	2,029,484	2,379,289	42,087
Interest paid	18,178,292	695,967	8,008,927	3,390,518	1,533,644	820,861	383,585	1,670,560	1,674,230	14,121
Contributions or gifts	378,850	15,261	136,254	72,322	20,119	42,190	16,043	27,432	49,228	*444
Amortization	779,666	12,779	128,617	106,462	53,817	88,190	37,903	156,577	195,321	*916
Depreciation	14,509,559	562,838	3,801,641	3,223,544	1,551,806	1,018,256	357,704	2,115,725	1,878,043	23,186
Depletion	6,550	*3,234	268	*1,606	*238	(1)	--	*1,140	*64	--
Advertising	15,091,942	520,343	5,125,605	2,032,117	1,202,275	996,095	1,278,965	1,429,577	2,506,965	21,646
Pension, profit-sharing, stock bonus, and annuity plans	2,155,596	138,859	646,554	533,535	117,950	157,832	85,025	155,889	319,953	*5,169
Employee benefit programs	7,009,422	227,037	1,968,304	2,439,896	578,111	339,937	149,363	485,266	821,508	5,619
Net loss, noncapital assets	461,172	6,021	44,458	250,413	20,654	48,678	18,711	28,605	43,633	*310
Other deductions	152,472,110	6,875,253	44,575,246	32,954,237	12,090,971	10,545,173	5,872,069	17,153,195	22,405,966	232,532
Total receipts less total deductions	27,751,304	1,402,181	8,869,617	4,784,573	1,741,247	2,588,881	948,977	2,885,630	4,530,197	46,948
Constructive taxable income from related foreign corporations	720,175	--	156,225	300,695	--	13,676	71	229,119	20,389	--
Net income	27,236,700	1,395,404	7,889,079	5,050,872	1,739,751	2,592,658	941,380	3,107,918	4,519,638	46,948
Income subject to tax	25,086,648	1,233,459	7,651,570	4,688,644	1,438,433	2,443,713	846,082	2,723,627	4,061,120	35,683
Income tax, total [2]	8,226,252	364,088	2,779,830	1,611,032	390,921	799,140	251,076	877,040	1,153,125	8,443
Regular tax	7,959,998	361,012	2,634,777	1,552,585	372,703	788,571	249,762	862,036	1,138,552	8,039
Personal holding company tax	*198	--	--	--	*198	--	--	--	--	--
Recapture of investment credit	1,957	49	610	564	165	54	*8	414	95	--
Alternative minimum tax	236,490	2,370	132,181	52,762	17,819	7,594	*739	11,398	11,627	*398
Environmental tax	29,381	775	12,262	6,368	420	2,922	567	3,193	2,874	6
Foreign tax credit	644,659	*2	110,676	263,350	*112	6,495	*1,028	249,768	13,228	--
U.S. possessions tax credit	24,173	--	20,076	3,349	717	--	--	32	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	*25	--	(1)	--	*24	--	--	1	--	--
General business credit	155,196	5,834	45,663	38,182	8,795	4,216	2,507	33,303	16,696	*44
Prior year minimum tax credit	28,285	*7	*8,000	13,397	1,083	*226	*120	*2,477	2,976	--
Total income tax after credits	7,373,914	358,246	2,595,414	1,292,755	380,190	788,204	247,420	591,460	1,120,226	8,398

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

RETURNS WITH NET INCOME, FORM 1120

Table 17--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	**167,301**	**8,759**	**7,141**	**4,757**	**891**	**20,905**	**103,979**	**20,870**
Total assets	**5,543,711,412**	**3,064,055,404**	**1,342,155,999**	**270,664,896**	**665,147,536**	**25,610,561**	**87,991,177**	**88,085,838**
Cash	320,789,667	237,062,850	44,794,679	12,100,999	7,880,166	4,425,946	9,775,653	4,749,374
Notes and accounts receivable	1,892,942,015	1,436,646,225	287,305,637	73,820,528	70,074,886	7,519,404	7,689,207	9,886,127
Less: Allowance for bad debts	48,949,681	34,279,295	12,596,095	492,376	1,091,666	98,441	292,259	99,549
Inventories	11,507,970	473,613	2,813,538	1,231,515	2,002,853	7,603	3,812,475	1,166,373
Investments in Government obligations	451,920,581	323,462,889	50,690,796	18,303,519	57,174,650	371,282	630,262	1,287,184
Tax-exempt securities	123,517,519	57,841,112	9,423,328	381,060	53,796,051	548,856	451,259	1,075,852
Other current assets	439,282,804	149,773,919	61,017,406	127,766,244	85,196,380	1,095,410	5,408,732	9,024,713
Loans to stockholders	24,278,482	3,857,887	9,863,764	920,183	2,648,624	233,115	1,432,250	5,322,659
Mortgage and real estate loans	871,863,763	236,325,961	596,338,978	*925,454	33,140,596	76,485	3,592,153	1,464,137
Other investments	908,872,728	307,336,183	217,232,562	22,220,037	301,388,542	7,147,372	13,102,195	40,445,837
Depreciable assets	175,706,035	68,476,768	26,460,456	5,681,710	18,748,319	4,355,740	44,554,624	7,428,418
Less: Accumulated depreciation	67,988,596	26,829,287	11,341,348	2,571,801	4,872,087	2,226,934	17,108,784	3,038,355
Depletable assets	1,109,548	13,759	53,457	225	400,042	*41	340,615	301,410
Less: Accumulated depletion	401,001	4,591	*16,923	79	205,225	--	100,917	73,267
Land	20,681,671	5,148,857	2,279,296	114,750	1,157,421	151,215	10,569,690	1,260,442
Intangible assets (amortizable)	24,794,845	8,369,041	9,142,186	786,164	2,636,620	1,199,785	974,480	1,686,569
Less: Accumulated amortization	3,893,875	1,098,772	1,159,968	275,718	491,371	309,171	218,267	340,608
Other assets	397,676,939	291,478,287	49,854,251	9,752,481	35,562,735	1,112,854	3,377,809	6,538,521
Total liabilities	**5,543,711,412**	**3,064,055,404**	**1,342,155,999**	**270,664,896**	**665,147,536**	**25,610,561**	**87,991,177**	**88,085,838**
Accounts payable	198,798,753	65,265,235	45,414,189	57,260,541	16,392,752	7,536,756	3,414,630	3,514,650
Mortgages, notes, and bonds payable in less than one year	654,161,188	305,784,534	269,348,778	22,859,914	22,315,418	1,687,022	8,799,818	23,365,704
Other current liabilities	3,011,897,000	2,101,734,366	558,978,973	152,508,100	184,634,255	2,891,777	5,951,631	5,197,898
Loans from stockholders	30,882,926	7,209,872	8,493,437	483,583	6,415,480	135,109	5,420,704	2,724,741
Mortgages, notes, and bonds payable in one year or more	477,514,647	137,048,100	240,103,613	12,514,915	47,584,672	2,177,900	26,635,032	11,450,414
Other liabilities	521,115,472	165,553,714	117,879,504	8,900,340	216,391,811	2,021,231	5,924,256	4,444,618
Capital stock	84,810,734	43,623,510	12,013,718	1,991,403	9,183,644	1,277,550	7,521,978	9,198,930
Paid-in or capital surplus	278,938,374	113,308,832	48,775,324	7,030,840	72,943,710	2,207,573	13,484,352	21,187,743
Retained earnings, appropriated	10,062,707	2,218,561	2,297,049	*38,554	3,841,702	52,574	978,280	635,986
Retained earnings, unappropriated	294,052,295	125,199,628	41,243,090	9,254,297	92,253,050	6,426,857	11,835,427	7,839,947
Less: Cost of treasury stock	18,522,684	2,890,949	2,391,675	2,177,592	6,808,957	803,789	1,974,931	1,474,791
Total receipts	**934,600,292**	**338,494,009**	**214,715,540**	**55,232,008**	**235,322,772**	**19,641,761**	**42,641,396**	**28,552,806**
Business receipts	392,108,445	36,618,857	68,804,370	36,589,682	183,350,969	18,161,287	30,736,902	17,846,378
Interest	433,287,460	263,587,681	114,840,672	14,545,689	32,096,036	669,828	2,559,145	4,988,408
Interest on Government obligations: State and local	11,616,648	6,479,489	512,876	117,417	4,287,379	30,532	71,594	117,362
Rents	16,462,491	8,408,755	2,732,081	305,503	1,120,803	79,444	3,372,300	443,605
Royalties	881,078	16,726	35,045	*2,967	66,024	*8,213	244,655	507,448
Net short-term capital gain reduced by net long-term capital loss	854,203	123,966	115,654	256,960	178,145	2,006	95,308	82,164
Net long-term capital gain reduced by net short-term capital loss	8,765,943	1,733,766	881,521	307,901	2,367,076	81,228	1,846,880	1,547,569
Net gain, noncapital assets	4,933,434	2,706,381	1,057,171	497,937	71,519	17,730	398,410	184,287
Dividends received from domestic corporations	3,808,957	618,044	725,794	272,484	1,237,919	50,083	149,073	755,561
Dividends received from foreign corporations	1,665,781	290,349	354,229	24,437	588,226	123,594	36,804	248,143
Other receipts	60,215,852	17,909,995	24,656,126	2,311,031	9,958,677	417,817	3,130,326	1,831,881
Total deductions	**855,300,316**	**312,764,601**	**190,383,160**	**52,050,720**	**221,327,377**	**17,823,441**	**37,366,921**	**23,604,095**
Cost of sales and operations	199,163,752	588,628	41,729,882	13,980,322	117,954,044	1,980,380	12,004,280	10,926,216
Compensation of officers	19,179,706	9,654,146	1,570,647	1,539,611	1,120,410	2,343,794	2,323,586	627,511
Repairs	3,564,710	1,827,874	563,395	88,203	173,251	109,440	735,563	66,984
Bad debts	25,146,109	16,205,016	7,148,187	231,863	1,043,561	72,201	243,482	201,798
Rent paid on business property	12,246,707	5,117,348	1,739,925	1,209,454	2,076,660	823,719	959,743	319,859
Taxes paid	15,594,587	5,220,568	1,799,846	741,386	4,319,549	727,630	2,185,670	599,939
Interest paid	308,806,567	185,693,806	93,144,475	13,310,532	8,432,838	425,781	3,699,987	4,099,148
Contributions or gifts	690,539	328,957	89,277	47,735	78,134	29,096	53,272	64,069
Amortization	2,233,982	953,492	447,161	119,204	373,328	127,772	92,889	120,135
Depreciation	19,918,644	11,180,174	3,292,895	681,001	1,886,016	432,644	1,839,291	606,623
Depletion	107,659	12,533	1,023	95	36,227	*7	30,332	27,443
Advertising	5,413,948	2,055,761	1,647,347	388,989	596,569	156,253	436,907	132,121
Pension, profit-sharing, stock bonus, and annuity plans	3,534,988	1,301,239	383,925	250,096	1,063,797	272,352	161,660	101,919
Employee benefit programs	7,824,246	4,010,100	899,484	507,118	1,433,114	456,250	286,614	231,568
Net loss, noncapital assets	1,709,482	893,596	589,615	86,640	57,175	4,407	26,322	51,726
Other deductions	230,164,690	67,721,363	35,316,077	18,868,471	80,682,704	9,861,715	12,287,323	5,427,037
Total receipts less total deductions	79,299,976	25,729,408	24,352,380	3,181,288	13,995,395	1,818,320	5,274,475	4,948,711
Constructive taxable income from related foreign corporations	3,248,721	1,379,877	390,595	143,998	971,378	96,146	*11,293	255,634
Net income	70,932,048	20,629,596	24,230,099	3,207,869	10,679,394	1,883,934	5,214,174	5,086,983
Income subject to tax	58,730,282	19,030,410	19,505,996	2,140,734	9,054,151	1,698,409	3,487,473	3,813,109
Income tax, total [8]	18,516,883	6,806,281	4,797,661	836,463	3,206,261	535,981	1,017,337	1,316,898
Regular tax	17,462,186	6,444,437	4,689,946	717,328	2,858,410	529,487	971,920	1,250,657
Personal holding company tax	9,247	681	*10	*131	1	*538	3,485	4,400
Recapture of investment credit	5,446	3,935	379	11	352	*9	*524	236
Alternative minimum tax	969,509	330,811	93,531	115,421	328,897	4,445	39,626	56,779
Environmental tax	75,107	26,532	18,999	3,572	18,600	1,502	1,747	4,155
Foreign tax credit	1,487,486	523,572	194,600	71,407	468,531	*76,980	13,988	138,408
U.S. possessions tax credit	9,237	--	8,558	--	--	--	53	627
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	1,243	5	--	4	287	--	*767	*180
General business credit	171,986	70,337	49,866	29,520	6,865	2,237	7,446	5,715
Prior year minimum tax credit	158,840	55,472	38,433	26,498	19,703	*47	5,375	13,312
Total income tax after credits	16,688,090	6,156,896	4,506,205	709,034	2,710,875	456,716	989,708	1,158,656

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

RETURNS WITH NET INCOME, FORM 1120

Table 17--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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	**221,397**	**5,522**	**19,261**	**76,152**	**31,332**	**15,836**	**73,294**	***
Total assets	**272,948,630**	**21,139,924**	**11,856,904**	**94,953,269**	**22,919,062**	**52,181,902**	**69,897,571**	***
Cash	22,622,927	1,086,001	1,172,355	8,731,122	1,385,378	3,851,752	6,396,319	***
Notes and accounts receivable	50,865,478	2,728,843	1,707,010	24,469,442	3,072,368	4,212,925	14,674,889	***
Less: Allowance for bad debts	2,463,983	132,718	22,398	610,813	88,861	191,689	1,417,506	***
Inventories	10,175,290	244,375	852,067	3,103,695	1,853,749	2,522,609	1,598,796	***
Investments in Government obligations	1,080,619	*27,969	*8,468	413,316	30,508	*124,961	475,397	***
Tax-exempt securities	913,410	*8,305	*102,350	449,989	104	*36,962	315,699	***
Other current assets	18,472,040	596,363	858,918	8,999,844	1,440,706	2,511,985	4,064,225	***
Loans to stockholders	2,748,940	175,925	165,454	1,050,721	325,574	293,707	737,559	***
Mortgage and real estate loans	1,126,444	204,802	*29,528	402,990	80,318	224,212	184,595	***
Other investments	52,620,901	4,052,916	1,277,640	17,489,043	1,217,159	14,212,325	14,371,817	***
Depreciable assets	128,709,059	12,305,992	7,371,703	35,994,470	20,811,264	18,865,444	33,360,186	***
Less: Accumulated depreciation	57,595,080	4,099,249	4,140,309	18,586,075	8,795,084	8,936,081	13,038,282	***
Depletable assets	48,346	*1,520	*5,252	*1,265	*4,471	*30,165	*5,674	***
Less: Accumulated depletion	23,251	*904	*4,097	*62	*947	*16,519	*723	***
Land	6,456,008	1,461,671	442,481	907,432	459,946	964,914	2,219,563	***
Intangible assets (amortizable)	15,155,654	246,413	432,329	6,332,172	696,285	3,326,671	4,121,784	***
Less: Accumulated amortization	3,712,442	123,019	108,616	1,563,829	95,865	1,027,104	794,009	***
Other assets	25,748,268	2,354,718	1,706,766	7,368,546	521,989	11,174,662	2,621,587	***
Total liabilities	**272,948,630**	**21,139,924**	**11,856,904**	**94,953,269**	**22,919,062**	**52,181,902**	**69,897,571**	***
Accounts payable	20,482,927	848,115	595,435	10,908,922	1,544,669	1,966,168	4,619,617	***
Mortgages, notes, and bonds payable in less than one year	22,175,428	798,500	380,243	10,296,760	4,396,898	1,665,179	4,637,847	***
Other current liabilities	31,848,962	1,271,081	1,573,345	12,874,311	2,166,720	4,875,554	9,087,950	***
Loans from stockholders	5,008,868	637,607	311,646	1,571,147	530,479	559,997	1,397,993	***
Mortgages, notes, and bonds payable in one year or more	64,139,566	8,696,525	2,750,861	17,566,557	7,039,387	9,218,482	18,867,755	***
Other liabilities	28,385,984	1,422,056	1,066,085	8,446,305	1,073,809	11,328,556	5,049,172	***
Capital stock	14,977,573	2,353,322	578,823	5,142,318	865,286	2,168,921	3,868,903	***
Paid-in or capital surplus	44,985,216	4,713,712	1,314,528	14,016,326	1,151,773	10,848,477	12,940,401	***
Retained earnings, appropriated	569,360	*22	*28,119	280,653	*15,251	*128,971	116,344	***
Retained earnings, unappropriated	46,780,997	1,091,933	3,690,415	16,643,570	4,548,681	10,433,843	10,372,556	***
Less: Cost of treasury stock	6,406,251	692,949	432,597	2,793,600	413,891	1,012,247	1,060,967	***
Total receipts	**359,101,939**	**17,557,000**	**17,361,477**	**141,227,649**	**34,326,650**	**33,529,506**	**115,099,657**	***
Business receipts	330,336,794	15,499,812	16,164,314	130,633,123	31,426,640	28,092,256	108,520,650	***
Interest	5,615,670	462,305	333,591	1,612,740	430,297	1,294,933	1,481,803	***
Interest on Government obligations: State and local	321,215	2,247	22,269	213,010	1,803	10,066	71,820	***
Rents	4,856,109	348,345	106,515	2,487,670	943,251	411,721	558,607	***
Royalties	2,438,511	*25,712	95,938	856,447	*38,081	1,337,799	84,534	***
Net short-term capital gain reduced by net long-term capital loss	39,212	*3,944	*5,683	14,903	*793	1,934	11,954	***
Net long-term capital gain reduced by net short-term capital loss	2,048,827	349,503	129,958	287,837	24,948	479,849	776,732	***
Net gain, noncapital assets	1,763,973	66,332	46,258	439,857	743,337	205,021	263,167	***
Dividends received from domestic corporations	341,354	25,259	29,974	89,317	4,926	86,666	105,211	***
Dividends received from foreign corporations	766,034	32,138	*9,024	553,115	*6,622	102,954	62,181	***
Other receipts	10,574,241	741,404	417,951	4,039,631	705,951	1,506,306	3,162,997	***
Total deductions	**339,063,171**	**16,458,976**	**16,224,726**	**133,826,375**	**32,985,211**	**30,889,353**	**108,678,531**	***
Cost of sales and operations	140,630,023	7,998,671	6,577,586	61,125,735	13,870,804	10,612,250	40,444,978	***
Compensation of officers	18,898,023	201,137	859,329	7,113,544	1,391,358	2,088,214	7,244,441	***
Repairs	2,790,010	217,334	186,402	701,702	568,865	274,738	840,968	***
Bad debts	2,176,214	51,989	98,207	547,286	142,804	100,030	1,235,898	***
Rent paid on business property	11,321,260	676,733	692,065	4,350,986	1,273,727	916,829	3,410,919	***
Taxes paid	12,046,168	697,107	685,675	4,463,394	1,739,944	804,892	3,655,156	***
Interest paid	11,088,298	1,061,436	453,266	2,866,969	2,009,214	1,792,362	2,905,050	***
Contributions or gifts	228,746	7,111	14,455	76,921	15,364	28,351	86,544	***
Amortization	2,142,534	31,492	138,696	456,587	51,664	1,116,972	347,124	***
Depreciation	14,644,267	692,040	611,101	5,124,266	3,427,135	1,807,202	2,982,523	***
Depletion	8,446	--	*897	*1,191	2	*3,018	3,338	***
Advertising	4,440,274	327,283	353,687	1,887,471	432,480	612,751	826,601	***
Pension, profit-sharing, stock bonus, and annuity plans	2,668,259	59,372	109,913	1,006,172	285,014	125,816	1,081,972	***
Employee benefit programs	4,945,772	215,299	226,828	1,856,120	378,213	164,625	2,104,686	***
Net loss, noncapital assets	239,184	5,859	21,745	127,956	19,273	26,771	37,580	***
Other deductions	110,795,691	4,216,113	5,194,874	42,120,074	7,379,349	10,414,529	41,470,752	***
Total receipts less total deductions	20,038,768	1,098,024	1,136,751	7,401,275	1,341,439	2,640,153	6,421,126	***
Constructive taxable income from related foreign corporations	665,649	16,548	7,294	392,287	*913	*169,699	78,908	***
Net income	20,383,201	1,112,325	1,121,776	7,580,552	1,340,549	2,799,786	6,428,213	***
Income subject to tax	16,002,089	752,400	972,323	6,046,572	1,018,319	2,000,331	5,212,143	***
Income tax, total [2]	5,209,025	267,339	306,987	1,962,968	308,836	677,697	1,685,197	***
Regular tax	4,978,066	245,725	298,698	1,874,416	266,794	649,150	1,643,282	***
Personal holding company tax	*1,374	--	*21	--	--	*505	*848	***
Recapture of investment credit	1,166	46	210	427	*3	*43	437	***
Alternative minimum tax	211,319	19,082	7,162	82,693	41,205	25,163	36,014	***
Environmental tax	16,270	1,196	895	5,453	887	2,851	4,988	***
Foreign tax credit	602,133	*34,559	9,580	372,658	*324	116,334	68,679	***
U.S. possessions tax credit	15,845	6,014	--	5,316	--	37	4,477	***
Orphan drug credit	--	--	--	--	--	--	--	***
Nonconventional source fuel credit	576	--	--	--	--	--	576	***
General business credit	120,713	7,181	3,451	64,247	18,751	4,792	22,291	***
Prior year minimum tax credit	28,224	*897	*625	11,355	3,216	4,679	7,451	***
Total income tax after credits	4,441,534	218,687	293,331	1,509,392	286,545	551,856	1,581,722	***

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

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

[1] Less than $500 per return.

[2] Also includes adjustments to income tax and to total tax which are 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 18.--Total Receipts, Net Income, Statutory Special Deductions, Income Tax, Tax Credits, and Tax Payment Items, by Accounting Period Ended

(All figures are estimates based on sampled--money amounts are in thousands of dollars)

Item	Total returns of active corporations		Accounting period ended [2]											
			1990						1991					
	Number of returns	Amount	July	August	September	October	November	December	January	February	March	April	May	June
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Returns With and Without Net Income														
Number of returns	3,716,650	--	80,485	80,985	223,815	107,127	55,958	2,485,426	66,577	58,105	163,443	75,180	78,613	240,936
Total receipts	3,439,321	11,409,520,074	205,547,493	208,328,085	690,403,037	299,992,545	161,801,810	7,569,250,435	426,318,756	184,180,250	588,229,608	174,403,509	246,219,256	654,845,290
Net income (less deficit)	3,582,893	370,632,632	8,520,379	9,128,831	17,025,068	11,798,347	11,826,421	263,454,620	10,841,214	5,308,580	10,848,437	4,006,528	5,837,827	12,036,380
Total income tax	864,397	128,185,666	1,426,097	1,742,903	5,302,723	2,371,769	2,424,325	96,959,640	4,216,428	1,454,766	3,531,340	1,170,166	1,963,143	5,622,367
Returns With and Without Net Income, Other Than Forms 1120S, 1120-REIT, and 1120-RIC														
Number of returns	2,136,032	--	73,692	73,399	190,251	88,675	47,204	1,025,024	62,301	54,397	154,550	68,228	71,972	226,338
Total receipts	2,051,585	9,689,007,338	176,737,986	187,806,238	597,080,489	250,007,463	130,812,794	6,223,081,620	408,874,178	169,294,841	550,974,617	153,389,461	231,178,745	609,788,905
Net income (less deficit)	2,094,906	270,925,138	3,012,955	3,866,072	7,606,633	3,895,814	5,156,335	221,537,996	8,051,209	2,253,835	2,688,964	1,361,463	4,333,832	7,180,028
Statutory special deductions, total	467,175	51,223,278	1,178,157	854,665	3,370,596	1,225,656	733,928	34,834,872	910,494	845,450	2,305,941	660,346	1,195,601	3,107,575
Net operating loss deduction	403,066	38,398,531	898,423	726,583	2,914,179	917,850	553,265	24,568,787	746,664	794,738	2,054,111	583,878	996,799	2,643,253
Total special deductions	74,207	12,824,747	279,734	128,082	456,416	307,806	180,663	10,266,085	163,829	50,712	251,829	76,468	198,802	464,321
Income subject to tax	846,064	366,310,570	4,412,490	5,435,602	16,045,610	7,120,583	7,261,225	272,660,342	12,325,224	4,370,616	10,705,605	3,354,028	5,761,491	16,857,754
Income tax, total	856,523	128,006,587	1,425,979	1,742,064	5,294,585	2,369,513	2,421,777	96,802,919	4,216,223	1,454,348	3,530,787	1,165,118	1,961,007	5,622,266
Regular tax	840,799	119,328,330	1,381,036	1,695,658	5,159,294	2,271,646	2,388,039	89,273,184	4,132,713	1,389,425	3,367,250	1,045,826	1,856,282	5,367,976
Personal holding company tax	3,043	12,126	*620	*977	*1,125	*123	*934	6,232	--	--	*297	*190	*592	*1,035
Recapture of investment credit	5,941	119,751	1,502	1,004	3,503	1,863	619	107,624	831	168	495	337	654	1,151
Alternative minimum tax	32,458	8,104,088	38,851	38,648	117,840	77,830	26,722	7,082,111	65,293	59,382	148,739	115,594	94,617	238,483
Environmental tax	12,199	520,167	3,968	5,250	16,680	6,316	4,816	424,583	16,230	4,561	10,564	3,136	7,212	16,852
Foreign tax credit	5,203	24,989,922	185,761	256,491	452,180	266,457	425,214	22,073,047	182,786	39,161	131,991	45,510	140,601	790,724
U.S. possessions tax credit	400	3,194,481	86,145	11,191	59,959	112,374	740,685	1,938,732	9,395	21,762	34,139	30,958	17,438	131,703
Orphan drug credit	29	15,637	--	6,141	--	--	--	8,833	--	--	429	*88	--	147
Nonconventional source fuel credit	335	81,790	*488	(1)	*10,105	--	*180	68,067	(1)	--	*1,041	--	1,156	*752
General business credit	54,365	2,833,695	25,672	28,914	139,844	88,615	36,188	2,059,102	74,506	22,712	158,927	24,659	49,848	124,708
Prior year minimum tax credit	6,147	667,036	4,284	5,717	26,376	17,068	16,477	506,250	19,126	6,109	30,052	5,146	5,407	25,024
Total income tax after credits	836,122	96,224,026	1,123,629	1,433,610	4,606,121	1,884,999	1,203,032	70,148,888	3,930,409	1,364,606	3,174,208	1,058,759	1,746,558	4,549,207
Returns With Net Income Other Than Forms 1120S, 1120-REIT, and 1120-RIC														
Number of returns	1,131,942	--	40,806	41,495	106,116	50,476	28,774	515,722	33,335	29,353	87,959	35,099	39,961	122,845
Total receipts	1,131,942	7,354,606,667	117,850,410	141,564,594	407,326,534	178,629,449	94,405,703	4,855,606,174	320,879,469	130,125,702	391,429,888	99,370,761	186,047,308	431,370,676
Net income	1,131,942	416,617,439	5,568,165	6,253,099	19,355,836	8,305,913	7,956,909	306,970,274	13,226,450	5,200,336	12,938,039	3,999,265	6,942,083	19,903,071
Statutory special deductions, total	450,178	49,673,743	1,167,718	809,810	3,324,617	1,196,138	690,644	33,649,023	901,531	831,000	2,244,582	649,151	1,162,248	3,047,282
Net operating loss deduction	403,058	38,388,562	898,423	726,583	2,914,179	917,850	553,265	24,560,161	746,664	794,738	2,052,771	583,878	996,799	2,643,250
Total special deductions	57,213	11,285,181	269,294	83,227	410,438	278,288	137,380	9,088,861	154,867	36,262	191,811	65,273	165,449	404,032
Income subject to tax	845,938	366,214,262	4,412,490	5,435,602	16,045,610	7,117,242	7,261,177	272,579,535	12,325,224	4,370,616	10,693,492	3,354,028	5,761,491	16,857,754
Income tax, total	848,706	126,851,118	1,421,710	1,734,150	5,255,958	2,360,310	2,418,511	95,891,792	4,208,407	1,448,466	3,499,975	1,104,699	1,952,907	5,554,233
Regular tax	840,312	119,284,536	1,381,036	1,695,587	5,159,253	2,270,287	2,388,025	89,237,005	4,132,703	1,389,186	3,362,476	1,045,731	1,856,282	5,366,964
Personal holding company tax	3,006	11,719	*620	*977	*1,124	*123	*934	5,977	--	--	*297	*55	*579	*1,033
Recapture of investment credit	3,779	109,881	1,428	693	2,499	1,732	274	100,534	763	122	299	121	339	1,076
Alternative minimum tax	27,540	6,986,342	34,665	31,154	80,483	70,142	23,817	6,194,815	57,466	53,864	125,665	55,914	86,934	171,424
Environmental tax	11,846	513,067	3,958	5,221	16,500	6,290	4,816	418,553	16,198	4,550	10,472	2,787	7,189	16,532
Foreign tax credit	5,195	24,983,472	185,761	256,491	452,180	266,457	425,214	22,066,903	182,786	39,161	131,684	45,510	140,601	790,724
U.S. possessions tax credit	400	3,194,481	86,145	11,191	59,959	112,374	740,685	1,938,732	9,395	21,762	34,139	30,958	17,438	131,703
Orphan drug credit	29	15,637	--	6,141	--	--	--	8,833	--	--	429	*88	--	147
Nonconventional source fuel credit	335	81,790	*488	(1)	*10,105	--	*180	68,067	(1)	--	*1,041	--	1,156	*752
General business credit	54,338	2,828,936	25,672	28,914	139,844	87,878	36,188	2,057,950	74,506	22,712	156,056	24,659	49,848	124,708
Prior year minimum tax credit	6,143	666,675	4,284	5,717	26,376	17,068	16,477	506,117	19,126	6,109	29,823	5,146	5,407	25,024
Total income tax after credits	828,314	95,080,128	1,119,360	1,425,696	4,567,494	1,876,532	1,199,766	69,245,189	3,922,594	1,358,723	3,146,802	998,340	1,738,458	4,481,174
Overpayments less refund [3]	508,913	86,129,066	999,586	1,341,549	4,104,964	1,652,141	1,109,358	63,438,484	3,115,303	1,110,974	2,866,625	875,682	1,558,523	3,955,877
Tax deposited with Form 7004	123,106	13,788,433	189,031	177,122	579,978	334,858	150,396	9,526,350	930,113	288,620	509,217	163,688	215,841	723,221
Credit from regulated investment companies	213	43,993	--	1	87	*103	--	43,771	*13	*2	--	*8	*9	--
Credit for federal tax on fuels	20,011	88,156	1,609	1,975	11,915	2,615	1,295	47,687	1,695	1,542	5,536	2,082	2,823	7,383
Penalty for underpayment of estimated tax	144,146	82,448	1,677	2,284	6,062	2,813	2,168	44,460	2,472	2,079	5,985	3,390	2,286	6,773
Tax due at time of filing [4]	494,066	4,746,193	94,039	87,364	426,403	128,375	100,338	2,875,074	122,378	84,323	231,108	99,522	121,488	375,781
Tax overpayment [4]	344,772	9,857,790	163,173	180,549	575,730	244,316	163,109	6,795,392	250,105	131,247	469,121	139,997	159,452	585,597

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

1 Less than $500 per return.

2 Includes full and part-year returns.

3 Includes 1989 overpayments claimed as a credit, 1990 estimated tax payments, less any refund of estimated tax payments.

4 Includes overpaid windfall profit tax and tax payment adjustments which are 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, CONSOLIDATED RETURNS

Table 19--Balance Sheets, Income Statements, Tax, and Selected Other Items, by Selected Industrial Division

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

Item	All industrial divisions [1]	Selected industrial division									
		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, total	71,769	870	1,555	4,030	11,947	4,030	17,259	8,355	8,884	20,915	11,142
Total assets	13,928,884,583	15,577,868	186,771,863	82,156,981	3,524,387,754	1,416,210,310	897,095,263	414,934,926	481,355,937	7,451,249,719	355,098,575
Cash	523,102,871	649,033	4,996,224	5,506,881	57,998,560	18,972,782	26,295,159	12,552,478	13,690,840	391,865,666	16,796,518
Notes and accounts receivable	3,502,965,485	2,058,660	17,953,689	20,578,154	746,581,546	146,744,239	196,363,900	100,729,719	95,459,642	2,312,479,870	60,177,733
Less: Allowance for bad debts	99,393,009	35,450	207,744	355,438	16,058,891	4,513,770	4,276,515	2,358,923	1,914,525	70,300,292	3,844,130
Inventories	551,662,749	2,651,598	4,855,098	7,381,049	296,037,827	27,185,509	183,025,691	93,336,778	89,522,214	19,379,594	11,117,288
Investments in Government obligations	644,255,064	*76,234	352,980	920,009	16,496,137	4,390,032	21,068,375	20,653,120	415,255	599,841,921	1,109,135
Tax-exempt securities	209,693,036	*129,066	113,555	559,831	14,981,695	2,727,501	1,283,207	300,492	982,715	188,903,649	994,532
Other current assets	914,662,562	661,215	5,428,519	8,968,542	207,558,831	55,517,417	73,871,675	39,882,793	33,952,061	540,534,380	22,112,297
Loans to stockholders	43,324,664	135,061	998,828	597,833	22,513,948	1,265,930	5,266,255	1,374,253	3,891,804	11,497,433	1,045,148
Mortgage and real estate loans	1,231,715,705	36,871	64,887	6,271,542	31,002,961	3,484,957	6,382,964	1,388,000	4,994,964	1,183,453,796	1,009,816
Other investments	2,931,860,160	2,703,668	79,735,081	11,601,101	877,011,599	204,687,083	113,105,876	46,714,469	66,188,525	1,562,993,827	79,987,754
Depreciable assets	3,333,711,663	8,099,942	80,276,695	23,362,384	1,414,892,843	1,189,084,889	251,312,779	80,545,034	170,618,737	215,141,307	151,438,416
Less: Accumulated depreciation	1,361,844,470	3,907,903	39,169,755	12,180,610	682,813,223	400,839,033	94,277,044	33,156,756	61,084,950	73,934,422	54,702,546
Depletable assets	117,099,220	477,632	31,208,901	231,239	73,248,347	9,023,745	1,206,310	1,039,124	154,238	1,568,266	134,780
Less: Accumulated depletion	49,918,261	182,827	12,407,821	72,514	32,167,622	3,993,394	551,260	513,306	35,845	532,587	10,236
Land	114,305,527	1,257,494	2,713,811	2,587,088	38,735,324	12,078,326	22,112,187	5,489,481	16,598,521	25,227,868	9,514,016
Intangible assets (amortizable)	443,940,720	143,408	5,064,730	1,525,782	272,724,675	55,153,199	38,924,229	17,275,440	21,647,036	39,107,667	31,262,568
Less: Accumulated amortization	78,901,898	39,134	2,104,704	240,272	51,086,472	6,091,753	5,619,455	2,356,565	3,262,736	7,183,476	6,535,666
Other assets	956,642,795	663,299	6,898,888	4,914,378	236,729,669	101,332,652	61,600,928	32,039,295	29,537,441	511,205,254	33,291,154
Total liabilities	13,928,884,583	15,577,868	186,771,863	82,156,981	3,524,387,754	1,416,210,310	897,095,263	414,934,926	481,355,937	7,451,249,719	355,098,575
Accounts payable	797,021,669	1,176,965	10,445,149	13,321,834	308,637,186	79,693,646	125,239,057	56,099,780	68,965,388	234,167,817	24,314,114
Mortgages, notes, and bonds, payable in less than one year	1,370,082,614	2,022,819	9,630,135	10,545,858	441,459,900	76,404,188	156,028,505	97,477,599	58,442,270	639,590,300	34,357,135
Other current liabilities	4,670,383,933	1,336,136	10,766,037	10,682,331	338,550,138	122,455,329	158,584,951	88,574,549	69,858,430	3,987,037,081	40,956,409
Loans from stockholders	118,437,991	295,524	2,352,120	1,069,128	52,548,708	4,230,817	13,065,134	6,188,761	6,849,874	39,621,594	5,214,260
Mortgages, notes, and bonds, payable in one year or more	2,072,091,502	3,298,741	42,663,511	22,824,210	748,877,693	444,931,289	193,326,885	61,248,281	131,950,489	502,258,841	113,789,562
Other liabilities	2,009,563,744	1,212,297	13,618,195	6,008,356	406,583,797	199,530,340	53,607,270	17,379,356	36,210,284	1,290,681,922	38,311,425
Capital stock	467,272,297	712,010	7,319,693	3,047,763	148,729,522	149,330,536	40,122,520	25,275,435	14,723,988	98,532,943	19,469,759
Paid-in or capital surplus	1,439,546,161	2,506,833	94,834,684	8,886,189	593,077,018	200,705,459	88,698,210	33,517,898	54,844,732	374,972,063	75,792,998
Retained earnings, appropriated	44,144,464	*1,557	252,000	108,584	7,896,857	2,602,698	576,121	203,194	372,926	32,266,741	439,900
Retained earnings, unappropriated	1,100,552,868	3,321,389	-1,403,677	6,877,505	580,841,936	152,628,577	78,411,827	32,642,556	46,018,432	271,112,724	8,762,802
Less: Cost of treasury stock	160,212,659	306,402	3,705,985	1,214,777	102,815,000	16,302,568	10,565,217	3,672,483	6,880,876	18,992,306	6,309,789
Total receipts	7,058,032,218	19,416,635	82,463,459	120,009,366	2,942,917,976	775,103,170	1,466,390,672	705,556,076	759,095,817	1,352,733,345	298,883,447
Business receipts	5,899,689,242	18,267,206	71,073,797	114,090,745	2,703,817,585	718,671,714	1,401,433,213	677,810,250	721,904,248	604,611,271	267,622,537
Interest	712,264,116	231,871	3,323,407	2,264,747	76,457,734	16,878,322	24,854,394	14,449,078	10,400,043	581,156,534	7,094,406
Interest on Government obligations: State and local	19,168,004	12,539	22,812	79,227	1,507,743	281,323	1,316,130	106,739	1,209,391	15,631,248	316,981
Rents	86,501,433	83,785	293,656	641,063	34,550,706	10,053,778	8,143,045	2,998,276	5,143,516	26,884,291	5,846,254
Royalties	29,621,613	60,366	262,598	37,787	24,612,518	393,383	1,804,221	392,934	1,411,287	510,780	1,939,960
Net short-term capital gain reduced by net long-term capital loss	2,283,851	2,478	21,474	14,053	514,800	451,416	72,860	62,736	10,123	1,184,778	21,994
Net long-term capital gain reduced by net short-term capital loss	35,666,151	101,764	1,690,959	333,927	12,806,570	5,455,526	3,055,013	775,230	2,279,579	10,366,120	1,856,036
Net gain, noncapital assets	24,356,205	39,550	918,115	261,774	9,356,999	3,531,115	1,767,133	960,657	806,391	8,464,997	2,016,522
Dividends received from domestic corporations	10,968,900	27,981	288,788	49,522	3,666,398	758,441	570,412	281,801	288,610	5,290,229	317,130
Dividends received from foreign corporations	32,463,483	32,364	279,075	153,351	27,621,995	251,094	1,588,941	567,712	1,021,211	1,671,992	864,670
Other receipts	205,049,221	558,730	4,288,778	2,083,172	48,004,927	18,377,059	21,785,310	7,150,663	14,621,418	98,961,105	10,988,957

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

RETURNS OF ACTIVE CORPORATIONS, CONSOLIDATED RETURNS

Table 19--Balance Sheets, Income Statements, Tax, and Selected Other Items, by Selected Industrial Division--Continued

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

Item	All industrial divisions [1]	Selected industrial division									
		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 deductions	6,832,640,577	18,883,390	78,940,260	119,555,265	2,823,357,924	738,837,660	1,450,479,296	702,371,396	746,343,113	1,307,390,043	295,078,225
Cost of sales and operations	3,904,099,112	13,874,901	47,904,970	95,064,026	1,870,949,677	324,892,380	1,074,977,312	582,868,306	490,670,146	364,223,602	112,131,769
Compensation of officers	48,922,782	194,219	661,084	1,557,873	13,061,455	3,213,045	6,229,375	3,357,444	2,863,575	19,080,997	4,923,389
Repairs	72,093,326	144,238	482,907	399,138	29,609,493	29,241,663	5,825,145	1,741,833	4,079,950	3,894,016	2,496,034
Bad debts	66,188,894	37,567	585,620	808,043	9,680,299	4,881,089	5,056,317	1,637,957	3,404,496	41,528,737	3,611,139
Rent paid on business property	106,434,588	156,213	897,616	987,690	28,299,630	22,292,450	25,472,434	4,553,835	20,893,247	17,952,977	10,373,710
Taxes paid	161,987,382	294,474	2,191,752	1,669,680	69,809,492	35,784,684	20,436,710	6,256,734	14,167,658	22,209,212	9,589,662
Interest paid	652,892,209	548,677	5,755,486	3,255,472	138,658,887	54,027,180	44,430,704	19,748,474	24,654,669	388,221,788	17,982,865
Contributions or gifts	4,005,574	17,481	41,160	45,897	2,192,101	508,823	419,866	135,670	284,117	627,562	152,684
Amortization	24,547,560	44,546	411,644	88,313	10,097,033	3,987,271	2,242,920	812,241	1,429,867	3,637,007	4,040,826
Depreciation	252,989,944	527,981	4,178,802	1,699,100	102,144,252	74,079,965	24,104,705	9,405,919	14,660,596	27,790,563	18,462,946
Depletion	8,760,390	17,127	2,385,145	36,995	5,424,093	686,381	70,464	61,038	7,979	128,668	11,516
Advertising	88,170,533	131,805	80,707	289,997	50,293,645	4,526,865	21,603,689	7,047,349	14,546,491	6,759,542	4,483,988
Pension, profit-sharing, stock bonus, and annuity plans	29,152,401	35,234	243,328	460,223	13,516,220	5,231,639	2,775,660	1,046,089	1,728,280	5,061,035	1,828,899
Employee benefit programs	86,413,728	171,779	714,440	680,540	43,043,358	15,338,821	9,963,562	2,957,629	7,000,183	11,566,704	4,933,547
Net loss, noncapital assets	17,338,406	50,987	247,257	235,229	2,822,798	4,653,782	1,207,555	385,204	821,143	7,545,502	575,272
Other deductions	1,308,643,749	2,636,161	12,158,341	12,279,052	433,755,511	155,491,823	205,662,876	60,355,674	145,130,717	387,162,131	99,479,980
Total receipts less total deductions	225,391,641	535,245	3,523,199	454,101	119,560,052	36,265,510	15,911,376	3,184,680	12,752,704	45,343,302	3,805,222
Constructive taxable income from related foreign corporations	36,292,324	*18,153	361,283	161,466	29,217,916	408,593	1,669,634	931,519	738,115	3,632,234	823,046
Net income (less deficit)	242,517,173	540,859	3,861,670	536,340	147,271,385	36,392,780	16,264,881	4,009,461	12,281,428	33,344,340	4,311,288
Income subject to tax	298,170,884	696,467	4,583,806	2,423,100	158,562,590	42,803,159	27,767,639	9,307,455	18,451,796	50,609,668	10,724,454
Income tax, total [3]	107,074,813	243,798	1,841,534	860,006	57,475,343	16,284,021	9,913,435	3,308,186	6,602,129	16,557,431	3,899,245
Regular tax	99,073,684	232,933	1,557,234	819,834	53,908,192	14,440,934	9,462,783	3,160,443	6,299,554	15,022,904	3,628,869
Personal holding company tax	1,114	--	--	--	--	--	*60	*60	--	*933	121
Recapture of investment credit	113,445	105	294	2,776	51,874	46,283	3,283	851	2,431	6,496	2,334
Alternative minimum tax	7,504,244	9,916	289,183	34,130	3,281,435	1,778,277	410,987	136,298	274,368	1,449,713	250,603
Environmental tax	487,733	844	9,116	2,329	254,405	87,763	39,757	12,139	27,605	77,754	15,764
Foreign tax credit	24,385,414	*17,505	617,620	89,808	20,575,828	130,955	910,869	269,700	641,168	1,463,881	578,948
U.S. possessions tax credit	233,727	--	--	--	232,036	--	711	--	711	979	--
Orphan drug credit	15,531	--	--	--	15,531	--	--	--	--	--	--
Nonconventional source fuel credit	79,548	--	15,668	2	49,139	12,955	*74	*49	*25	1,134	576
General business credit	2,538,853	4,274	33,075	19,229	1,113,939	953,251	164,334	36,405	127,911	165,186	85,565
Prior year minimum tax credit	547,649	*2,041	29,607	11,786	256,605	42,928	38,537	11,907	26,630	146,691	19,454
Total income tax after credits	79,274,091	219,978	1,145,564	739,181	35,232,265	15,143,932	8,798,909	2,990,125	5,805,683	14,779,560	3,214,702

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

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

[2] Includes "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."

Table 20 - 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, and Payments, 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 division									
		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	884,397	32,022	8,501	98,831	82,991	37,642	252,849	103,035	148,894	150,152	198,063
Regular tax	846,340	31,364	7,804	96,590	80,167	36,408	249,993	101,767	147,310	146,032	194,655
Recapture of investment credit	8,588	275	156	440	1,433	452	1,741	908	833	882	1,209
Alternative minimum tax	32,462	1,023	1,342	4,716	6,494	2,758	5,012	2,621	2,382	6,202	4,914
Environmental tax	12,199	112	393	363	3,870	794	1,629	1,145	681	3,808	1,032
Total income tax after--											
Foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, prior year minimum tax credits	843,995	30,936	8,247	95,648	80,144	36,376	249,031	102,486	145,626	148,304	191,983
Returns with and without net income											
Number of returns	3,716,650	126,423	39,674	406,874	301,669	160,353	1,023,057	328,851	689,575	609,138	1,029,447
Dividends received from domestic corporations, total	13,413,839	75,374	318,084	87,570	3,900,026	784,542	722,999	386,616	334,703	7,109,916	415,309
Less-than-20%-owned subject to 70% deduction	9,478,013	49,541	88,604	70,685	1,850,794	516,211	398,592	208,610	189,921	6,189,321	314,267
20%-or-more-owned subject to 80% deduction	2,844,487	16,079	227,331	6,663	1,506,509	202,294	206,959	72,484	132,856	611,982	68,650
Debt-financed stock of domestic corporations	192,311	1,110	--	*4,828	40,588	63,024	21,826	*19,640	*2,188	59,466	*1,465
Certain preferred stock of less-than-20%-owned public utilities subject to 41.176% deduction	15,519	--	*795	*712	*241	*340	843	*486	*357	12,294	*294
Certain preferred stock of 20%-or-more-owned public utilities subject to 47.059% deduction	*807	--	17	--	182	--	--	--	--	*628	--
Intragroup dividends qualifying for 100% deduction	340,137	*8,341	*1,082	*3,959	103,229	326	20,926	*13,712	*7,216	182,510	*19,761
Amount received from IC-DISC or former DISC	497,903	*303	245	723	398,116	2,346	73,202	71,682	1,520	10,093	12,855
Amount received by a small business investment company qualifying for 100% deduction	44,682	--	*10	--	*387	--	*647	2	*645	43,620	18
Dividends received from foreign corporations, total	33,261,669	32,378	280,771	157,466	28,143,825	257,729	1,651,562	627,404	1,024,140	1,860,344	877,593
Less-than-20%-owned subject to 70% deduction	9,691	*6	12	*190	1,371	59	1,543	1,391	*152	5,084	*1,445
20%-or-more-owned subject to 80% deduction	58,694	--	--	--	52,859	1,027	*529	294	*235	*699	*3,579
Intragroup dividends qualifying for 100% deduction	217,386	*2,113	1,263	--	146,799	2,691	26,001	25,389	*612	35,506	*3,013
Other foreign dividends	29,167,000	*13,857	268,274	155,654	24,430,591	228,148	1,533,971	511,994	1,021,959	1,785,538	750,967
Certain FSC dividends qualifying for 100% deductions	3,808,699	*16,402	*11,222	*1,622	3,512,206	25,804	89,516	88,336	*1,182	33,537	118,568
Constructive taxable income from related foreign corporations, total	36,776,886	*18,214	361,578	162,816	29,542,054	409,226	1,693,680	955,494	738,186	3,763,743	825,576
Includable income of controlled foreign corporations	19,836,215	*6,891	220,188	86,887	14,990,108	332,500	836,306	723,200	113,106	2,963,523	399,812
Foreign dividend income resulting from foreign taxes deemed paid	16,940,671	*11,323	141,390	75,928	14,551,946	76,726	857,375	232,295	625,080	800,220	425,764
Net income (less deficit)	370,632,632	1,156,269	5,302,223	6,824,608	171,373,726	35,413,596	30,094,078	13,977,945	16,148,205	109,901,881	10,616,792
Statutory special deductions, total	122,911,074	685,903	2,090,032	1,746,909	17,519,832	3,544,906	4,659,942	2,441,918	2,205,987	88,115,893	4,529,530
Net operating loss deduction	38,419,100	612,655	1,832,094	1,584,631	11,253,398	2,931,153	4,077,978	2,113,828	1,953,651	11,880,057	4,129,008
Dividends received deduction	12,434,448	73,248	257,938	62,278	6,284,330	570,039	581,379	327,705	252,336	4,224,712	400,524
Deduction for dividends paid on certain public utility stock	46,721	--	--	--	2,104	43,714	*585	*585	--	*318	--
Deduction for dividend paid (Forms 1120-RIC and 1120-REIT)	68,048,615	--	--	--	--	--	--	--	--	68,048,615	--
Section 857(b)(2)(E) deduction (Form 1120-REIT)	*-5,044	--	--	--	--	--	--	--	--	*-5,044	--
Income subject to tax	366,352,857	2,101,441	5,661,551	6,895,462	179,370,478	45,426,604	42,139,269	16,932,602	25,170,616	68,498,149	16,191,041
Income tax, total	128,185,666	589,866	2,223,977	2,092,198	64,385,522	17,114,547	13,839,310	5,524,665	8,305,909	22,556,387	5,368,531
Regular tax	119,434,430	569,812	1,897,245	1,983,902	60,664,655	15,228,031	13,324,360	5,337,049	7,979,216	20,709,720	5,041,377
Personal holding company tax	12,126	--	--	*15	116	*5	*962	*765	*198	9,532	*1,496
Recapture of investment credit	126,600	185	401	2,951	57,216	47,110	8,367	3,904	4,463	7,578	2,792
Alternative minimum tax	8,104,269	18,791	329,699	102,759	3,417,884	1,810,393	461,482	167,831	293,023	1,661,002	302,259
Environmental tax	520,187	1,065	10,344	2,563	261,731	88,790	43,736	14,018	29,705	95,108	16,829
Branch tax (Form 1120F)	34,836	*14	*718	*30	*39	651	2,510	--	*2	30,378	*496
Tax on net income from foreclosure property (Form 1120-REIT)	25	--	--	--	--	--	--	--	--	25	--
Section 857(b)(5) tax (Form 1120-REIT)	--	--	--	--	--	--	--	--	--	--	--
Tax on net income from prohibited transaction (Form 1120-REIT)	--	--	--	--	--	--	--	--	--	--	--
Capital gains tax (Form 1120-RIC)	38,847	--	--	--	--	--	--	--	--	38,847	--
Excess net passive income tax (Form 1120S)	27,077	--	*535	*398	*6,019	*9,011	*1,380	*208	*1,174	8,328	*1,406
Foreign tax credit	24,969,922	*17,508	788,105	90,444	20,777,364	138,131	934,596	289,937	644,659	1,641,306	602,469
U. S. possessions tax credit	3,194,481	472	--	6,820	3,072,082	58,332	30,713	6,539	24,173	10,217	15,845
Orphan drug credit	15,637	--	--	--	15,637	--	--	--	--	--	--
Nonconventional source fuel credit	81,790	--	16,976	*14	49,393	12,955	547	*521	*25	1,329	576
General business credit	2,833,701	14,294	39,251	39,536	1,229,009	977,010	214,024	58,024	155,956	196,949	123,628
Prior year minimum tax credit	667,038	2,775	31,312	48,845	270,841	48,080	43,439	15,153	28,285	195,293	28,452
Total income tax after--											
Foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, and prior year minimum tax credits	98,403,099	554,816	1,348,333	1,906,537	38,971,197	15,882,038	12,615,991	5,154,491	7,452,810	20,511,294	4,597,561
Overpayments less refunds	88,526,315	458,080	1,198,662	1,719,266	36,183,195	15,345,098	10,939,973	4,847,061	6,084,877	18,626,512	4,052,444
Tax deposited with Form 7004	14,214,581	94,105	343,549	362,393	6,296,500	1,401,427	2,418,527	734,624	1,682,502	2,422,056	870,343
Credit for tax paid by regulated investment companies	52,495	--	--	--	8,915	43,318	*51	*46	*5	201	8
Credit for Federal tax on fuels	142,293	16,856	6,131	22,973	36,968	36,098	12,753	7,365	5,388	1,555	8,960
Tax from Section I (Form 1120F only)	57,542	--	*2	473	--	20	*3,836	--	*3,836	53,049	*132
US tax paid or withheld at source (Form 1120F only)	113,785	*57	*136	*1,435	*33	*27	*4,071	*334	*3,738	105,297	2,475
Overpaid windfall profit tax	1,224	*45	*5	*232	*56	*794	*32	*32	*1	*61	--
Tax due at time of filing	4,865,167	113,430	65,965	329,779	734,019	232,998	777,989	401,345	375,153	2,173,044	430,890
Tax overpayment	11,724,381	126,365	266,109	533,950	4,336,052	1,198,298	1,527,249	834,632	690,415	2,960,532	777,165

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

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

[2] Includes "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 1120S, 1120-REIT, AND 1120-RIC

Table 21–Number of Returns, Selected Income, Tax, Credits, and General Business 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 division									
		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	2,136,032	71,451	23,644	248,829	188,380	96,395	603,224	219,618	380,491	362,083	527,715
Net income	416,617,439	2,760,452	7,695,053	8,626,434	196,584,734	48,894,492	46,787,951	19,400,961	27,338,903	84,525,136	20,658,197
Income subject to tax	366,310,570	2,093,405	5,661,551	6,895,462	179,356,396	45,428,604	42,125,397	16,932,602	25,156,745	68,491,853	16,191,041
Income tax before credits:											
Total	128,006,587	585,434	2,222,658	2,078,443	64,358,026	17,085,627	13,819,639	5,516,090	8,294,815	22,500,288	5,341,143
Regular tax	119,328,330	565,381	1,896,530	1,970,582	60,645,354	15,208,214	13,310,330	5,331,033	7,971,203	20,701,035	5,015,575
Credits:											
Foreign tax credit	24,989,922	*17,508	788,105	90,444	20,777,364	138,131	934,596	289,937	644,659	1,641,306	602,469
U.S possessions tax credit	3,194,481	472	--	6,820	3,072,082	58,332	30,713	6,539	24,173	10,217	15,845
Nonconventional source fuel credit	81,790	--	16,976	*14	49,393	12,955	547	*521	*25	1,329	576
Orphan drug credit	15,637	--	--	--	15,637	--	--	--	--	--	--
General business credit	2,833,695	14,294	39,251	39,536	1,229,009	977,010	214,024	58,024	155,956	196,943	123,628
Prior year minimum tax credit	667,036	2,775	31,312	48,845	270,841	46,080	43,439	15,153	28,285	195,293	28,452
General business credit items:											
Tentative general business credit	18,015,360	164,281	1,028,035	468,410	6,653,282	5,425,244	1,339,430	629,367	707,201	1,343,183	1,592,395
Current year regular investment credit	1,145,145	524	*871	15,934	264,244	691,629	18,666	8,504	10,162	99,636	53,641
Total allowable research credit	1,547,279	3,742	8,428	2,034	1,300,239	46,921	38,626	32,730	5,895	17,978	128,734
Total jobs credit for current year	308,548	1,784	*220	3,606	64,168	15,449	185,093	6,220	178,828	12,717	25,511
Current year alcohol fuel credit	9,275	*12	--	--	*7,766	--	*1,497	--	*1,497	--	--
Current year low-income housing credit	138,205	*376	*232	2,218	13,858	19,612	7,807	3,479	4,328	93,472	*631
Carryforward of general business credit from prior years	14,787,205	157,571	1,006,973	442,115	4,963,520	4,641,130	1,080,633	577,718	500,096	1,117,854	1,376,889
Income tax after credits	96,224,026	550,385	1,347,014	1,892,783	38,943,701	15,853,119	12,596,321	5,145,915	7,441,715	20,455,202	4,570,172

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

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

[2] Includes "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 1120S, 1120-REIT, AND 1120-RIC

Table 22--Alternative Minimum Tax: Number of Returns, and Tax Preference and Related Items by Selected Industrial Division

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

Item	All industrial divisions [1]	Selected industrial division									
		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	2,136,032	71,451	23,644	248,829	188,380	96,395	603,224	219,618	380,491	362,083	527,715
Returns with alternative minimum tax items:											
Number of returns	32,458	1,023	1,342	4,716	6,494	2,758	5,012	2,621	2,382	6,198	4,914
Total assets	6,369,655,403	7,214,597	129,693,027	25,078,216	1,650,114,849	783,086,733	297,862,726	102,343,378	194,942,955	3,365,978,016	110,627,240
Business receipts	2,593,293,307	7,456,432	54,250,127	44,895,387	1,204,276,160	400,447,641	439,374,356	214,017,326	224,136,780	357,163,111	85,430,094
Bad debts	29,462,582	9,812	111,918	131,266	4,797,303	3,168,817	1,880,875	420,556	1,447,663	18,409,577	953,013
Depreciation	133,231,054	313,315	2,832,523	957,907	53,564,136	42,429,542	8,812,348	4,134,092	4,639,274	14,296,877	10,024,405
Amortization	7,985,615	11,714	276,535	18,965	2,536,256	1,586,848	685,474	292,014	393,369	1,675,168	1,194,655
Depletion	5,027,064	7,072	1,708,195	14,320	2,823,934	359,004	37,351	31,832	4,071	71,852	5,336
Net income	111,989,094	274,885	3,489,140	869,469	62,149,175	17,214,951	4,659,985	2,080,463	2,573,336	19,679,050	3,652,439
Regular tax	28,063,338	21,425	649,224	117,374	17,666,684	4,865,397	859,365	282,764	576,090	3,427,246	456,623
Recapture of investment credit	70,420	*6	165	*2,236	25,764	36,528	1,058	330	728	3,490	1,174
Recapture of low-income housing credit	--	--	--	--	--	--	--	--	--	--	--
Alternative minimum tax	8,104,088	18,791	329,699	102,759	3,417,884	1,810,393	461,482	167,831	293,023	1,660,821	302,259
Income tax after credits [3]	20,690,596	36,954	465,669	184,504	8,237,595	5,936,574	1,240,288	408,049	831,089	4,110,630	478,382
Alternative minimum tax items:											
Adjustment items:											
Depreciation of property placed in service after 1986	28,151,935	84,270	721,350	186,398	12,628,680	8,294,624	1,985,002	882,063	1,082,037	2,659,157	1,592,454
Amortization of mining exploration and development costs paid or incurred after 1986	276,145	--	125,440	*2,554	104,897	34,761	96	96	--	8,396	--
Total adjustments	26,086,882	80,920	735,430	522,944	10,933,148	7,208,585	1,746,462	784,843	940,774	3,674,137	1,185,256
Tax preference items:											
Depletion	1,395,228	*963	621,087	11,158	648,294	93,058	7,179	*3,468	*3,711	12,026	*1,463
Tax exempt interest from private activity bonds issued after August 7, 1986	510,347	3	*734	*1,396	77,791	11,741	*64,571	*1,157	*63,414	352,988	*1,123
Appreciated property charitable deduction	68,039	44	*62	4,960	45,044	*2,314	*1,676	*689	*987	13,914	*24
Intangible drilling costs	352,116	*1,303	85,857	*683	17,917	224,630	*5,694	*4,627	*1,067	16,002	30
Accelerated depreciation of real personal property placed in service before 1987	371,660	507	2,046	-141	171,980	66,068	33,557	9,831	23,726	71,606	26,035
Accelerated depreciation of leased personal property placed in service before 1987	6,382	10	--	*8	535	*312	2,250	*848	*1,402	1,630	*1,637
Total tax preference items	2,736,622	2,830	709,686	19,127	962,970	405,171	114,957	20,620	94,336	491,053	30,828
Adjusted net book income	5,093,882	80,284	269,063	295,028	3,145,011	280,349	553,748	280,797	272,951	2,059	468,339
Income with respect to possessions tax credit and alcohol fuel credit	178,323,971	412,242	5,524,429	1,534,856	88,359,035	36,270,382	8,497,321	3,379,849	5,101,360	32,204,089	5,521,619
Alternative tax net operating loss deduction	22,949,866	181,081	1,536,211	381,754	7,585,598	2,383,871	1,829,358	1,088,322	730,664	6,981,138	2,070,855
Alternative minimum tax foreign tax credit	9,226,631	*2,227	295,235	*20,161	7,706,806	89,097	52,026	27,681	24,345	894,495	166,584
Tentative minimum tax	21,727,625	37,347	492,044	183,255	8,414,950	6,694,812	1,252,997	415,915	835,942	4,156,225	495,995
General business credit allowed against alternative minimum tax	15,510	*190	158	*1,772	3,916	*679	851	709	142	1,516	6,429
Income tax before credits except possessions and foreign tax credits	13,523,884	18,367	163,185	80,598	4,951,020	4,827,085	789,363	246,101	542,751	2,513,975	180,291

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

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

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

[3] Credits include foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, and prior year minimum tax 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, 1120-REIT AND 1120-RIC

Table 23 -- 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 and size of total income tax after credits are in whole dollars.)

Size of total income tax after credits	Number of returns of active corporations, other than forms 1120S, 1120-REIT, and 1120-RIC	Income subject to tax	Income tax before credits:		Foreign tax credit	U.S. possessions credit	Nonconventional source fuel credit	Orphan drug credit	General business credit	Prior year minimum tax credit	Income tax after credits
			Total	Regular tax [3]							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total	**2,136,032**	**366,310,570**	**128,006,587**	**119,328,330**	**24,989,922**	**3,194,481**	**81,790**	**15,637**	**2,833,695**	**667,036**	**96,224,026**
Returns with net income	1,131,942	366,214,262	126,851,118	119,284,536	24,983,472	3,194,481	81,790	15,637	2,828,936	666,675	95,080,128
Returns without net income	1,004,090	96,309 [2]	1,155,469 [4]	43,793 [3]	6,451	--	--	--	4,759	362	1,143,898
Returns with total income tax before credits	856,523	360,318,537	128,006,587	119,323,649	24,989,922	3,194,481	81,790	15,637	2,833,695	667,036	96,224,026
Returns with total income tax after credits	836,122	354,960,724	126,222,113	117,539,174	24,968,727	1,472,387	80,630	15,637	2,797,991	662,715	96,224,026
Under $6,000	609,162	6,617,616	1,088,048	1,068,175	5,199	102,066	*16	--	34,552	5,077	941,139
$6,000 under $10,000	67,178	3,281,646	566,398	541,620	1,918	40,788	--	--	10,273	2,004	511,416
$10,000 under $15,000	38,358	2,543,005	498,472	471,260	7,354	9,018	--	*86	8,240	1,958	471,816
$15,000 under $20,000	19,907	1,596,803	366,214	339,091	*2,814	5,379	--	--	9,160	3,984	344,878
$20,000 under $25,000	13,154	1,249,450	306,102	285,668	3,555	2,777	--	--	6,098	2,627	291,045
$25,000 under $50,000	29,065	3,971,148	1,153,908	1,070,550	21,235	71,535	([1])	--	19,060	9,455	1,032,623
$50,000 under $75,000	13,127	3,019,971	1,023,340	948,443	13,644	172,730	*450	--	17,851	9,288	809,377
$75,000 under $100,000	8,358	2,264,136	804,802	743,416	24,197	34,369	--	--	14,808	7,677	723,751
$100,000 under $250,000	19,156	8,870,504	3,235,075	3,009,218	59,859	59,096	*317	--	70,297	32,593	3,012,913
$250,000 under $500,000	7,891	9,516,850	3,417,676	3,227,684	128,292	441,563	*46	--	51,423	15,653	2,780,699
$500,000 under $1,000,000	4,468	9,653,768	3,518,607	3,283,335	271,834	14,878	*1,234	20	83,645	30,907	3,116,089
$1,000,000 under $10,000,000	5,145	50,637,558	18,510,193	17,162,894	2,878,499	517,208	5,206	--	410,538	121,280	14,577,461
$10,000,000 under $50,000,000	841	64,038,973	23,643,966	21,569,142	4,522,958	--	6,059	458	669,147	187,373	18,257,970
$50,000,000 under $100,000,000	170	42,368,113	15,494,351	14,395,733	3,278,968	979	19,039	13,274	438,089	47,545	11,696,456
$100,000,000 or more	142	145,331,180	52,594,959	49,422,945	13,748,401	--	48,262	1,798	954,810	185,294	37,656,394

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

[1] Less than $500 per return.

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

[3] Regular tax includes adjustments to income tax which tax credits could be used against.

[4] Income tax before credits includes adjustments to income tax and adjustments to total tax.

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24—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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	44,113	968	984	366	25	561	*12
Total assets	1,652,254,912	2,799,033	47,807,402	10,109,052	11,339,170	21,659,431	*4,699,748
Cash	72,651,563	189,480	1,453,710	275,503	125,802	970,425	*81,979
Notes and accounts receivable	385,573,032	199,452	5,448,493	481,757	2,261,439	1,877,574	*827,722
Less: Allowance for bad debts	10,587,113	*8,766	48,570	15,628	6,231	20,219	*6,492
Inventories	106,326,251	236,540	1,248,719	456,879	309,937	322,770	*159,133
Investments in Government obligations	36,362,179	--	16	--	--	16	--
Tax-exempt securities	9,207,463	--	4	--	--	4	--
Other current assets	203,492,379	57,988	1,911,635	247,191	509,408	1,099,773	*55,263
Loans to stockholders	27,537,326	*1,938	593,899	*47,636	3,677	*542,376	211
Mortgage and real estate loans	40,641,355	*18,734	*112,707	*82,255	--	*30,298	155
Other investments	331,826,356	463,436	17,339,320	2,584,162	*4,491,635	8,396,346	1,867,177
Depreciable assets	342,734,142	1,430,565	11,853,292	3,355,821	2,034,152	5,266,630	*1,196,689
Less: Accumulated depreciation	126,866,947	570,499	5,684,600	1,032,891	827,468	3,399,240	*425,001
Depletable assets	32,193,788	2,555	14,341,611	2,699,796	2,236,237	8,892,915	*512,664
Less: Accumulated depletion	12,399,024	343	5,004,289	353,646	1,153,220	3,474,387	*23,037
Land	33,430,594	619,912	781,938	214,390	81,721	360,117	*125,711
Intangible assets (amortizable)	89,914,310	37,220	1,420,230	422,222	*172,276	560,810	*264,922
Less: Accumulated amortization	15,296,215	24,631	458,457	90,568	*48,796	300,488	*18,604
Other assets	105,513,473	145,452	2,497,743	734,174	*1,148,601	533,712	*81,257
Total liabilities	1,652,254,912	2,799,033	47,807,402	10,109,052	11,339,170	21,659,431	*4,699,748
Accounts payable	124,006,551	363,813	2,379,140	323,369	1,106,217	707,433	*242,121
Mortgages, notes, and bonds payable in less than one year	270,312,249	268,705	4,895,313	899,924	599,861	2,395,541	*999,986
Other current liabilities	403,133,874	295,042	3,235,327	960,245	340,793	1,673,805	*260,484
Loans from stockholders	64,802,041	249,635	2,731,038	846,176	*1,008,865	763,132	112,865
Mortgages, notes, and bonds payable in one year or more	278,076,776	790,913	7,565,434	3,630,669	532,006	2,562,086	*840,672
Other liabilities	139,566,426	136,862	2,543,812	686,353	1,196,490	615,490	*45,479
Capital stock	95,545,738	429,403	2,826,526	374,902	359,050	1,672,581	*419,992
Paid-in or capital surplus	295,855,886	738,683	30,231,985	2,802,983	5,297,049	20,544,038	*1,587,914
Retained earnings, appropriated	1,701,702	*1,933	*150,690	53,377	23,483	*70,613	3,218
Retained earnings, unappropriated	-19,399,322	-475,956	-8,696,966	-468,946	926,982	-9,342,071	*187,070
Less: Cost of treasury stock	1,347,007	--	*54,897	--	51,627	*3,219	51
Total receipts	1,060,295,309	1,539,665	18,213,950	3,774,858	6,481,735	6,544,880	*1,412,478
Business receipts	950,082,520	1,337,996	16,404,092	3,537,208	6,040,064	5,586,711	*1,240,109
Interest	67,315,202	55,771	828,630	110,106	212,341	382,952	*123,231
Interest on Government obligations: State and local	465,194	68	343	343	--	--	--
Rents	7,119,607	10,271	41,247	7,102	24,391	7,449	2,305
Royalties	3,355,961	*1,375	60,167	*32,264	*20,117	7,619	167
Net short-term capital gain reduced by net long-term capital loss	322,709	*8,343	224	--	--	224	--
Net long-term capital gain reduced by net short-term capital loss	4,479,975	*17,675	252,259	12,269	51,026	186,118	2,845
Net gain, noncapital assets	3,458,367	20,553	179,073	*5,469	50,147	116,052	7,405
Dividends received from domestic corporations	1,038,768	*637	9,962	5,785	2,089	*2,043	45
Dividends received from foreign corporations	1,548,911	8,449	*26,993	*1,977	6,994	18,022	--
Other receipts	21,108,095	78,526	410,961	62,336	74,565	237,688	*36,371
Total deductions	1,056,921,369	1,549,903	17,576,350	4,011,139	6,374,577	5,780,399	*1,410,235
Cost of sales and operations	709,052,295	1,012,664	10,463,074	2,006,042	5,394,548	2,193,989	*868,495
Compensation of officers	6,486,468	12,675	75,751	20,966	*11,848	31,204	*11,732
Repairs	5,252,646	7,635	53,939	18,826	*1,195	12,374	*21,544
Bad debts	4,906,123	1,953	30,999	*7,898	1,099	20,099	1,902
Rent paid on business property	12,764,821	13,313	134,682	18,645	*38,519	67,447	*10,071
Taxes paid	16,859,766	35,957	348,530	53,170	140,875	134,281	*20,204
Interest paid	77,561,887	95,531	1,085,369	376,626	228,802	285,753	*194,187
Contributions or gifts	255,371	*214	4,043	*1,182	2,293	*11	557
Amortization	4,210,232	18,404	176,081	104,198	16,432	50,983	*4,468
Depreciation	28,927,272	106,881	1,162,773	469,539	104,169	478,142	*110,924
Depletion	2,124,393	37	780,324	322,109	113,085	319,065	*26,065
Advertising	18,539,557	4,314	29,434	2,129	*7,437	16,223	*3,645
Pension, profit-sharing, stock bonus, and annuity plans	2,743,913	3,170	54,493	*4,752	5,947	39,662	*4,131
Employee benefit programs	9,538,443	5,323	161,928	46,841	*11,349	95,667	*8,071
Net loss, noncapital assets	1,905,819	*17,299	150,608	21,845	*443	128,320	1
Other deductions	155,792,364	214,533	2,864,324	536,371	296,535	1,907,180	*124,237
Total receipts less total deductions	3,373,941	-10,237	637,600	-236,281	107,158	764,481	*2,243
Constructive taxable income from related foreign corporations	1,056,823	1,472	8,975	7	1,227	7,741	--
Includable income of Controlled Foreign Corporations	476,358	--	2,408	--	1,227	1,182	--
Foreign dividend income resulting from foreign taxes deemed paid	580,466	1,472	6,567	7	--	6,560	--
Net income (less deficit), total	3,965,570	-8,834	646,232	-236,617	108,385	772,222	*2,243
Income subject to tax	23,704,023	*81,473	946,664	*65,323	*17,453	854,460	9,429
Income tax, total [2]	8,718,529	28,977	421,155	65,620	27,929	313,398	14,208
Regular tax	8,008,250	*27,640	321,700	*22,210	*5,934	290,249	3,307
Recapture of investment credit	13,732	19	*49	7	--	*23	19
Alternative minimum tax	661,032	*1,202	97,635	43,017	22,124	21,674	10,820
Environmental tax	39,035	*116	2,205	386	285	1,452	81
Foreign tax credit	970,622	3,411	262,741	*57	--	*262,450	234
U.S. possessions tax credit	79,747	--	--	--	--	--	*--
Orphan drug credit	10,977	--	--	--	--	--	--
Nonconventional source fuel credit	*450	--	--	--	--	--	--
General business credit	190,439	*564	*1,072	93	453	*421	105
Prior year minimum tax credit	27,813	7	*3,817	--	--	*3,817	--
Total income tax after credits	7,438,480	24,995	153,525	65,469	27,476	46,710	13,869

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

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24--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	1,135	413	415	307	5,416	299	***	151	306
Total assets	11,079,975	8,721,455	1,621,406	737,113	566,732,159	76,910,025	***	4,278,738	1,622,837
Cash	847,884	551,212	238,990	57,682	13,725,325	717,838	***	133,082	40,244
Notes and accounts receivable	2,965,805	2,012,953	637,673	315,178	90,085,125	18,259,990	***	607,543	402,529
Less: Allowance for bad debts	33,913	*25,595	*4,807	*3,512	2,411,246	127,167	***	17,020	18,357
Inventories	837,149	667,439	132,713	*36,998	54,477,245	5,028,851	***	710,971	549,792
Investments in Government obligations	538	538	--	--	233,163	81	***	--	--
Tax-exempt securities	10,142	1,303	8,839	--	146,404	--	***	--	--
Other current assets	1,723,100	1,469,613	147,743	105,745	35,133,083	3,126,160	***	120,719	151,660
Loans to stockholders	*27,600	*16,710	2,933	*7,957	7,159,594	*386,674	***	13,130	*4,628
Mortgage and real estate loans	*50,727	48,345	*2,277	105	315,318	*91,316	***	--	--
Other investments	1,807,925	1,688,150	62,126	*57,648	138,346,698	25,336,534	***	733,805	95,520
Depreciable assets	2,187,479	1,536,917	483,422	167,140	202,128,631	14,400,172	***	2,604,437	558,585
Less: Accumulated depreciation	792,057	489,273	237,753	65,032	83,495,903	4,253,558	***	942,337	260,205
Depletable assets	25,304	9,584	15,719	--	16,825,158	29,101	***	--	*145
Less: Accumulated depletion	4,099	942	3,157	--	7,245,399	14,302	***	--	--
Land	262,232	221,233	34,152	*6,848	12,482,711	851,585	***	38,147	12,961
Intangible assets (amortizable)	680,503	636,645	*23,930	*19,928	59,988,365	9,569,019	***	111,345	*99,764
Less: Accumulated amortization	104,826	88,571	*11,160	*5,095	10,098,454	1,194,968	***	26,022	*33,404
Other assets	588,481	465,193	87,765	*35,523	38,936,339	4,702,701	***	190,938	18,977
Total liabilities	11,079,975	8,721,455	1,621,406	737,113	566,732,159	76,910,025	***	4,278,738	1,622,837
Accounts payable	2,048,469	1,385,615	530,781	132,073	47,162,639	4,904,860	***	346,008	197,641
Mortgages, notes, bonds payable in less than one year	2,534,089	1,279,694	1,140,331	114,064	65,743,742	10,285,168	***	391,608	327,738
Other current liabilities	1,473,291	543,070	806,395	123,826	49,105,341	3,575,191	***	341,799	177,112
Loans from stockholders	783,886	629,937	*130,377	23,572	26,058,112	2,890,556	***	*196,495	*42,495
Mortgages, notes, bonds payable in one year or more	3,268,222	2,897,711	281,792	*88,718	128,227,359	16,036,015	***	1,699,622	470,747
Other liabilities	704,591	596,971	91,132	*16,488	57,593,373	6,617,823	***	90,211	16,097
Capital stock	1,089,086	621,950	420,927	46,210	33,417,840	4,098,855	***	323,726	102,257
Paid-in or capital surplus	2,979,973	1,513,164	1,185,036	281,773	146,376,922	24,190,787	***	776,783	583,769
Retained earnings, appropriated	22,904	14,155	6,471	2,279	856,792	32,287	***	136	--
Retained earnings, unappropriated	-3,720,178	-751,913	-2,876,375	-91,890	12,639,392	4,316,351	***	115,026	-283,164
Less: Cost of treasury stock	*104,359	*8,899	*95,460	--	449,353	37,868	***	2,676	*11,856
Total receipts	13,423,033	9,285,458	2,978,543	1,159,033	446,044,995	44,352,010	***	4,207,155	2,022,997
Business receipts	12,754,952	8,786,910	2,878,922	1,089,121	418,337,354	41,324,528	***	4,096,752	1,965,133
Interest	294,035	267,865	18,949	*7,221	9,294,273	1,299,222	***	18,442	13,803
Interest on Government obligations: State and local	*8,718	312	*8,407	--	59,861	*328	***	*345	--
Rents	61,025	52,133	*5,886	3,006	1,752,217	162,146	***	6,037	*1,204
Royalties	*5,566	*4,999	417	*151	2,521,380	293,419	***	146	*529
Net short-term capital gain reduced by net long-term capital loss	584	584	--	--	23,872	*1,152	***	1,033	--
Net long-term capital gain reduced by net short-term capital loss	25,219	14,852	*6,938	*3,430	2,231,144	272,038	***	*746	*655
Net gain, noncapital assets	17,918	5,321	*11,730	*867	1,924,154	44,124	***	6,539	*1,081
Dividends received from domestic corporations	440	407	32	1	628,110	267,220	***	142	10
Dividends received from foreign corporations	19,102	18,625	477	--	1,107,690	125,752	***	10,160	*3,982
Other receipts	235,472	133,450	46,787	*55,236	8,164,942	562,082	***	66,812	36,602
Total deductions	13,753,939	9,544,165	3,068,620	1,141,154	438,642,559	43,966,136	***	4,207,732	2,095,707
Cost of sales and operations	11,357,412	7,974,952	2,546,368	836,092	295,156,696	26,346,392	***	2,936,485	1,376,945
Compensation of officers	120,227	58,835	31,892	29,500	2,123,475	178,541	***	53,263	29,211
Repairs	42,532	37,458	2,875	*2,198	3,560,221	353,852	***	12,810	10,710
Bad debts	39,148	27,130	8,451	*3,567	1,074,070	86,572	***	12,215	22,155
Rent paid on business property	91,936	51,782	21,877	18,277	4,884,349	516,990	***	34,106	39,409
Taxes paid	138,271	114,493	11,325	12,453	9,204,797	838,288	***	80,042	68,027
Interest paid	426,991	382,816	31,872	12,302	21,445,968	2,934,099	***	206,892	80,130
Contributions or gifts	2,182	*1,965	*126	*92	179,475	18,222	***	1,973	*385
Amortization	19,297	14,679	3,805	*813	2,349,461	414,006	***	15,234	11,470
Depreciation	176,720	85,889	45,581	45,250	14,384,259	1,194,561	***	206,950	49,020
Depletion	4,566	3,449	1,117	--	1,303,212	4	***	--	--
Advertising	26,683	19,195	2,483	5,005	9,175,255	2,642,455	***	35,096	33,517
Pension, profit-sharing, stock bonus, annuity plans	24,559	15,241	7,124	*2,194	1,792,702	130,432	***	15,689	*4,235
Employee benefit programs	67,538	46,061	7,094	*14,384	5,924,406	462,200	***	58,856	24,199
Net loss, noncapital assets	5,854	*822	*4,744	*288	350,334	25,549	***	4,519	*1,630
Other deductions	1,210,023	709,397	341,886	158,740	65,733,879	7,823,972	***	533,601	344,664
Total receipts less total deductions	-330,906	-258,707	-90,077	17,879	7,402,436	385,873	***	-577	-72,709
Constructive taxable income from related foreign corporations	1,206	1,206	--	--	776,210	65,875	***	21,573	870
Includable income of Controlled Foreign Corporations	1,206	1,206	--	--	337,732	5,610	***	145	--
Foreign dividend income resulting from foreign taxes deemed paid	--	--	--	--	438,478	60,266	***	21,428	870
Net income (less deficit), total	-338,418	-257,813	-98,484	17,879	8,118,786	451,421	***	20,651	-71,839
Income subject to tax	44,921	*3,636	*6,774	*34,512	13,924,194	763,141	***	200,769	*37,785
Income tax, total [3]	17,765	2,458	*3,732	*11,575	5,053,350	281,016	***	68,476	*12,761
Regular tax	15,032	*1,226	*2,283	*11,523	4,717,191	246,736	***	67,514	*12,700
Recapture of investment credit	5	3	--	2	12,583	*277	***	15	--
Alternative minimum tax	2,599	*1,150	*1,411	37	302,730	32,770	***	*722	*39
Environmental tax	108	58	*38	13	23,662	1,233	***	225	22
Foreign tax credit	--	--	--	--	527,675	68,283	***	19,024	*946
U.S. possessions tax credit	--	--	--	--	21,381	293	***	--	--
Orphan drug credit	--	--	--	--	10,977	--	***	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	***	--	--
General business credit	*785	*201	584	--	138,231	13,408	***	1,031	--
Prior year minimum tax credit	68	68	--	--	14,683	1,728	***	648	185
Total income tax after credits	16,912	2,189	*3,148	*11,575	4,340,404	197,304	***	47,772	*11,630

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

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24—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	Chemical 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	311	33	121	273	301	25	189	*	229
Total assets	4,252,014	597,393	6,462,024	56,592,263	111,664,135	94,838,326	10,552,017	*	26,834,536
Cash	45,970	*8,623	151,461	420,694	1,825,799	808,337	135,982	*	428,014
Notes and accounts receivable	234,706	140,940	808,404	5,165,686	15,246,229	11,262,295	1,446,491	*	3,164,118
Less: Allowance for bad debts	*9,121	*4,442	18,067	369,146	523,315	115,722	69,860	*	118,000
Inventories	207,331	208,613	682,997	2,367,190	10,392,630	4,082,722	1,582,984	*	2,603,861
Investments in Government obligations	--	--	--	*36,370	*289	580	--	*	--
Tax-exempt securities	--	--	4,000	--	37,262	--	8,687	*	56
Other current assets	271,959	14,197	298,526	2,556,678	8,184,600	10,011,544	320,576	*	806,227
Loans to stockholders	*89,623	--	*327,890	*1,032,124	474,872	*4,152,525	*107,777	*	*64,417
Mortgage and real estate loans	--	*4,300	*20,123	*6,046	23,884	356	--	*	83,837
Other investments	*1,561,707	*32,906	480,992	30,218,212	25,572,854	17,976,550	2,724,860	*	6,460,062
Depreciable assets	550,489	264,227	5,007,029	5,066,028	44,239,470	53,918,355	5,837,740	*	11,851,212
Less: Accumulated depreciation	256,772	104,534	1,771,523	1,887,028	18,655,345	23,878,124	2,296,528	*	4,421,786
Depletable assets	1,497,403	--	188,597	--	338,657	13,720,870	--	*	792,753
Less: Accumulated depletion	17,775	--	52,894	--	186,049	6,700,696	--	*	97,359
Land	16,715	*7,087	104,119	331,469	2,100,450	1,332,577	59,556	*	1,164,443
Intangible assets (amortizable)	*41,748	*9,205	120,125	11,027,008	11,219,763	6,911,060	454,669	*	2,469,110
Less: Accumulated amortization	*5,836	*5,120	35,069	1,607,853	1,285,989	2,957,972	74,900	*	248,184
Other assets	*23,866	21,391	145,314	2,228,786	12,658,075	4,313,069	313,984	*	1,831,755
Total liabilities	4,252,014	597,393	6,462,024	56,592,263	111,664,135	94,838,326	10,552,017	*	26,834,536
Accounts payable	194,649	117,174	492,961	2,756,589	6,940,251	12,040,602	965,333	*	1,349,220
Mortgages, notes, bonds payable in less than one year	191,429	235,073	638,273	6,985,668	10,182,666	3,925,215	2,474,849	*	1,707,752
Other current liabilities	49,541	34,471	334,695	2,785,723	7,627,612	13,106,188	797,074	*	1,742,737
Loans from stockholders	*60,750	--	918,670	2,003,594	4,394,740	8,628,258	*114,800	*	937,262
Mortgages, notes, bonds payable in one year or more	588,513	*168,315	1,489,489	18,147,754	30,038,961	11,178,113	2,564,173	*	8,374,139
Other liabilities	*150,769	*21,893	1,202,850	3,412,879	9,318,824	11,518,629	412,657	*	2,756,022
Capital stock	109,540	34,457	737,217	4,977,854	5,398,114	651,516	421,484	*	2,191,590
Paid-in or capital surplus	*2,896,508	*83,023	1,624,616	17,869,963	32,657,830	13,276,698	2,649,808	*	8,230,474
Retained earnings, appropriated	23,800	*174	*1,098	*5,126	145,471	--	*13,916	*	2,293
Retained earnings, unappropriated	-13,037	-96,818	-969,021	-2,329,018	4,997,302	20,517,810	143,965	*	-455,792
Less: Cost of treasury stock	449	*370	*8,823	*23,869	*37,636	-4,703	*6,042	*	*1,162
Total receipts	3,157,589	1,168,547	6,727,825	19,468,362	82,653,104	88,137,151	8,877,336	*	16,353,573
Business receipts	3,052,073	1,161,528	6,360,484	16,823,841	77,324,647	82,678,731	8,469,984	*	15,552,457
Interest	46,752	*2,101	86,580	1,314,106	1,346,050	1,661,598	136,768	*	353,775
Interest on Government obligations: State and local	4	--	424	109	17,476	10,456	371	*	13,912
Rents	*3,584	*660	65,854	83,795	310,502	156,758	*33,694	*	16,522
Royalties	5,415	--	4,137	154,244	709,513	733,429	*40,621	*	9,703
Net short-term capital gain reduced by net long-term capital loss	1,057	--	--	14	*1,719	4,526	--	*	47
Net long-term capital gain reduced by net short-term capital loss	*3,805	--	36,594	489,056	505,492	*87,368	*41,424	*	36,804
Net gain, noncapital assets	*328	*76	59,501	80,723	247,023	*232,249	7,429	*	143,089
Dividends received from domestic corporations	588	--	*37,005	*18,027	47,107	174,361	12,205	*	13,013
Dividends received from foreign corporations	22,495	--	*4,242	21,663	229,733	36,829	*45,743	*	25,943
Other receipts	21,488	*4,183	73,003	482,784	1,913,844	2,360,846	89,096	*	188,309
Total deductions	3,126,673	1,203,449	6,681,076	19,265,479	80,136,366	83,894,647	9,155,517	*	16,704,499
Cost of sales and operations	2,597,975	957,076	4,935,539	9,361,743	46,348,466	63,875,008	6,386,428	*	11,350,074
Compensation of officers	24,400	*9,367	35,641	162,957	421,100	68,519	42,978	*	123,424
Repairs	9,356	*517	34,583	93,182	670,460	1,446,919	22,021	*	155,413
Bad debts	5,281	6,711	14,582	97,436	172,733	68,753	43,062	*	56,036
Rent paid on business property	19,861	18,073	59,052	318,389	976,888	838,125	190,742	*	238,214
Taxes paid	44,806	14,833	103,781	353,739	1,306,820	3,112,249	146,814	*	328,175
Interest paid	73,745	32,448	267,648	2,447,159	3,300,412	3,350,834	403,147	*	1,074,110
Contributions or gifts	*737	73	1,238	6,742	75,817	39,331	277	*	1,383
Amortization	3,871	*1,297	15,790	429,460	480,870	237,494	22,723	*	44,864
Depreciation	37,697	24,942	385,100	882,849	3,463,145	2,293,015	287,710	*	835,398
Depletion	40,760	--	862	3,814	82,056	1,035,182	*139	*	67,159
Advertising	10,870	7,250	21,420	560,552	2,987,197	213,768	156,179	*	95,699
Pension, profit-sharing, stock bonus, annuity plans	*2,996	*222	21,813	83,344	356,158	311,150	54,649	*	73,234
Employee benefit programs	*18,798	*3,816	70,788	282,772	1,663,958	224,149	121,678	*	330,836
Net loss, noncapital assets	*3,799	36	*4,368	33,675	48,821	*1,852	2,564	*	14,680
Other deductions	230,723	126,789	708,870	4,147,668	17,781,465	6,778,299	1,274,404	*	1,915,800
Total receipts less total deductions	31,916	-34,902	46,749	202,883	2,516,738	4,242,505	-278,181	*	-350,926
Constructive taxable income from related foreign corporations	--	--	*2,026	7,409	109,089	51,421	7,469	*	26,957
Includable income of Controlled Foreign Corporations	--	--	90	205	30,504	39,178	7,469	*	26,957
Foreign dividend income resulting from foreign taxes deemed paid	--	--	*1,935	7,204	78,585	12,242	--	*	--
Net income (less deficit), total	31,911	-34,902	48,351	210,183	2,608,352	4,283,470	-271,083	*	-337,881
Income subject to tax	*79,752	*14,859	195,614	433,377	3,259,237	*4,092,610	73,737	*	186,242
Income tax, total [2]	*27,177	*5,052	74,489	155,656	1,186,645	1,501,833	26,309	*	80,409
Regular tax	*26,933	*5,036	66,475	147,344	1,107,979	*1,391,476	24,624	*	63,301
Recapture of investment credit	--	(1)	37	20	1,978	2,143	(1)	*	*142
Alternative minimum tax	*153	--	7,620	7,569	74,827	99,561	*1,646	*	15,925
Environmental tax	92	*16	356	723	5,294	8,653	86	*	374
Foreign tax credit	178	*34	*2,458	64,566	99,625	10,939	*36	*	2,356
U.S. possessions tax credit	--	--	--	--	21,088	--	--	*	--
Orphan drug credit	--	--	--	--	10,977	--	--	*	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	*	--
General business credit	--	291	*1,572	13,340	39,874	9,142	*351	*	*1,462
Prior year minimum tax credit	--	--	--	168	3,740	--	347	*	*1,871
Total income tax after credits	*26,999	*4,728	70,459	77,583	1,011,342	1,481,752	25,575	*	74,719

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

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24—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	89	779	570	866	154	61	344	299
Total assets	23,408,864	13,327,063	38,047,654	39,778,152	12,974,793	5,320,598	12,888,253	13,981,734
Cash	457,306	387,925	1,786,920	4,724,730	632,036	127,296	407,047	351,659
Notes and accounts receivable	3,276,752	2,225,909	8,020,543	8,363,616	2,555,248	1,090,878	2,470,461	2,291,321
Less: Allowance for bad debts	115,398	68,249	304,481	286,838	65,504	19,040	98,340	56,967
Inventories	3,411,325	2,210,887	6,301,095	6,003,368	1,988,044	708,404	2,325,928	1,806,888
Investments in Government obligations	55	--	106,026	69,760	--	20,000	--	2
Tax-exempt securities	--	--	9,970	86,429	--	--	--	--
Other current assets	1,614,292	483,319	2,475,975	2,138,827	734,843	350,968	637,476	526,922
Loans to stockholders	*58,602	*22,197	110,778	*58,375	*172,570	*8,169	*18,442	*55,694
Mortgage and real estate loans	9	14,535	8,168	51,480	6,456	*2,026	--	--
Other investments	2,845,686	2,229,421	11,135,331	4,415,965	1,887,763	1,547,347	1,470,961	1,454,357
Depreciable assets	11,025,595	5,538,370	10,605,488	12,374,075	5,266,768	1,353,476	3,620,554	4,046,657
Less: Accumulated depreciation	4,555,972	1,998,087	5,016,990	5,618,718	1,624,346	639,706	1,537,170	1,506,362
Depletable assets	203,522	262	20,328	*3,768	6,079	--	--	23,673
Less: Accumulated depletion	169,158	17	4,482	*1,148	--	--	--	1,519
Land	251,236	165,580	264,784	361,204	130,969	51,722	151,359	128,705
Intangible assets (amortizable)	3,424,842	1,198,460	1,637,459	4,248,979	1,066,150	696,027	2,884,418	2,261,091
Less: Accumulated amortization	89,212	141,330	310,232	641,401	126,320	*64,118	683,885	364,612
Other assets	1,769,382	1,057,883	1,200,974	3,425,680	344,036	87,149	1,221,001	2,964,224
Total liabilities	23,408,864	13,327,063	38,047,654	39,778,152	12,974,793	5,320,598	12,888,253	13,981,734
Accounts payable	2,222,582	1,353,935	4,806,314	3,677,892	1,765,318	494,176	1,037,022	1,075,915
Mortgages, notes, bonds payable in less than one year	2,012,653	1,529,562	10,177,463	9,146,203	1,952,659	430,464	947,180	2,160,590
Other current liabilities	1,885,968	1,039,339	4,219,225	4,260,191	1,103,421	585,223	2,358,430	1,008,089
Loans from stockholders	2,030,634	711,474	827,845	999,720	288,568	*95,026	609,718	307,507
Mortgages, notes, bonds payable in one year or more	4,918,551	3,766,449	3,872,090	6,486,297	3,090,766	1,587,945	3,024,444	3,421,653
Other liabilities	3,057,721	1,064,429	3,346,443	3,374,608	1,316,403	153,871	699,072	2,851,138
Capital stock	1,164,822	2,161,673	3,015,883	3,268,909	1,930,981	508,570	383,009	517,339
Paid-in or capital surplus	6,252,330	3,629,862	9,692,920	8,829,182	3,251,607	1,266,376	4,930,481	3,399,209
Retained earnings, appropriated	68,203	*7,314	93,942	408,145	*13,085	*7,248	1,938	32,615
Retained earnings, unappropriated	-204,493	-1,901,921	-1,979,187	-506,180	-1,736,979	192,342	-1,056,426	-751,977
Less: Cost of treasury stock	108	*35,053	*25,284	*166,814	1,037	643	*44,615	40,343
Total receipts	26,073,414	14,011,405	33,540,349	41,321,229	14,559,582	4,379,488	12,313,365	10,964,883
Business receipts	25,395,513	13,573,871	31,194,443	38,909,851	14,031,695	4,249,651	11,895,323	10,386,264
Interest	351,164	100,682	875,533	829,021	183,998	59,975	181,878	127,283
Interest on Government obligations: State and local	*401	*53	*1,578	1,729	347	1,940	*1,828	2,200
Rents	14,525	60,960	118,282	484,474	76,083	*7,772	13,823	24,106
Royalties	51,532	21,780	114,231	251,750	*3,966	3,382	22,373	74,724
Net short-term capital gain reduced by net long-term capital loss	53	*371	3,133	*4,677	--	--	160	5,929
Net long-term capital gain reduced by net short-term capital loss	*28,611	30,253	130,354	181,250	6,994	*36	6,240	47,760
Net gain, noncapital assets	17,819	26,077	66,943	49,006	3,461	*100	8,501	28,815
Dividends received from domestic corporations	*6,738	2,832	3,791	13,810	*1,203	2,452	1,851	629
Dividends received from foreign corporations	28,696	9,401	146,875	117,872	124,909	486	20,182	94,982
Other receipts	178,362	185,126	885,185	477,789	126,926	53,695	161,204	172,190
Total deductions	25,939,662	14,203,889	33,742,771	41,570,540	14,943,300	4,331,497	12,508,224	10,844,308
Cost of sales and operations	21,110,602	10,348,030	22,465,612	28,379,490	12,298,889	3,249,092	7,881,340	7,123,110
Compensation of officers	85,844	121,495	228,623	206,378	52,121	27,331	116,256	106,923
Repairs	199,659	83,625	97,084	122,019	72,064	31,685	38,310	24,676
Bad debts	16,403	43,088	78,459	109,477	23,464	7,857	142,594	40,594
Rent paid on business property	236,453	109,658	363,616	476,245	83,132	31,104	150,115	93,128
Taxes paid	353,877	236,359	597,441	528,761	155,794	90,746	220,274	217,979
Interest paid	872,769	546,818	1,548,689	1,725,943	504,934	196,535	484,051	468,786
Contributions or gifts	2,384	1,044	5,620	10,616	1,233	740	2,418	3,260
Amortization	61,016	63,127	121,826	142,248	90,598	6,211	54,222	98,011
Depreciation	742,586	404,623	771,392	1,350,084	526,505	103,267	245,981	368,277
Depletion	6,735	12	*22,695	11	82	--	8	3,500
Advertising	33,257	97,781	347,041	906,628	26,989	25,839	144,016	226,730
Pension, profit-sharing, stock bonus, annuity plans	173,332	77,977	157,629	123,345	33,191	26,521	53,919	38,398
Employee benefit programs	384,916	263,558	591,401	574,943	158,184	94,864	237,757	164,406
Net loss, noncapital assets	4,645	7,171	54,104	73,057	6,234	*8,658	34,916	20,031
Other deductions	1,655,183	1,799,523	6,291,540	6,841,295	909,886	431,046	2,702,047	1,846,499
Total receipts less total deductions	133,752	-192,484	-202,422	-249,312	-383,718	47,991	-194,859	120,574
Constructive taxable income from related foreign corporations	3,384	24,209	267,657	35,643	78,691	663	5,537	59,926
Includable income of Controlled Foreign Corporations	628	16,710	191,421	8,342	604	--	1,380	5,895
Foreign dividend income resulting from foreign taxes deemed paid	2,756	7,499	76,236	27,302	78,088	663	4,157	*54,031
Net income (less deficit), total	136,734	-168,327	63,657	-215,397	-305,373	46,714	-191,150	178,300
Income subject to tax	281,275	193,527	778,661	791,626	227,669	88,565	255,291	449,059
Income tax, total [2]	118,265	70,123	276,242	277,357	88,381	30,719	87,251	158,330
Regular tax	95,604	65,593	264,215	268,690	77,199	30,083	85,928	152,626
Recapture of investment credit	(1)	8	75	202	9	(1)	4	27
Alternative minimum tax	21,850	4,251	10,971	7,342	10,755	*523	*1,048	5,039
Environmental tax	811	271	981	1,125	417	*112	271	637
Foreign tax credit	1,865	*7,985	116,660	27,871	47,243	899	*3,504	*46,769
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	*10,479	*1,533	10,727	16,845	*264	117	5,103	*1,361
Prior year minimum tax credit	*2,649	*1,276	*630	--	*185	*667	*229	360
Total income tax after credits	103,272	59,329	148,225	232,641	40,689	29,035	78,414	109,840

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

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24—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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	1,195	1,098	27	70	15,193	12,310	977	2,349	8,984
Total assets	18,457,890	9,545,359	5,057,804	3,854,727	229,104,189	183,056,024	6,036,288	17,827,914	159,191,822
Cash	801,663	533,202	100,330	*168,130	10,219,640	7,888,410	243,766	937,096	6,707,548
Notes and accounts receivable	3,019,464	2,072,052	416,269	531,144	64,754,402	58,945,595	1,143,788	6,283,846	51,517,961
Less: Allowance for bad debts	85,679	53,218	27,220	5,241	1,971,862	1,623,084	37,612	270,463	1,315,010
Inventories	333,180	180,059	*88,707	*64,414	43,710,572	34,138,155	1,247,653	4,667,727	28,222,775
Investments in Government obligations	*299	--	*299	--	1,015,269	955,153	--	--	955,153
Tax-exempt securities	1,623	--	1,623	--	*38,280	*35,177	99	906	*34,172
Other current assets	1,115,074	907,312	94,616	*113,146	18,744,295	17,337,027	218,292	1,151,323	15,967,412
Loans to stockholders	28,522	*26,889	*1,633	--	927,378	513,408	120,145	54,128	339,135
Mortgage and real estate loans	*21,311	744	--	*20,567	167,035	137,758	*3,671	*12,293	121,794
Other investments	3,518,057	546,932	*2,274,639	*696,485	25,861,738	21,214,635	790,832	1,915,008	18,508,794
Depreciable assets	10,971,726	6,171,128	2,671,277	2,129,321	53,231,010	36,667,864	1,812,774	3,079,337	31,775,752
Less: Accumulated depreciation	3,668,269	2,198,690	975,472	*494,106	17,767,560	12,351,883	682,299	1,124,521	10,545,063
Depletable assets	8,526	4,000	--	4,526	331,883	251,842	--	--	251,842
Less: Accumulated depletion	2,886	125	--	2,761	93,462	76,691	--	--	76,691
Land	336,403	260,531	*21,817	54,055	3,950,797	2,280,471	96,628	242,096	1,941,747
Intangible assets (amortizable)	1,379,553	630,462	*278,853	*470,237	14,542,431	10,861,877	748,133	626,073	9,487,671
Less: Accumulated amortization	225,762	97,820	*48,414	*79,528	1,641,431	1,242,456	68,156	180,436	993,865
Other assets	905,085	561,900	*158,847	*184,338	13,083,773	7,122,767	398,573	433,500	6,290,694
Total liabilities	18,457,890	9,545,359	5,057,804	3,854,727	229,104,189	183,056,024	6,036,288	17,827,914	159,191,822
Accounts payable	1,763,082	1,311,658	162,766	288,658	39,448,217	33,776,615	1,059,512	3,719,930	28,997,173
Mortgages, notes, bonds payable in less than one year	1,688,349	1,456,433	*46,839	*185,076	62,264,742	54,903,116	976,412	3,907,625	50,019,079
Other current liabilities	1,904,586	1,420,632	234,458	*249,497	20,225,100	16,568,845	395,593	1,368,858	14,804,394
Loans from stockholders	1,016,213	522,047	20,240	*473,926	7,806,060	6,600,997	160,365	669,792	5,770,841
Mortgages, notes, bonds payable in one year or more	4,555,554	1,735,049	1,127,925	*1,692,580	35,953,076	25,670,597	1,530,847	3,278,786	20,860,964
Other liabilities	1,392,641	1,042,749	121,861	*228,031	18,258,883	6,541,431	318,166	1,183,083	5,040,181
Capital stock	1,296,250	882,620	189,733	223,898	24,860,944	20,843,499	576,506	2,606,475	17,660,518
Paid-in or capital surplus	5,307,802	1,536,033	*3,165,402	*606,367	25,227,136	17,253,816	1,218,856	2,140,070	13,894,891
Retained earnings, appropriated	11,803	11,803	--	--	102,224	75,874	--	*6,829	69,044
Retained earnings, unappropriated	-462,688	-357,963	-11,418	-93,307	-4,913,458	921,983	-192,077	-1,050,163	2,164,223
Less: Cost of treasury stock	*15,702	*15,702	--	--	128,734	100,750	*7,892	*3,372	89,486
Total receipts	15,753,181	11,242,162	2,038,808	2,472,211	416,072,449	341,042,255	16,224,775	26,987,148	297,830,332
Business receipts	14,173,653	10,197,227	1,860,610	*2,115,815	402,893,143	331,344,129	15,967,503	25,862,095	289,514,531
Interest	487,187	227,047	73,373	186,767	5,834,944	4,966,587	69,691	410,570	4,486,326
Interest on Government obligations: State and local	395	129	266	--	37,887	19,701	47	2,260	17,393
Rents	204,418	202,421	*1,423	574	1,336,269	1,029,586	11,222	231,266	787,098
Royalties	9,385	55	521	8,809	373,469	261,087	*538	23,648	236,901
Net short-term capital gain reduced by net long-term capital loss	*1,396	*52	--	1,344	58,160	58,007	760	*594	56,653
Net long-term capital gain reduced by net short-term capital loss	74,005	22,126	2,634	*49,245	331,742	252,639	5,164	52,804	194,671
Net gain, noncapital assets	23,468	19,070	*748	3,650	570,299	450,791	*2,710	23,938	424,142
Dividends received from domestic corporations	16,898	*7,058	149	9,692	77,733	71,105	6,656	6,309	58,140
Dividends received from foreign corporations	40,060	1,834	--	38,226	89,283	87,289	*2,847	*7,240	77,202
Other receipts	722,317	565,144	*99,085	*58,088	4,469,518	2,501,334	157,636	366,423	1,977,276
Total deductions	15,719,840	11,331,789	1,896,266	2,491,785	418,657,191	341,896,355	16,280,619	27,032,938	298,582,798
Cost of sales and operations	7,486,426	6,393,679	549,444	*543,303	337,433,085	288,405,643	13,788,435	21,992,759	252,624,449
Compensation of officers	140,287	120,382	15,448	*4,456	1,721,990	1,368,427	66,500	208,602	1,093,324
Repairs	269,610	118,337	102,448	*48,824	800,092	463,164	33,330	49,041	380,792
Bad debts	83,816	44,063	*29,974	*9,779	1,379,313	905,834	90,001	94,390	721,443
Rent paid on business property	507,625	380,069	83,441	*44,115	4,017,844	1,736,465	104,877	172,098	1,459,490
Taxes paid	504,732	401,530	39,517	63,684	3,477,026	2,153,068	120,856	209,056	1,823,155
Interest paid	930,665	395,269	102,377	433,019	11,196,423	8,175,644	251,985	641,849	7,281,810
Contributions or gifts	2,792	2,387	130	*275	41,578	33,785	1,613	1,819	30,353
Amortization	71,259	48,144	12,584	*10,530	667,952	385,565	25,653	43,456	316,456
Depreciation	867,473	408,295	259,414	*199,764	6,638,071	5,182,462	165,542	334,963	4,681,957
Depletion	*2,253	*2,246	--	7	20,284	19,672	58	--	19,614
Advertising	115,094	86,525	20,243	*8,326	8,315,167	6,686,127	161,145	267,247	6,257,735
Pension, profit-sharing, stock bonus, annuity plans	56,698	29,806	21,806	5,085	386,404	303,637	22,695	36,054	244,888
Employee benefit programs	229,204	154,815	52,328	*22,061	1,949,432	1,175,278	107,354	179,615	888,308
Net loss, noncapital assets	5,131	1,311	*3,738	82	359,943	181,441	18,416	13,920	149,105
Other deductions	4,446,776	2,744,929	603,372	1,098,475	40,252,586	24,720,145	1,322,159	2,788,067	20,609,918
Total receipts less total deductions	33,341	-89,626	142,542	-19,574	-2,584,743	-854,100	-55,844	-45,790	-752,466
Constructive taxable income from related foreign corporations	4,477	966	--	3,511	64,981	64,055	44	*2,933	61,078
Includable income of Controlled Foreign Corporations	3,097	966	--	2,131	51,481	50,962	44	*528	50,390
Foreign dividend income resulting from foreign taxes deemed paid	1,380	--	--	1,380	13,500	13,093	--	*2,405	*10,688
Net income (less deficit), total	37,424	-88,789	142,276	-16,063	-2,557,649	-809,746	-55,847	-45,117	-708,782
Income subject to tax	506,693	245,084	*228,370	*33,239	4,011,899	3,225,280	70,552	379,901	2,774,827
Income tax, total [2]	185,604	88,579	*80,316	*16,710	1,463,248	1,169,197	30,049	130,656	1,008,492
Regular tax	171,292	82,345	*77,646	*11,301	1,345,230	1,082,166	23,763	126,287	932,116
Recapture of investment credit	72	71	--	1	484	265	45	*4	216
Alternative minimum tax	14,469	5,821	3,322	*5,326	112,266	82,758	6,853	4,028	71,877
Environmental tax	533	342	110	*81	5,597	4,337	90	336	3,911
Foreign tax credit	*8,149	*6,825	*226	1,098	23,546	22,925	*1,260	*6,590	15,075
U.S. possessions tax credit	58,225	([1])	58,225	--	141	141	--	--	141
Orphan drug credit	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	*450	*450	--	--	*450
General business credit	*980	*755	3	*221	20,293	10,205	*273	1,825	8,107
Prior year minimum tax credit	*597	*588	*10	--	2,842	2,109	*18	*726	1,365
Total income tax after credits	117,653	80,410	*21,852	*15,391	1,415,977	1,133,367	28,498	121,516	983,353

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

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24--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 furnishing 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, total	**2,869**	*91	13	336	61	717	416	366	869	*14
Total assets	**45,852,161**	*462,743	13,713,274	8,325,380	1,177,723	3,120,555	1,340,067	3,734,013	13,978,406	*196,005
Cash	2,326,138	*8,557	701,936	380,108	96,614	200,365	191,130	276,800	470,628	*5,092
Notes and accounts receivable	5,798,769	*90,130	2,070,326	448,447	122,667	265,486	184,671	399,395	2,217,647	*10,038
Less: Allowance for bad debts	348,598	3,352	*55,287	*7,046	6,225	*7,262	2,184	*20,094	247,148	*179
Inventories	9,535,060	*162,970	*1,837,943	2,306,478	490,962	613,089	310,705	162,141	3,650,770	*37,358
Investments in Government obligations	60,116	--	--	54,759	--	--	--	--	5,358	--
Tax-exempt securities	3,103	--	--	3,103	--	--	--	--	--	--
Other current assets	1,405,824	*16,613	210,124	124,084	65,688	201,858	33,495	146,051	607,912	*1,444
Loans to stockholders	413,971	*313	*11,800	*361	*1,179	10	*1,255	*1,347	*397,707	--
Mortgage and real estate loans	*29,277	*519	--	153	--	--	*24,384	1,154	3,066	--
Other investments	4,516,246	*36,909	2,159,085	339,009	*16,120	311,205	*177,308	271,564	1,205,045	*130,857
Depreciable assets	16,551,250	*117,896	3,980,673	5,858,171	332,740	1,021,849	367,259	2,002,796	2,869,867	*11,896
Less: Accumulated depreciation	5,413,169	*48,784	*939,883	2,020,146	104,763	390,453	108,474	624,527	1,176,139	*2,508
Depletable assets	80,041	--	--	80,041	--	--	--	--	--	--
Less: Accumulated depletion	16,771	--	--	16,771	--	--	--	--	--	--
Land	1,670,326	*18,186	668,902	353,008	107,461	*43,449	*20,205	255,246	203,870	--
Intangible assets (amortizable)	3,679,051	47,456	13,257	144,111	*51,388	*842,948	*85,493	582,847	1,911,551	1,503
Less: Accumulated amortization	398,975	6,329	9,126	*20,659	*28,076	*92,133	*3,118	37,922	201,612	--
Other assets	5,960,502	*21,660	3,063,524	298,172	31,968	110,144	57,936	317,215	2,059,884	*504
Total liabilities	**45,852,161**	*462,743	13,713,274	8,325,380	1,177,723	3,120,555	1,340,067	3,734,013	13,978,406	*196,005
Accounts payable	5,653,612	*56,054	1,698,654	1,365,960	82,703	240,394	205,757	227,537	1,776,552	*17,990
Mortgages, notes, bonds payable in less than one year	7,322,562	*102,419	*2,333,515	765,190	445,121	196,862	*71,727	514,559	2,893,169	*39,064
Other current liabilities	3,609,773	*26,674	828,793	853,645	236,517	207,516	95,845	323,295	1,037,489	*46,482
Loans from stockholders	1,203,404	*1,000	*71,607	*132,622	*12,565	*45,880	*207,357	*172,429	559,944	*1,658
Mortgages, notes, bonds payable in one year or more	10,280,358	*150,325	*1,096,214	2,056,811	165,352	1,155,062	*188,320	1,221,889	4,246,388	2,120
Other liabilities	11,717,296	*35,873	10,143,435	423,496	20,826	*248,768	*20,289	226,557	598,051	157
Capital stock	3,910,522	*16,539	1,034,459	342,442	118,313	91,331	149,856	362,245	1,795,337	*106,923
Paid-in or capital surplus	7,738,390	*222,768	*421,113	1,283,184	107,061	1,334,404	*650,635	756,312	2,962,913	*234,930
Retained earnings, appropriated	*26,351	--	--	--	*514	*25,745	--	2	90	--
Retained earnings, unappropriated	-5,582,123	*-,148,909	-3,914,517	1,102,387	-11,063	-417,884	-241,004	-69,040	-1,882,092	*-,253,319
Less: Cost of treasury stock	*27,984	--	--	355	*185	*7,522	*8,715	1,773	*9,434	--
Total receipts	**74,921,676**	*747,607	13,462,319	29,505,081	3,105,609	4,491,579	1,807,883	5,585,434	16,216,164	*108,517
Business receipts	71,446,302	*730,588	12,162,166	28,892,014	2,982,927	4,318,312	1,713,874	5,272,814	15,373,606	*102,712
Interest	867,064	*656	351,859	98,204	16,808	55,817	25,726	49,348	268,646	*1,294
Interest on Government obligations: State and local	*18,186	--	--	552	--	--	--	*250	17,384	--
Rents	306,646	*2,890	111,682	97,612	8,889	*19,566	*488	18,871	46,648	37
Royalties	112,383	--	2	*66	--	*1,956	3	*90,156	*20,199	--
Net short-term capital gain reduced by net long-term capital loss	*153	--	1	--	--	--	--	*149	4	--
Net long-term capital gain reduced by net short-term capital loss	79,098	--	4,374	965	*25,211	*13,130	*74	*10,922	*24,421	5
Net gain, noncapital assets	119,508	*19	10,948	*154	*10,370	4,171	*1,163	*47,416	45,268	--
Dividends received from domestic corporations	6,628	*3,501	61	425	--	459	--	1,658	524	(1)
Dividends received from foreign corporations	*1,994	--	--	--	--	368	--	385	*1,241	--
Other receipts	1,963,714	*9,954	*821,227	415,088	61,404	77,800	66,556	93,464	418,223	*4,470
Total deductions	**76,643,126**	*802,076	14,777,846	29,179,285	3,097,775	4,618,878	1,863,729	5,628,117	16,675,418	*117,710
Cost of sales and operations	48,961,181	*550,738	7,779,370	22,179,399	2,549,597	2,594,120	1,157,438	2,894,520	9,255,999	*66,262
Compensation of officers	351,323	*5,948	*19,037	37,018	14,197	42,616	47,464	45,616	139,426	*2,240
Repairs	335,811	*2,292	*65,624	112,441	5,830	21,454	6,230	65,412	56,527	*1,117
Bad debts	461,077	*2,303	*156,397	37,805	10,684	12,233	8,748	16,448	216,459	*12,402
Rent paid on business property	2,279,531	*21,811	311,591	527,440	23,324	249,298	75,199	246,274	824,595	*1,848
Taxes paid	1,322,606	*8,552	300,476	408,125	31,540	112,613	29,380	151,829	280,092	*1,353
Interest paid	3,017,461	*23,082	*1,405,122	267,739	62,101	156,769	42,997	180,867	878,784	*3,319
Contributions or gifts	7,773	*41	458	3,853	*60	451	*195	*474	2,242	*20
Amortization	282,378	*1,344	46,044	15,388	9,249	30,935	6,733	35,450	137,234	*9
Depreciation	1,454,693	*9,997	*279,340	534,366	31,150	104,599	36,486	166,335	292,421	*916
Depletion	612	--	(1)	1	--	1	--	--	610	--
Advertising	1,622,876	*14,600	*310,754	306,240	31,636	113,343	56,815	132,926	656,562	*6,164
Pension, profit-sharing, stock bonus, annuity plans	82,633	*1,355	*522	17,435	*1,881	16,649	*3,922	*11,269	29,601	*135
Employee benefit programs	772,662	*11,425	*20,726	391,987	22,843	43,977	16,999	95,439	169,267	*1,492
Net loss, noncapital assets	178,274	12	112,514	*4,113	*396	*6,719	*9,552	5,908	39,059	*229
Other deductions	15,512,234	*148,576	3,969,872	4,335,935	303,287	1,113,103	365,571	1,579,350	3,696,540	*20,207
Total receipts less total deductions	-1,721,449	*-54,469	-1,315,528	325,796	7,834	-127,299	-55,846	-42,684	-459,254	*-9,194
Constructive taxable income from related foreign corporations	*926	--	--	--	--	--	--	101	*825	--
Includable income of Controlled Foreign Corporations	*519	--	--	--	--	--	--	--	*519	--
Foreign dividend income resulting from foreign taxes deemed paid	*407	--	--	--	--	--	--	101	*306	--
Net income (less deficit), total	-1,738,710	*-54,469	-1,315,528	325,244	7,834	-127,299	-55,846	-42,833	-475,813	*-9,194
Income subject to tax	785,169	*1,041	*12,153	429,175	*25,594	*35,329	*4,523	*41,831	235,523	*1,450
Income tax, total [2]	293,582	*751	*5,869	170,132	*8,548	12,061	*1,738	14,054	80,429	*469
Regular tax	262,689	*276	*4,111	145,481	*8,500	*10,986	*1,212	*13,664	78,458	*374
Recapture of investment credit	219	--	24	36	--	--	--	68	91	--
Alternative minimum tax	29,416	*465	1,701	23,836	*23	1,017	*500	*266	*1,608	92
Environmental tax	1,257	*10	34	780	24	58	*26	*55	271	3
Foreign tax credit	620	--	--	--	--	6	--	365	249	--
U.S. possessions tax credit	--	--	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--	--	--
General business credit	10,088	--	369	5,752	*128	167	244	1,413	*2,014	--
Prior year minimum tax credit	733	--	--	--	--	156	--	--	577	--
Total income tax after credits	282,141	*751	*5,500	164,381	*8,420	11,732	*1,494	12,275	77,588	*469

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

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24--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	**13,503**	**142**	**450**	**297**	**166**	**56**	**9,475**	**2,917**
Total assets	**706,066,305**	**234,496,967**	**98,947,998**	**170,424,881**	**65,567,363**	**6,131,631**	**72,912,694**	**57,584,770**
Cash	42,629,752	25,910,927	5,926,081	4,260,927	674,550	951,347	3,090,085	1,815,835
Notes and accounts receivable	206,848,660	118,470,227	47,387,882	26,311,259	2,080,268	926,332	4,642,926	7,027,765
Less: Allowance for bad debts	5,648,813	3,310,845	2,163,324	59,121	2,468	*17,503	26,373	69,180
Inventories	3,467,748	72,419	45,542	371,264	--	928	2,150,573	827,002
Investments in Government obligations	35,018,671	16,275,276	337,887	8,892,566	8,666,071	20,505	*19,609	806,757
Tax-exempt securities	8,980,938	2,953,031	72,503	33,229	5,529,567	372,976	*6,257	*13,375
Other current assets	141,075,247	13,582,468	17,500,340	88,373,850	11,424,184	294,101	3,547,578	6,352,726
Loans to stockholders	18,609,851	2,976,641	9,491,629	*705,711	--	*823	368,570	5,066,476
Mortgage and real estate loans	39,772,097	13,349,241	8,854,568	162,071	11,734,419	45	4,263,312	1,408,439
Other investments	126,455,138	15,835,916	7,205,526	34,066,847	22,340,591	2,251,718	21,265,595	23,488,945
Depreciable assets	38,812,955	5,544,621	1,888,478	962,634	573,283	407,915	23,392,673	6,043,351
Less: Accumulated depreciation	9,106,163	2,496,744	962,884	331,612	67,262	223,516	3,755,336	1,268,809
Depletable assets	599,665	--	*235	44	--	--	*204,184	395,201
Less: Accumulated depletion	48,226	--	*235	44	--	--	*21,239	26,708
Land	12,258,988	233,871	192,020	43,789	*32,488	*8,514	10,372,849	1,375,456
Intangible assets (amortizable)	5,019,215	1,207,082	580,009	471,389	111,628	1,233,031	453,662	962,414
Less: Accumulated amortization	1,032,382	113,538	157,105	183,314	24,648	*286,565	134,327	132,884
Other assets	42,354,965	24,006,373	2,748,846	6,343,372	2,494,692	190,981	3,072,094	3,498,608
Total liabilities	**706,066,305**	**234,496,967**	**98,947,998**	**170,424,881**	**65,567,363**	**6,131,631**	**72,912,694**	**57,584,770**
Accounts payable	26,831,695	6,708,233	3,294,897	12,072,079	587,043	1,120,631	1,626,070	1,422,742
Mortgages, notes, bonds payable in less than one year	122,892,803	37,437,829	46,713,665	15,121,485	411,575	*76,575	8,741,856	14,389,819
Other current liabilities	321,054,202	146,727,297	19,886,116	129,650,665	16,913,078	662,746	4,208,194	3,006,106
Loans from stockholders	21,832,813	2,188,852	793,028	620,835	657,877	*1,004	12,646,668	4,924,549
Mortgages, notes, bonds payable in one year or more	77,902,473	14,660,836	23,159,876	4,006,705	995,141	426,035	23,999,657	10,654,223
Other liabilities	53,801,609	8,111,067	1,008,051	4,404,478	33,764,007	*58,915	3,605,538	2,849,552
Capital stock	24,952,653	4,548,249	1,077,949	1,773,695	654,426	256,582	10,423,646	6,218,106
Paid-in or capital surplus	62,763,688	12,405,230	3,281,756	4,123,812	7,165,749	1,500,001	16,718,869	17,568,271
Retained earnings, appropriated	509,732	68,849	1,667	5,071	336,158	--	*20,349	77,637
Retained earnings, unappropriated	-6,037,186	1,641,325	-267,177	-1,340,889	4,112,866	2,029,144	-8,735,515	-3,476,940
Less: Cost of treasury stock	438,176	801	*1,830	*13,056	*30,557	3	342,637	49,294
Total receipts	**112,518,337**	**25,546,415**	**9,999,572**	**28,410,000**	**24,756,682**	**2,241,354**	**10,256,679**	**11,307,635**
Business receipts	52,049,690	2,627,230	1,020,312	15,575,778	18,359,167	2,071,037	5,709,324	6,686,842
Interest	49,106,502	20,805,013	7,778,187	11,967,155	3,997,806	124,350	1,944,408	2,489,583
Interest on Government obligations: State and local	356,691	224,118	7,544	14,052	97,683	9,623	*1,131	2,539
Rents	2,697,730	674,962	660,708	47,801	76,405	699	954,780	282,375
Royalties	187,553	651	29	1,837	3,064	38	26,586	155,347
Net short-term capital gain reduced by net long-term capital loss	213,453	9,941	7,167	85,769	9,602	*26	66,356	34,592
Net long-term capital gain reduced by net short-term capital loss	1,284,619	44,681	43,595	10,306	163,030	*2,138	502,879	517,990
Net gain, noncapital assets	620,961	238,384	114,223	*23,580	6,165	*1,552	193,332	43,725
Dividends received from domestic corporations	295,887	28,511	10,516	30,163	158,307	*14,252	12,904	41,235
Dividends received from foreign corporations	175,042	678	4,506	*7,565	17,967	1,035	*12,989	130,302
Other receipts	5,530,208	892,245	352,785	645,994	1,867,486	16,604	831,989	923,106
Total deductions	**112,948,776**	**25,461,923**	**9,911,730**	**28,595,420**	**24,396,523**	**1,875,529**	**11,675,702**	**11,031,950**
Cost of sales and operations	29,958,809	10,673	469,528	11,940,609	10,260,196	*106,501	2,785,318	4,385,984
Compensation of officers	1,603,905	602,978	89,587	386,271	72,810	52,578	242,318	157,362
Repairs	298,291	124,567	10,994	17,306	4,109	5,498	98,585	37,232
Bad debts	2,041,779	1,452,405	298,403	31,498	37,145	*4,938	107,992	109,397
Rent paid on business property	1,525,182	567,090	76,918	233,950	173,412	116,595	190,795	166,422
Taxes paid	2,143,437	382,661	107,024	405,000	404,737	94,688	517,823	231,503
Interest paid	39,298,600	14,965,185	7,074,387	11,045,767	270,094	63,176	3,484,778	2,395,213
Contributions or gifts	19,195	8,366	736	531	2,091	*2,523	2,742	2,205
Amortization	379,221	69,193	29,380	50,085	20,336	42,540	78,030	89,656
Depreciation	3,598,036	1,469,997	673,215	123,305	99,895	39,687	850,995	340,942
Depletion	12,794	201	--	1	(1)	--	*2,565	10,027
Advertising	362,358	129,186	20,629	25,595	32,046	24,884	59,946	70,071
Pension, profit-sharing, stock bonus, annuity plans	259,267	112,405	5,356	28,489	34,125	25,907	12,383	40,602
Employee benefit programs	741,125	287,339	40,856	80,412	102,874	58,183	65,434	106,026
Net loss, noncapital assets	888,619	608,115	12,179	64,804	695	*1,652	127,547	73,627
Other deductions	29,818,160	4,671,563	1,002,537	4,161,796	12,881,957	1,238,177	3,048,449	2,815,680
Total receipts less total deductions	-430,440	84,492	87,842	-185,420	360,159	365,825	-1,419,023	275,685
Constructive taxable income from related foreign corporations	132,711	7,588	5,261	18,187	2,763	34	*1,093	97,784
Includable income of Controlled Foreign Corporations	55,743	7,299	4,292	13,939	2,742	34	1,019	*26,418
Foreign dividend income resulting from foreign taxes deemed paid	76,968	289	970	4,248	21	--	*74	71,366
Net income (less deficit), total	-654,420	-132,039	85,559	-181,285	265,239	356,236	-1,419,060	370,930
Income subject to tax	3,453,646	703,911	283,213	183,715	509,539	*350,263	342,135	1,080,869
Income tax, total [2]	1,269,065	275,711	126,396	64,520	179,091	*119,546	120,544	383,257
Regular tax	1,163,882	239,249	96,133	62,224	172,407	*119,087	112,409	362,373
Recapture of investment credit	458	174	139	9	3	3	82	48
Alternative minimum tax	98,137	34,983	29,421	1,969	5,845	10	7,137	18,772
Environmental tax	5,483	1,317	694	269	835	*446	454	1,467
Foreign tax credit	86,370	3,765	6,048	*3,679	416	--	*248	72,214
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	23,429	195	20,716	*120	50	224	*537	1,587
Prior year minimum tax credit	4,922	1,336	144	*294	1,432	--	*861	*856
Total income tax after credits	1,154,344	270,416	99,488	60,428	177,192	*119,322	118,899	308,600

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

RETURNS OF ACTIVE CORPORATIONS WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 24--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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	**5,565**	**513**	*6	**2,645**	**24**	**1,262**	**1,116**	*174
Total assets	**69,979,973**	**21,215,905**	*123,683	**31,852,434**	**1,163,983**	**9,296,802**	**6,327,167**	*227,987
Cash	2,774,475	779,297	*4,321	1,221,462	46,705	318,835	403,854	*9,634
Notes and accounts receivable	12,212,508	2,626,156	*38,229	6,681,502	*206,851	1,250,256	1,409,515	*41,123
Less: Allowance for bad debts	378,081	96,894	322	134,568	*2,250	91,278	52,769	*183
Inventories	1,994,778	104,920	*3,280	666,196	*58,709	962,858	198,816	*20,320
Investments in Government obligations	*94,222	--	--	*94,144	--	*79	--	--
Tax-exempt securities	30,072	--	--	30,072	--	--	--	--
Other current assets	3,727,437	764,355	*1,942	1,864,470	77,155	390,420	629,095	*4,519
Loans to stockholders	186,775	67,427	--	72,825	*12,430	*18,349	*15,743	*1,769
Mortgage and real estate loans	183,425	*132,900	--	*18,547	--	--	*31,978	--
Other investments	18,000,745	4,432,252	*15,893	11,004,091	305,529	1,040,736	1,202,244	*33,301
Depreciable assets	22,031,872	8,841,424	*86,285	6,871,050	366,395	3,767,055	2,099,663	*86,611
Less: Accumulated depreciation	5,757,334	1,062,112	*31,337	1,987,086	106,964	1,901,223	668,611	*24,562
Depletable assets	*59,087	--	--	*59,087	--	--	--	--
Less: Accumulated depletion	*319	--	--	*319	--	--	--	--
Land	2,714,698	1,766,474	3,168	268,908	*136,026	409,204	130,918	*22,913
Intangible assets (amortizable)	6,816,559	809,623	1,770	3,235,650	55,852	2,198,964	514,700	*30,234
Less: Accumulated amortization	1,709,936	83,911	94	516,679	15,665	1,022,719	70,868	*337
Other assets	6,998,991	2,133,993	*549	2,403,084	*23,210	1,955,265	482,890	*2,644
Total liabilities	**69,979,973**	**21,215,905**	*123,683	**31,852,434**	**1,163,983**	**9,296,802**	**6,327,167**	*227,987
Accounts payable	3,989,489	571,869	*2,703	2,331,067	142,475	477,984	463,390	*20,007
Mortgages, notes, bonds payable in less than one year	9,969,710	2,438,956	*27,861	5,404,898	*225,009	910,566	962,419	*54,796
Other current liabilities	5,827,990	1,322,649	*7,242	2,352,722	*146,970	1,263,782	734,626	*12,995
Loans from stockholders	4,282,338	1,996,322	--	1,575,829	2,203	326,807	381,177	*41,947
Mortgages, notes, bonds payable in one year or more	19,761,107	7,218,813	*25,233	8,223,459	*324,741	2,298,722	1,670,139	*52,640
Other liabilities	5,126,103	664,494	*3,405	1,842,501	*83,035	2,264,561	268,107	*8,550
Capital stock	6,644,018	3,330,486	*803	1,618,356	83,769	1,020,895	589,708	*29,017
Paid-in or capital surplus	22,202,357	6,273,598	*35,472	11,156,826	*287,251	2,791,712	1,657,498	*27,341
Retained earnings, appropriated	45,622	35,200	--	*3,023	--	*1,595	*5,805	--
Retained earnings, unappropriated	-7,715,440	-2,636,447	*20,963	-2,556,188	-131,326	-2,008,355	-404,087	*-16,842
Less: Cost of treasury stock	153,321	*35	--	100,059	144	*51,466	*1,617	*2,465
Total receipts	**36,665,098**	**4,778,783**	*112,435	**21,386,506**	**634,493**	**4,535,523**	**5,217,357**	*64,601
Business receipts	32,072,237	3,525,473	*107,413	18,970,147	561,043	4,094,510	4,813,651	*59,402
Interest	1,410,042	439,404	*4,315	610,602	32,301	167,980	155,439	*3,817
Interest on Government obligations: State and local	1,231	--	--	1,231	--	--	--	--
Rents	1,016,430	88,008	--	851,876	*32,233	18,351	25,962	--
Royalties	197,066	24,207	--	49,655	3,824	114,103	*5,278	--
Net short-term capital gain reduced by net long-term capital loss	16,677	3,075	--	1,709	--	*6,172	*5,722	--
Net long-term capital gain reduced by net short-term capital loss	263,273	191,391	--	59,935	*1,648	*9,538	*760	40
Net gain, noncapital assets	101,940	47,036	57	46,093	*889	*4,913	2,951	2
Dividends received from domestic corporations	9,099	*1,442	--	5,220	155	*1,156	*1,126	--
Dividends received from foreign corporations	82,292	*31,492	--	50,189	--	*500	*112	--
Other receipts	1,494,810	427,254	*650	739,850	*2,399	118,300	206,356	*1,340
Total deductions	**37,990,353**	**5,212,854**	*108,775	**21,801,015**	**686,198**	**4,951,137**	**5,230,375**	*82,457
Cost of sales and operations	16,160,709	961,661	*38,990	10,713,157	225,018	2,096,040	2,125,842	*23,420
Compensation of officers	687,816	37,707	*1,008	451,391	*6,679	62,846	128,187	*343
Repairs	218,350	81,024	*60	71,076	*4,280	20,757	41,153	*1,975
Bad debts	253,801	43,557	465	128,221	*2,263	14,987	64,307	*1,245
Rent paid on business property	1,589,012	229,936	*48	973,543	*90,868	151,983	142,634	*878
Taxes paid	1,004,282	214,516	*4,561	557,446	16,947	77,268	133,544	*2,733
Interest paid	3,075,029	949,306	*2,658	1,331,972	70,464	444,399	276,230	*7,311
Contributions or gifts	5,892	*977	61	2,939	*7	*1,102	806	--
Amortization	528,537	27,686	*147	205,751	*5,230	266,200	23,522	*21
Depreciation	1,989,301	357,098	*5,985	1,040,284	47,005	345,807	193,120	*3,758
Depletion	*923	--	--	*921	--	--	1	--
Advertising	502,504	157,659	328	189,792	13,981	105,491	35,254	*8,747
Pension, profit-sharing, stock bonus, annuity plans	166,597	41,713	--	100,524	*1,304	6,481	16,575	24
Employee benefit programs	458,482	80,052	*721	216,650	*13,611	37,571	109,877	*1,005
Net loss, noncapital assets	128,007	64,186	--	44,539	3,296	11,720	4,266	*24
Other deductions	11,221,111	1,965,775	*53,742	5,772,808	185,244	1,308,485	1,935,056	*30,973
Total receipts less total deductions	-1,325,255	-434,071	*3,661	-414,508	-51,705	-415,615	-13,017	*-17,856
Constructive taxable income from related foreign corporations	*66,791	28,037	--	*31,459	--	7,295	--	--
Includable income of Controlled Foreign Corporations	24,691	11,748	--	5,882	--	7,062	--	--
Foreign dividend income resulting from foreign taxes deemed paid	*42,100	16,289	--	*25,577	--	234	--	--
Net income (less deficit), total	-1,259,695	-406,034	*3,661	-384,281	-51,705	-408,319	-13,017	*-17,856
Income subject to tax	734,532	211,880	*4,933	392,873	*7,512	35,558	81,776	--
Income tax, total [2]	279,365	75,436	*1,680	150,532	*2,580	16,094	33,044	--
Regular tax	246,283	71,790	*1,677	131,352	*2,554	11,735	27,175	--
Recapture of investment credit	61	32	--	30	--	--	--	--
Alternative minimum tax	31,994	3,185	--	18,611	22	4,150	6,026	--
Environmental tax	1,331	429	3	539	4	*209	148	--
Foreign tax credit	58,731	33,199	--	22,447	*107	*1,321	*1,657	--
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	5,086	*2,796	50	1,531	17	--	*692	--
Prior year minimum tax credit	879	73	--	*338	--	--	*468	--
Total income tax after credits	214,669	39,368	*1,629	126,215	*2,457	14,773	30,227	--

*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.

[1] Less than $500 per return.

[2] Also includes adjustments to income tax and to total tax which are not shown separately.

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25--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					
		Agriculture, forestry, and fishing	Mining				
			Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total	17,360	539	206	42	*8	150	5
Total assets	913,724,322	1,451,258	28,555,506	5,955,485	*9,745,295	8,399,475	4,455,272
Cash	47,054,151	152,088	1,090,034	137,137	*102,628	772,209	78,060
Notes and accounts receivable	252,866,400	109,536	4,797,653	382,300	*2,161,838	1,447,383	806,131
Less: Allowance for bad debts	5,474,939	*8,308	42,799	15,352	5,810	*15,638	5,998
Inventories	58,593,610	*103,089	907,722	*265,603	217,990	257,536	146,594
Investments in Government obligations	18,351,222	--	16	--	--	16	--
Tax-exempt securities	3,794,045	--	4	--	--	4	--
Other current assets	110,025,706	22,994	1,468,592	113,351	*367,495	934,547	53,198
Loans to stockholders	20,748,281	*536	*25,200	*315	3,677	*20,997	211
Mortgage and real estate loans	13,950,158	*18,734	*29,693	--	--	*29,538	155
Other investments	174,894,372	*354,723	8,407,763	*1,710,849	3,918,166	915,797	1,862,952
Depreciable assets	194,378,575	501,543	8,953,522	2,080,948	1,463,350	4,319,113	1,090,111
Less: Accumulated depreciation	82,520,807	295,472	4,523,664	630,623	575,184	2,919,873	397,985
Depletable assets	22,784,580	2,555	6,794,153	*1,400,841	*2,000,984	2,896,994	495,334
Less: Accumulated depletion	9,201,255	343	2,222,353	*194,678	*1,088,792	916,077	22,805
Land	16,050,295	371,632	703,041	*205,195	64,473	323,286	110,087
Intangible assets (amortizable)	37,783,919	*33,210	808,162	*324,790	86,302	220,498	178,573
Less: Accumulated amortization	7,479,398	*22,746	153,891	54,028	26,107	*55,702	18,054
Other assets	47,125,406	107,489	1,512,656	*208,819	1,054,283	168,846	80,709
Total liabilities	913,724,322	1,451,258	28,555,506	5,955,465	*9,745,295	8,399,475	4,455,272
Accounts payable	76,339,171	102,533	1,759,590	*148,004	*1,024,743	355,653	231,189
Mortgages, notes, and bonds payable in less than one year	148,684,057	78,433	2,432,466	*673,631	*574,548	206,271	978,016
Other current liabilities	210,744,058	171,402	2,835,750	836,673	*252,444	1,509,133	237,501
Loans from stockholders	28,903,640	*153,554	1,168,074	*70,670	776,500	*302,289	18,615
Mortgages, notes, and bonds payable in one year or more	145,073,327	212,124	3,395,367	1,751,790	142,412	700,666	800,499
Other liabilities	67,943,988	*102,696	1,135,106	*57,052	949,988	83,445	44,621
Capital stock	43,592,136	201,347	1,594,090	197,418	*234,561	759,953	402,158
Paid-in or capital surplus	145,900,794	463,523	13,935,408	1,106,932	*5,053,443	6,267,944	1,507,088
Retained earnings, appropriated	887,318	*1,933	*68,116	--	17,564	*47,335	3,218
Retained earnings, unappropriated	46,349,426	-36,287	233,467	1,113,295	*719,092	-1,831,340	232,419
Less: Cost of treasury stock	693,594	--	1,927	--	--	1,876	51
Total receipts	666,765,615	915,672	13,549,860	2,431,003	*5,481,769	4,392,739	1,244,349
Business receipts	603,626,730	755,256	12,247,523	2,260,050	5,161,022	3,732,523	1,093,927
Interest	36,117,111	50,609	580,951	90,695	*191,198	193,674	105,384
Interest on Government obligations: State and local	253,205	68	343	--	--	--	--
Rents	3,913,406	8,279	13,606	*2,338	4,120	5,093	2,055
Royalties	2,175,714	459	38,996	18,342	*14,566	*5,920	167
Net short-term capital gain reduced by net long-term capital loss	237,412	*8,343	47	--	--	47	--
Net long-term capital gain reduced by net short-term capital loss	3,391,087	*17,519	196,722	*9,031	23,064	*163,806	820
Net gain, noncapital assets	2,416,802	*12,881	161,286	*4,665	42,467	108,120	6,034
Dividends received from domestic corporations	748,372	*637	*7,715	5,425	1,981	*265	45
Dividends received from foreign corporations	1,213,650	8,449	*26,993	*1,977	6,994	18,022	--
Other receipts	12,672,126	53,171	275,678	38,136	36,355	165,270	35,917
Total deductions	637,969,722	765,308	12,049,068	2,315,605	*5,325,444	3,179,963	1,228,055
Cost of sales and operations	457,106,090	558,671	7,750,381	1,090,016	*4,621,769	1,261,011	777,585
Compensation of officers	3,469,627	*8,625	41,788	*11,594	7,130	15,214	7,850
Repairs	3,418,368	2,384	50,104	*18,130	307	10,273	21,394
Bad debts	1,956,735	990	20,781	7,882	872	*10,343	1,685
Rent paid on business property	6,330,665	12,149	84,376	13,194	32,728	29,004	9,450
Taxes paid	10,444,825	12,561	242,104	27,980	*119,171	79,643	15,309
Interest paid	37,821,253	36,817	656,888	276,795	*151,098	64,929	164,065
Contributions or gifts	251,517	*214	4,010	*1,182	2,261	*11	557
Amortization	1,752,170	*17,259	78,467	45,527	8,675	20,618	3,647
Depreciation	14,993,630	33,338	780,633	322,515	63,177	298,338	96,603
Depletion	1,729,228	37	450,157	228,598	*90,036	107,210	24,313
Advertising	10,212,593	*1,689	21,233	*1,264	1,604	14,923	3,443
Pension, profit-sharing, stock bonus, and annuity plans	1,647,450	*886	39,184	*3,314	3,904	*28,908	3,059
Employee benefit programs	5,456,777	*2,752	136,098	*41,582	6,657	81,289	6,570
Net loss, noncapital assets	356,346	1,248	9,308	*819	26	*8,462	1
Other deductions	81,022,446	75,688	1,683,555	225,214	*216,029	1,149,787	92,525
Total receipts less total deductions	28,795,894	150,364	1,500,792	115,397	*156,324	1,212,776	16,294
Constructive taxable income from related foreign corporations	866,963	1,472	6,419	7	1,227	5,185	--
Includable income of Controlled Foreign Corporations	309,147	--	1,227	--	1,227	--	--
Foreign dividend income resulting from foreign taxes deemed paid	557,817	1,472	5,192	7	--	5,185	--
Net income	29,409,652	151,767	1,506,868	115,062	*157,551	1,217,961	16,294
Income subject to tax	23,700,635	*81,473	946,664	*65,323	*17,453	854,460	9,429
Income tax, total [1]	8,557,718	28,794	413,881	60,958	*25,687	313,343	13,892
Regular tax	8,006,819	*27,640	321,700	*22,210	*5,934	290,249	3,307
Recapture of investment credit	12,540	--	*30	7	--	*23	--
Alternative minimum tax	503,050	*1,038	89,980	38,376	19,482	21,619	10,503
Environmental tax	37,938	*116	2,170	*366	*271	1,452	81
Foreign tax credit	970,622	3,411	262,741	*57	--	*262,450	234
U.S. possessions tax credit	79,747	--	--	--	--	--	--
Orphan drug credit	10,977	--	--	--	--	--	--
Nonconventional source fuel credit	*450	--	--	--	--	--	--
General business credit	189,798	*564	*1,072	93	453	*421	105
Prior year minimum tax credit	27,813	7	*3,817	--	--	*3,817	--
Total income tax after credits	7,278,311	24,813	146,251	60,808	*25,234	46,655	13,553

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

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25--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	579	258	*34	288	2,414	99	***	101	*41
Total assets	4,580,781	3,193,410	*761,093	626,277	355,194,811	28,965,729	***	1,880,663	*911,445
Cash	405,713	*226,207	*125,113	*54,393	10,366,693	454,574	***	79,184	*28,452
Notes and accounts receivable	1,552,465	974,728	*327,129	250,608	53,133,250	7,257,167	***	277,333	*238,755
Less: Allowance for bad debts	10,337	6,290	869	*3,177	1,217,385	47,652	***	6,728	*7,190
Inventories	256,271	*174,769	61,165	*20,336	30,790,986	2,133,825	***	331,926	*294,925
Investments in Government obligations	513	513	--	--	148,027	81	***	--	--
Tax-exempt securities	--	--	--	--	30,499	--	***	--	--
Other current assets	1,053,381	*902,183	*48,005	103,193	24,654,449	812,773	***	61,307	*44,368
Loans to stockholders	*21,934	11,044	2,933	*7,957	5,084,663	*203,506	***	7,332	*4,628
Mortgage and real estate loans	50,078	48,345	1,628	105	60,479	*27,598	***	--	--
Other investments	383,910	*306,683	*19,930	*57,297	92,906,608	10,370,792	***	501,397	*50,100
Depreciable assets	884,276	482,691	*262,824	138,761	133,569,928	5,957,307	***	1,056,435	*365,340
Less: Accumulated depreciation	413,884	229,195	*127,711	56,978	59,287,910	1,699,000	***	546,482	*182,002
Depletable assets	17,325	1,989	15,337	--	15,707,633	2,576	***	--	*145
Less: Accumulated depletion	3,013	210	2,803	--	6,934,299	2,467	***	--	--
Land	61,729	*48,816	8,463	*4,451	9,406,007	214,324	***	14,955	*6,936
Intangible assets (amortizable)	139,792	*115,094	*4,771	*19,928	29,654,040	2,744,020	***	*52,098	*82,920
Less: Accumulated amortization	30,334	*23,796	*1,443	*5,095	6,041,199	352,233	***	*8,846	*24,034
Other assets	210,961	*159,839	*16,623	*34,499	23,162,341	888,538	***	60,753	*8,102
Total liabilities	4,580,781	3,193,410	*761,093	626,277	355,194,811	28,965,729	***	1,880,663	*911,445
Accounts payable	1,130,156	847,794	*175,369	106,993	31,117,560	3,190,391	***	143,332	*82,005
Mortgages, notes, bonds payable in less than one year	532,581	*405,818	*16,683	*110,080	30,867,002	1,959,730	***	114,753	*96,361
Other current liabilities	511,807	*232,795	*173,563	105,448	33,139,807	1,672,418	***	117,585	*86,784
Loans from stockholders	360,507	*264,713	*72,221	23,572	16,383,421	*610,472	***	*39,840	*20,988
Mortgages, notes, bonds payable in one year or more	652,255	*505,379	*86,604	*60,272	78,794,611	8,931,449	***	423,534	*286,348
Other liabilities	378,634	*310,850	*51,296	*16,488	36,785,854	925,772	***	77,280	*15,801
Capital stock	151,448	73,827	*32,003	45,617	16,305,702	534,758	***	194,694	*11,099
Paid-in or capital surplus	1,352,966	*867,690	*264,388	*220,888	82,659,084	6,986,665	***	370,561	*109,462
Retained earnings, appropriated	2,279	--	--	2,279	323,423	19,479	***	136	--
Retained earnings, unappropriated	-491,851	-315,457	*-,111,034	-65,360	28,985,726	4,169,597	***	400,446	*204,563
Less: Cost of treasury stock	--	--	--	--	167,379	35,001	***	1,498	*1,966
Total receipts	8,361,207	5,815,360	*1,702,277	843,569	285,947,805	19,324,648	***	1,948,465	*1,135,359
Business receipts	7,952,605	5,541,690	*1,636,908	774,007	266,979,476	18,169,841	***	1,867,549	*1,121,779
Interest	150,660	133,128	*10,539	*6,993	5,705,450	188,046	***	10,209	*4,436
Interest on Government obligations: State and local	121	121	--	--	43,254	*319	***	*267	--
Rents	*39,055	35,030	*1,029	2,995	1,280,359	45,046	***	5,336	599
Royalties	*3,864	*3,714	--	*151	1,721,457	24,723	***	50	118
Net short-term capital gain reduced by net long-term capital loss	584	584	--	--	13,603	--	***	--	--
Net long-term capital gain reduced by net short-term capital loss	22,231	12,337	*6,464	*3,430	1,821,152	233,284	***	*303	*2
Net gain, noncapital assets	15,095	4,100	*10,167	*828	1,605,091	12,946	***	*2,589	692
Dividends received from domestic corporations	378	345	32	1	519,526	257,757	***	127	10
Dividends received from foreign corporations	18,746	18,583	163	--	896,664	*113,146	***	9,683	*3,982
Other receipts	157,867	65,727	*36,976	*55,165	5,361,773	279,541	***	52,353	*3,742
Total deductions	8,200,096	5,743,961	*1,652,224	803,911	270,563,286	18,333,455	***	1,760,802	*1,097,486
Cost of sales and operations	7,040,432	5,049,107	*1,381,669	609,655	183,148,275	11,843,519	***	1,125,672	*764,140
Compensation of officers	69,520	*30,918	*12,686	*25,916	1,172,225	93,488	***	34,624	*13,758
Repairs	9,933	*7,436	*829	*1,668	2,585,209	214,674	***	7,316	*7,766
Bad debts	28,670	18,389	*7,553	*2,728	438,792	22,454	***	7,019	*4,111
Rent paid on business property	56,593	25,206	*15,271	*16,115	2,804,470	193,700	***	18,211	*10,913
Taxes paid	93,364	78,121	*4,635	*10,608	6,672,720	433,035	***	43,175	*25,182
Interest paid	153,687	134,557	*8,230	*10,900	12,010,996	717,133	***	55,615	*39,514
Contributions or gifts	2,182	*1,965	*126	*92	178,173	18,222	***	1,973	*358
Amortization	7,305	*5,104	*1,420	*781	1,062,271	71,100	***	*857	*9,006
Depreciation	78,539	44,755	*23,848	*9,936	8,539,908	447,941	***	65,930	*33,259
Depletion	1,245	441	804	--	1,252,711	4	***	--	--
Advertising	8,678	*4,406	1,414	*2,858	5,806,160	985,408	***	24,099	*14,575
Pension, profit-sharing, stock bonus, annuity plans	21,288	14,630	*4,631	*2,028	1,097,904	71,852	***	8,801	*2,309
Employee benefit programs	40,405	*24,291	3,862	*12,252	3,525,173	247,229	***	29,796	*16,018
Net loss, noncapital assets	*250	*32	*218	--	143,135	4,230	***	*338	*256
Other deductions	588,005	304,604	*185,027	98,374	40,125,163	2,969,467	***	337,376	*156,320
Total receipts less total deductions	161,110	71,399	*50,054	39,658	15,384,520	991,192	***	187,662	*37,873
Constructive taxable income from related foreign corporations	1,206	1,206	--	--	692,971	61,761	***	21,276	870
Includable income of Controlled Foreign Corporations	1,206	1,206	--	--	260,223	1,495	***	--	--
Foreign dividend income resulting from foreign taxes deemed paid	--	--	--	--	432,747	60,266	***	21,276	870
Net income	162,195	72,483	*50,054	39,658	16,034,236	1,052,635	***	208,671	*38,743
Income subject to tax	44,921	*3,636	*6,774	*34,512	13,924,194	763,141	***	200,769	*37,785
Income tax, total [2]	17,553	2,317	*3,661	*11,575	4,970,864	254,198	***	67,914	*12,761
Regular tax	14,912	*1,106	*2,283	*11,523	4,717,191	246,736	***	67,514	*12,700
Recapture of investment credit	4	2	--	2	11,916	*12	***	4	--
Alternative minimum tax	2,530	*1,150	*1,342	37	221,747	6,377	***	*171	*39
Environmental tax	106	58	*36	13	23,018	1,073	***	225	22
Foreign tax credit	--	--	--	--	527,675	68,283	***	19,024	*946
U.S. possessions tax credit	--	--	--	--	21,381	293	***	--	--
Orphan drug credit	--	--	--	--	10,977	--	***	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	***	--	--
General business credit	*785	*201	584	--	138,231	13,408	***	1,031	--
Prior year minimum tax credit	68	68	--	--	14,683	1,728	***	648	185
Total income tax after credits	16,700	2,048	*3,077	*11,575	4,257,919	170,486	***	47,210	*11,630

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

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25--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	Chemical 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	*28	*6	78	98	145	16	78	***	66
Total assets	*3,351,729	*261,398	2,411,479	37,086,980	81,735,856	92,038,505	1,521,255	***	7,686,827
Cash	*24,460	*783	43,743	252,874	1,464,753	773,143	52,148	***	80,676
Notes and accounts receivable	*54,230	*64,560	352,034	3,484,707	10,792,366	10,609,569	233,612	***	850,908
Less: Allowance for bad debts	*1,533	30	8,311	166,979	309,594	114,484	7,530	***	44,946
Inventories	*49,645	*84,582	364,971	1,864,597	7,411,273	3,704,140	219,309	***	1,050,752
Investments in Government obligations	--	--	--	17,213	*289	580	--	***	--
Tax-exempt securities	--	--	4,000	--	21,685	--	--	***	--
Other current assets	*227,955	*3,136	214,870	540,069	6,535,678	10,009,090	63,449	***	547,058
Loans to stockholders	*47,256	--	*12,631	*24,547	283,302	*4,152,525	*1,540	***	*57,378
Mortgage and real estate loans	--	--	--	--	*8,663	356	--	***	5,970
Other investments	*1,345,220	32,605	244,487	23,650,550	21,265,970	16,503,736	251,736	***	1,051,595
Depreciable assets	*211,771	*89,370	1,836,274	2,316,823	30,428,129	53,619,534	700,365	***	4,721,661
Less: Accumulated depreciation	*85,554	*29,924	794,081	994,671	13,640,985	23,763,333	242,767	***	2,044,638
Depletable assets	1,479,791	--	4,136	--	30,759	13,720,870	--	***	222,186
Less: Accumulated depletion	17,775	--	--	--	16,615	6,700,696	--	***	21,687
Land	*5,971	*5,729	27,260	99,931	1,642,160	1,301,381	15,312	***	430,212
Intangible assets (amortizable)	*2,187	3,287	*57,443	4,888,786	7,663,711	*6,894,495	218,254	***	481,886
Less: Accumulated amortization	*217	869	*24,263	710,695	773,461	*2,951,254	31,526	***	65,109
Other assets	*8,320	*8,169	*76,286	1,819,227	8,927,774	4,278,855	47,351	***	362,924
Total liabilities	*3,351,729	*261,398	2,411,479	37,086,980	81,735,856	92,038,505	1,521,255	***	7,686,827
Accounts payable	*39,579	*35,746	194,066	2,363,431	4,256,955	10,834,142	126,072	***	484,437
Mortgages, notes, and bonds payable in less than one year	*18,104	*50,929	380,786	1,220,045	7,033,800	3,895,335	84,991	***	469,350
Other current liabilities	*35,479	*10,430	161,930	1,205,244	6,135,257	13,034,906	80,507	***	579,168
Loans from stockholders	*1,152	--	*40,919	*719,125	2,976,521	8,580,248	*88,490	***	*82,201
Mortgages, notes, and bonds payable in one year or more	*358,169	*39,021	776,539	14,034,657	21,336,429	10,429,230	378,558	***	2,323,764
Other liabilities	*137,974	*9,076	458,860	1,347,572	6,816,642	11,486,448	86,953	***	510,255
Capital stock	*26,942	*15,710	460,469	4,037,652	2,785,010	628,004	68,316	***	494,442
Paid-in or capital surplus	*2,727,620	*24,267	582,553	12,258,414	24,155,219	12,593,192	486,250	***	2,305,890
Retained earnings, appropriated	23,800	--	*1,098	3,316	57,587	--	--	***	354
Retained earnings, unappropriated	*-17,090	*76,219	-644,701	-92,519	6,216,910	20,561,147	127,159	***	437,347
Less: Cost of treasury stock	--	--	*1,040	*9,957	34,475	4,146	*6,042	***	381
Total receipts	*708,067	*506,911	2,762,852	12,314,350	59,882,202	82,772,405	1,776,821	***	6,866,666
Business receipts	*632,479	*502,059	2,554,349	10,431,469	56,441,482	77,539,852	1,754,685	***	6,624,870
Interest	*26,001	*1,283	19,460	989,240	946,401	1,582,171	10,797	***	135,572
Interest on Government obligations: State and local	--	--	22	109	16,322	10,456	371	***	169
Rents	*3,075	*649	*64,352	51,475	153,687	145,209	*104	***	5,298
Royalties	5,415	--	4,086	*124,971	526,078	733,413	575	***	483
Net short-term capital gain reduced by net long-term capital loss	1,057	--	--	14	(1)	4,526	--	***	--
Net long-term capital gain reduced by net short-term capital loss	*3,801	--	28,633	*450,925	352,701	*87,368	*287	***	22,372
Net gain, noncapital assets	*185	--	*12,008	*74,089	241,199	*225,990	*919	***	9,672
Dividends received from domestic corporations	588	--	*31,334	*505	9,096	174,361	--	***	*3,334
Dividends received from foreign corporations	22,495	--	*4,242	4,854	204,178	36,829	*105	***	683
Other receipts	*10,972	*2,920	44,367	186,698	991,057	2,232,230	8,976	***	64,214
Total deductions	*618,554	*492,052	2,483,000	11,739,867	56,457,427	78,455,103	1,673,542	***	6,641,077
Cost of sales and operations	*386,785	*385,372	1,806,988	5,667,102	31,859,987	59,129,814	1,244,623	***	4,594,096
Compensation of officers	*8,194	*4,376	16,618	99,698	255,202	*62,723	23,027	***	46,849
Repairs	*302	66	14,620	65,360	414,784	1,443,786	4,701	***	91,558
Bad debts	*616	*2,739	4,255	34,929	104,889	*68,119	4,250	***	19,483
Rent paid on business property	*3,134	*8,129	16,308	166,224	714,274	834,712	6,030	***	56,383
Taxes paid	*25,956	*9,214	66,399	206,940	970,263	3,097,626	31,970	***	157,920
Interest paid	*41,388	*8,003	93,735	1,673,629	2,097,005	3,198,472	54,539	***	317,876
Contributions or gifts	*737	73	1,238	6,742	74,916	39,331	277	***	1,382
Amortization	*2,690	*316	6,173	151,229	290,540	234,332	9,616	***	8,079
Depreciation	*17,199	*9,758	112,524	665,246	2,215,100	2,269,657	59,333	***	319,103
Depletion	40,760	--	5	3,388	72,056	1,035,182	*139	***	27,949
Advertising	*4,290	*3,906	16,224	363,087	2,603,816	213,581	9,603	***	44,706
Pension, profit-sharing, stock bonus, and annuity plans	*939	126	12,757	62,805	237,045	309,227	7,650	***	24,740
Employee benefit programs	*4,815	2,041	33,255	181,725	1,120,215	220,013	18,858	***	127,839
Net loss, noncapital assets	1,779	36	182	*6,681	17,893	*1,852	*421	***	474
Other deductions	*78,971	*57,896	281,718	2,385,082	13,409,440	6,296,677	198,504	***	802,640
Total receipts less total deductions	*89,513	*14,859	279,853	574,482	3,424,775	4,317,302	103,279	***	225,589
Constructive taxable income from related foreign corporations	--	--	*2,026	7,397	83,762	51,421	--	***	--
Includable income of Controlled Foreign Corporations	--	--	90	193	7,103	39,178	--	***	--
Foreign dividend income resulting from foreign taxes deemed paid	--	--	*1,935	7,204	76,660	12,242	--	***	--
Net income	*89,513	*14,859	281,856	581,770	3,492,215	4,358,267	102,907	***	225,420
Income subject to tax	*79,752	*14,859	195,614	433,377	3,259,237	*4,092,610	73,737	***	186,242
Income tax, total [2]	*27,067	*5,052	69,350	151,937	1,172,215	1,485,620	26,073	***	74,937
Regular tax	*26,933	*5,036	66,475	147,344	1,107,979	*1,391,476	24,624	***	63,301
Recapture of investment credit	--	(1)	1	20	1,831	2,143	--	***	*142
Alternative minimum tax	*42	--	2,546	*3,874	60,547	83,454	*1,409	***	10,856
Environmental tax	92	*16	327	699	5,105	8,547	86	***	349
Foreign tax credit	178	*34	*2,458	64,566	99,625	10,939	*36	***	2,356
U.S. possessions tax credit	--	--	--	--	21,088	--	--	***	--
Orphan drug credit	--	--	--	--	10,977	--	--	***	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	***	--
General business credit	--	291	*1,572	13,340	39,874	9,142	*351	***	*1,462
Prior year minimum tax credit	--	--	--	168	3,740	--	347	***	*1,871
Total income tax after credits	*26,888	*4,728	65,320	73,864	996,912	1,465,539	25,339	***	69,247

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

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25--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	31	250	297	636	52	30	276	71
Total assets	10,937,284	4,011,964	25,437,621	19,435,987	7,156,760	3,962,120	4,497,911	9,638,186
Cash	200,953	185,712	1,384,324	4,248,745	384,594	108,986	230,080	234,153
Notes and accounts receivable	1,809,098	866,985	4,973,072	4,078,779	1,137,406	776,013	819,790	1,467,511
Less: Allowance for bad debts	67,197	21,215	144,064	155,604	*39,863	*17,626	26,325	30,223
Inventories	1,892,496	829,925	3,080,209	2,777,909	1,000,023	528,249	856,720	1,079,867
Investments in Government obligations	55	--	106,026	3,782	--	20,000	--	--
Tax-exempt securities	--	--	4,814	--	--	--	--	--
Other current assets	1,274,828	203,460	1,260,329	917,539	621,452	320,461	296,948	396,825
Loans to stockholders	58,004	*15	*52,246	*661	*98,867	8,164	*16,817	54,137
Mortgage and real estate loans	9	14,463	210	428	--	--	--	--
Other investments	1,319,583	441,486	10,064,660	1,371,440	1,411,526	*1,511,785	312,702	1,040,350
Depreciable assets	7,139,782	1,856,725	6,405,368	5,446,243	2,643,229	1,002,486	1,128,687	2,653,017
Less: Accumulated depreciation	3,462,648	752,086	3,216,774	2,674,048	866,373	474,549	478,627	1,071,936
Depletable assets	203,268	--	20,228	--	--	--	--	23,673
Less: Accumulated depletion	169,158	--	4,382	--	--	--	--	1,519
Land	111,020	63,528	142,926	127,605	80,164	37,946	44,053	76,550
Intangible assets (amortizable)	163,228	206,545	669,414	1,396,402	540,030	*105,544	1,388,638	1,558,643
Less: Accumulated amortization	30,915	55,560	128,488	200,404	*11,078	*28,991	163,919	278,118
Other assets	494,878	171,982	767,503	2,096,513	156,783	63,651	72,348	2,435,256
Total liabilities	10,937,284	4,011,964	25,437,621	19,435,987	7,156,760	3,962,120	4,497,911	9,638,186
Accounts payable	1,094,284	554,993	3,360,364	1,892,333	684,534	391,320	382,336	587,163
Mortgages, notes, and bonds payable in less than one year	1,036,712	700,375	6,111,508	4,928,678	884,858	308,641	330,232	1,231,076
Other current liabilities	769,295	288,605	2,899,954	2,104,725	453,195	376,032	460,228	608,504
Loans from stockholders	1,759,388	*65,193	429,079	276,954	*148,197	*76,398	*378,876	*89,383
Mortgages, notes, and bonds payable in one year or more	1,709,711	683,667	2,093,347	1,920,581	1,965,552	1,077,268	1,102,410	1,683,323
Other liabilities	811,121	470,386	2,292,415	1,650,824	601,080	*74,348	188,318	2,613,694
Capital stock	633,415	454,108	1,539,596	1,329,563	1,124,118	213,501	164,869	183,612
Paid-in or capital surplus	2,694,847	991,096	6,307,363	3,920,001	1,966,863	1,050,953	1,106,140	1,910,356
Retained earnings, appropriated	68,203	*739	*5,962	*113,688	*4,552	6,793	1,493	16,224
Retained earnings, unappropriated	360,416	-190,205	419,576	1,299,871	-676,187	387,508	385,133	755,082
Less: Cost of treasury stock	108	*6,993	21,544	*1,230	--	643	*2,124	*40,232
Total receipts	14,776,779	5,108,347	20,302,590	20,964,091	7,603,000	3,364,180	5,278,856	7,042,602
Business receipts	14,429,695	4,900,082	18,631,173	19,535,580	7,214,609	3,263,154	5,129,314	6,589,509
Interest	211,724	33,906	556,250	373,244	127,848	55,123	24,031	102,214
Interest on Government obligations: State and local	342	*53	*1,133	1,643	--	1,930	*1,558	2,200
Rents	9,325	50,996	84,060	449,070	*64,758	2,916	*9,197	23,769
Royalties	7,649	14,719	49,679	147,469	2,622	2,184	6,517	44,221
Net short-term capital gain reduced by net long-term capital loss	53	--	1,732	291	--	--	1	5,929
Net long-term capital gain reduced by net short-term capital loss	28,597	*20,587	125,051	*90,276	*535	*13	*4,567	47,381
Net gain, noncapital assets	*10,981	21,795	56,984	6,578	*1,388	70	6,373	19,361
Dividends received from domestic corporations	*1,790	1,819	2,775	7,778	*33	2,452	13	629
Dividends received from foreign corporations	13,377	3,946	122,277	109,776	111,361	486	10,699	*86,801
Other receipts	63,247	60,445	671,475	242,385	79,846	35,851	86,585	120,587
Total deductions	14,310,553	4,841,342	19,615,882	20,005,304	7,367,534	3,259,554	4,972,081	6,578,764
Cost of sales and operations	12,269,314	3,608,006	13,210,408	13,579,956	6,066,036	2,461,044	3,273,869	4,222,160
Compensation of officers	43,916	61,493	120,082	100,743	20,186	22,303	56,682	60,727
Repairs	26,954	21,372	43,150	45,011	46,925	27,224	11,713	16,649
Bad debts	7,216	13,533	35,210	47,567	*12,136	7,560	7,196	14,063
Rent paid on business property	126,173	43,132	167,164	205,182	33,658	28,435	38,909	45,445
Taxes paid	159,859	93,055	358,169	189,623	87,267	66,274	77,759	168,833
Interest paid	317,358	124,577	894,831	617,206	260,921	129,941	172,604	276,623
Contributions or gifts	2,325	881	5,484	10,615	1,227	740	2,418	3,251
Amortization	26,817	24,820	40,950	66,235	9,554	*5,096	20,356	49,381
Depreciation	362,318	120,676	371,958	649,082	220,028	66,208	86,030	238,389
Depletion	6,735	12	*22,695	11	82	--	--	3,500
Advertising	20,323	31,633	124,642	507,084	20,003	23,589	69,195	127,834
Pension, profit-sharing, stock bonus, and annuity plans	54,756	17,963	96,085	62,379	*13,659	18,680	15,395	26,267
Employee benefit programs	138,051	69,397	423,687	384,149	63,596	62,612	88,071	103,806
Net loss, noncapital assets	2,447	*1,096	42,983	44,603	*4,935	*5,320	*668	*6,929
Other deductions	745,992	609,697	3,658,385	3,495,857	507,321	334,527	1,051,215	1,214,908
Total receipts less total deductions	466,225	267,005	686,707	958,788	235,466	104,626	306,775	463,839
Constructive taxable income from related foreign corporations	2,906	17,198	263,916	31,434	78,088	663	4,936	*57,507
Includable income of Controlled Foreign Corporations	151	10,891	189,231	5,005	--	--	817	3,476
Foreign dividend income resulting from foreign taxes deemed paid	2,756	6,307	74,685	26,429	78,088	663	4,119	*54,031
Net income	468,790	284,150	949,491	988,578	313,553	103,359	310,152	519,145
Income subject to tax	281,275	193,527	778,661	791,626	227,669	88,565	255,291	449,059
Income tax, total [3]	113,236	68,038	275,027	276,785	88,239	30,364	87,173	158,021
Regular tax	95,604	65,593	264,215	268,690	77,199	30,083	85,928	152,626
Recapture of investment credit	(1)	8	7	68	8	(1)	2	26
Alternative minimum tax	16,906	2,175	9,827	6,912	*10,620	168	*971	4,732
Environmental tax	725	264	978	1,117	412	*112	271	637
Foreign tax credit	1,865	*7,985	116,660	27,871	47,243	899	*3,504	*46,769
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	*10,479	*1,533	10,727	16,845	*264	117	5,103	*1,361
Prior year minimum tax credit	*2,649	*1,276	*630	--	*185	*667	*229	360
Total income tax after credits	98,244	57,244	147,010	232,069	40,547	28,680	78,336	109,531

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

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25--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				
						Wholesale trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total	289	266	*14	*9	7,861	6,313	760	832	4,721
Total assets	9,450,515	4,221,358	*4,202,578	*1,026,579	120,723,459	106,089,165	3,275,644	9,941,010	92,872,511
Cash	427,156	339,126	*67,453	*20,577	6,415,551	5,542,384	140,898	533,841	4,867,645
Notes and accounts receivable	1,486,569	1,127,924	*275,052	*83,593	39,001,938	36,844,665	613,845	3,814,662	32,416,158
Less: Allowance for bad debts	38,420	19,161	*17,908	1,351	724,853	651,442	18,922	76,089	556,431
Inventories	204,549	83,770	*78,350	42,430	23,855,611	19,925,191	707,710	2,633,565	16,583,916
Investments in Government obligations	--	--	--	--	998,115	943,357	--	--	943,357
Tax-exempt securities	1,623	--	1,623	--	*37,430	*34,328	--	906	*33,421
Other current assets	305,738	212,834	*80,951	*11,953	11,476,238	10,954,922	94,262	629,834	10,230,826
Loans to stockholders	*20,441	*20,441	--	--	389,996	364,855	120,145	*53,982	190,729
Mortgage and real estate loans	*21,311	744	--	*20,567	52,664	36,028	--	331	35,697
Other investments	2,678,564	210,763	*2,234,386	*231,416	14,199,421	13,095,994	287,995	1,011,467	11,796,532
Depreciable assets	5,985,005	3,258,186	*2,135,637	*591,182	24,685,020	18,085,621	1,216,289	1,683,787	15,185,545
Less: Accumulated depreciation	2,315,856	1,365,212	*833,984	*116,660	9,487,696	7,082,574	509,237	679,556	5,893,780
Depletable assets	4,000	4,000	--	--	95,846	95,846	--	--	95,846
Less: Accumulated depletion	125	125	--	--	*25,119	*25,119	--	--	*25,119
Land	145,672	115,031	21,050	9,590	1,674,528	1,286,253	65,343	110,253	1,110,657
Intangible assets (amortizable)	345,005	141,991	*71,904	*131,111	3,666,974	2,974,302	525,095	130,178	2,319,028
Less: Accumulated amortization	93,740	29,616	*24,500	*39,625	503,177	415,529	57,375	40,520	317,634
Other assets	275,022	120,663	*112,564	*41,795	4,914,971	4,080,083	89,596	134,368	3,856,118
Total liabilities	9,450,515	4,221,358	*4,202,578	*1,026,579	120,723,459	106,089,165	3,275,644	9,941,010	92,872,511
Accounts payable	814,006	683,919	*102,963	*27,124	23,006,541	20,813,160	474,918	2,314,305	18,023,938
Mortgages, notes, and bonds payable in less than one year	544,493	490,704	*26,876	*26,912	31,820,466	30,734,580	420,625	1,992,822	28,321,134
Other current liabilities	681,119	401,790	*152,751	*126,579	11,977,074	10,614,079	206,240	795,144	9,612,695
Loans from stockholders	89,423	*83,981	40	5,401	3,087,826	2,792,095	*31,018	147,878	2,613,198
Mortgages, notes, and bonds payable in one year or more	1,718,863	590,392	*676,307	*452,163	15,168,017	12,093,270	939,207	1,184,845	9,969,218
Other liabilities	592,736	419,620	*53,913	*119,204	3,984,263	3,274,675	139,032	1,006,088	2,129,555
Capital stock	745,810	631,017	*114,766	*27	10,017,330	8,460,821	249,857	1,005,784	7,205,180
Paid-in or capital surplus	3,486,779	329,372	*2,969,552	*187,856	9,984,244	7,350,726	437,357	749,626	6,163,744
Retained earnings, appropriated	1,989	1,989	--	--	69,176	68,660	--	*6,829	*61,831
Retained earnings, unappropriated	776,085	589,364	*105,409	*81,312	11,675,867	9,927,152	385,281	737,775	8,804,096
Less: Cost of treasury stock	*789	*789	--	--	67,345	40,054	*7,892	*85	32,076
Total receipts	6,826,125	4,879,126	*1,403,272	*543,727	270,858,107	236,103,469	8,550,060	19,026,852	208,526,556
Business receipts	6,217,876	4,507,907	*1,239,457	*470,512	264,539,578	230,841,183	8,399,262	18,547,190	203,894,731
Interest	186,107	91,316	*65,342	*29,449	3,030,557	2,841,923	29,642	171,589	2,640,691
Interest on Government obligations: State and local	215	79	135	--	34,893	17,344	--	*1,890	15,455
Rents	39,950	38,603	*1,052	295	535,406	428,782	9,051	22,055	397,675
Royalties	811	55	521	235	114,125	112,506	*241	19,215	93,050
Net short-term capital gain reduced by net long-term capital loss	--	--	--	--	47,287	47,287	625	196	46,466
Net long-term capital gain reduced by net short-term capital loss	29,500	20,891	1,138	*7,470	217,194	191,291	*2,147	46,668	142,476
Net gain, noncapital assets	12,612	10,901	*496	1,215	174,933	165,954	*2,394	19,600	143,960
Dividends received from domestic corporations	13,040	3,506	3	9,532	56,687	51,041	6,633	5,472	38,936
Dividends received from foreign corporations	1,959	1,834	--	125	41,955	41,451	2,603	*7,116	31,732
Other receipts	324,056	204,035	*95,128	*24,893	2,065,491	1,364,707	97,460	185,862	1,081,385
Total deductions	6,220,790	4,540,289	*1,173,560	*506,941	265,850,994	232,102,876	8,430,291	18,525,382	205,147,203
Cost of sales and operations	2,692,909	2,182,231	*234,227	*276,452	229,251,001	204,890,488	6,880,121	15,995,879	182,014,488
Compensation of officers	67,725	58,194	*8,412	*1,120	1,003,274	845,334	38,914	125,441	680,980
Repairs	180,620	78,242	*96,233	*6,144	374,483	267,764	26,878	26,296	214,590
Bad debts	35,721	15,180	*17,306	*3,234	432,086	341,599	14,918	18,610	308,072
Rent paid on business property	304,779	262,108	*37,969	*4,702	1,699,639	878,612	70,256	80,497	727,859
Taxes paid	242,997	202,315	*25,382	*15,300	1,740,932	1,213,798	87,653	135,531	990,614
Interest paid	251,917	133,020	*57,502	*61,395	4,574,249	4,149,321	133,080	247,495	3,768,745
Contributions or gifts	2,792	2,387	130	*275	40,754	33,569	1,613	1,813	30,143
Amortization	20,510	8,773	*3,370	*8,367	203,203	153,021	13,600	10,900	128,521
Depreciation	386,764	163,459	*191,951	*31,354	2,846,845	2,242,726	115,413	169,236	1,958,077
Depletion	65	60	--	5	*14,401	*14,401	58	--	*14,342
Advertising	45,514	28,161	*16,541	*812	3,958,901	3,367,174	82,433	110,127	3,174,614
Pension, profit-sharing, stock bonus, and annuity plans	40,790	18,807	19,143	2,840	196,282	157,707	16,502	23,132	118,072
Employee benefit programs	151,146	102,744	*42,468	*5,934	1,070,114	598,983	64,041	94,378	440,564
Net loss, noncapital assets	1,325	*792	*533	--	55,587	29,672	*459	7,785	21,428
Other deductions	1,795,215	1,283,816	*422,393	*89,006	18,389,242	12,918,707	884,351	1,478,264	10,556,092
Total receipts less total deductions	605,335	338,837	*229,712	*36,786	5,007,113	4,000,593	119,769	501,470	3,379,353
Constructive taxable income from related foreign corporations	4,477	966	--	3,511	18,433	18,332	--	*2,643	15,689
Includable income of Controlled Foreign Corporations	3,097	966	--	2,131	8,215	8,215	--	*281	7,934
Foreign dividend income resulting from foreign taxes : eemed paid	1,380	--	--	1,380	*10,218	*10,117	--	*2,362	*7,755
Net income	609,598	339,724	*229,576	*40,297	4,990,653	4,001,580	119,769	502,223	3,379,588
Income subject to tax	506,693	245,084	*228,370	*33,239	4,009,411	3,225,280	70,552	379,901	2,774,827
Income tax, total [2]	176,995	86,882	*78,014	*12,100	1,426,466	1,140,387	29,700	130,594	980,093
Regular tax	171,292	82,345	*77,646	*11,301	1,344,384	1,082,166	23,763	126,287	932,116
Recapture of investment credit	54	54	--	--	228	185	45	*4	136
Alternative minimum tax	5,173	4,145	274	*754	76,757	54,158	6,504	3,967	43,687
Environmental tax	477	339	94	*44	5,396	4,177	90	336	3,750
Foreign tax credit	*8,149	*6,825	*226	1,098	23,546	22,925	*1,260	*6,590	15,075
U.S. possessions tax credit	58,225	([1])	58,225	--	141	141	--	--	141
Orphan drug credit	--	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	*450	*450	--	--	*450
General business credit	*980	*755	3	*221	19,652	10,205	*273	1,825	8,107
Prior year minimum tax credit	*597	*588	*10	--	2,842	2,109	*18	*726	1,365
Total income tax after credits	109,045	78,713	*19,550	*10,781	1,379,835	1,104,557	28,148	121,455	954,954

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

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25--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									Wholesale and retail trade not allocable
	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 furnishing stores	Eating and drinking places	Miscellaneous retail stores	
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total	***	*67	***	199	***	455	*283	*61	415	***
Total assets	***	*303,939	***	5,946,179	***	644,292	*803,248	*988,844	4,234,156	***
Cash	***	*3,414	***	240,324	***	*83,397	*136,204	*94,676	171,343	***
Notes and accounts receivable	***	*75,977	***	267,460	***	*66,329	*132,761	*164,190	1,252,711	***
Less: Allowance for bad debts	***	1,871	***	808	***	1,140	1,914	*2,129	59,721	***
Inventories	***	*106,822	***	1,826,680	***	*154,440	*159,448	*75,468	1,075,576	***
Investments in Government obligations	***	--	***	54,759	***	--	--	--	--	***
Tax-exempt securities	***	--	***	3,103	***	--	--	--	--	***
Other current assets	***	*7,514	***	46,094	***	*141,730	*22,983	*36,587	185,989	***
Loans to stockholders	***	*313	***	--	***	--	*1,255	--	*11,735	***
Mortgage and real estate loans	***	*519	***	--	***	--	*14,962	1,154	--	***
Other investments	***	*34,461	***	60,546	***	*108,361	*149,399	*22,887	359,376	***
Depreciable assets	***	*47,515	***	4,535,621	***	134,245	*108,852	*530,697	833,478	***
Less: Accumulated depreciation	***	*23,655	***	1,591,139	***	*54,773	*48,357	*193,793	352,034	***
Depletable assets	***	--	***	--	***	--	--	--	--	***
Less: Accumulated depletion	***	--	***	--	***	--	--	--	--	***
Land	***	16,366	***	235,006	***	298	*3,207	*25,859	33,317	***
Intangible assets (amortizable)	***	29,763	***	*52,920	***	*9,432	*71,263	*146,033	368,363	***
Less: Accumulated amortization	***	1,384	***	*6,775	***	*336	*3	*5,801	63,894	***
Other assets	***	*8,184	***	222,390	***	*2,309	*53,188	*93,017	417,917	***
Total liabilities	***	*303,939	***	5,946,179	***	644,292	*803,248	*988,844	4,234,156	***
Accounts payable	***	*29,476	***	1,013,849	***	*75,144	*140,782	*101,925	702,114	***
Mortgages, notes, and bonds payable in less than one year	***	*8,289	***	202,634	***	*49,123	147	*133,269	410,105	***
Other current liabilities	***	*14,369	***	606,683	***	19,775	*33,944	*100,436	313,834	***
Loans from stockholders	***	--	***	*132,622	***	*6,489	*46,090	*7,308	*78,486	***
Mortgages, notes, and bonds payable in one year or more	***	*86,476	***	*1,135,088	***	*39,052	802	*261,722	1,326,478	***
Other liabilities	***	96	***	333,342	***	6,389	*16,651	*51,775	246,253	***
Capital stock	***	*13,001	***	273,552	***	*37,844	*46,304	*159,624	549,854	***
Paid-in or capital surplus	***	*141,755	***	803,516	***	304,495	*402,954	*123,947	480,718	***
Retained earnings, appropriated	***	--	***	--	***	--	--	2	--	***
Retained earnings, unappropriated	***	*10,476	***	1,445,248	***	*112,995	*124,289	*50,610	135,748	***
Less: Cost of treasury stock	***	--	***	355	***	*7,015	*8,715	1,773	*9,434	***
Total receipts	***	*493,915	***	21,951,445	***	1,427,702	*1,127,218	*1,336,197	5,832,766	***
Business receipts	***	*481,582	***	21,484,644	***	1,373,466	*1,049,973	*1,306,065	5,526,584	***
Interest	***	*284	***	65,196	***	*28,193	*20,854	*6,507	47,162	***
Interest on Government obligations: State and local	***	--	***	198	***	--	--	--	17,351	***
Rents	***	44	***	82,106	***	1,212	*486	*1,428	*9,013	***
Royalties	***	--	***	--	***	51	3	376	1,190	***
Net short-term capital gain reduced by net long-term capital loss	***	--	***	--	***	--	--	--	--	***
Net long-term capital gain reduced by net short-term capital loss	***	--	***	857	***	*678	--	*9,286	*14,992	***
Net gain, noncapital assets	***	5	***	120	***	--	*1,033	*3,501	*3,350	***
Dividends received from domestic corporations	***	*3,501	***	408	***	(*)	--	1,654	23	***
Dividends received from foreign corporations	***	--	***	--	***	--	--	222	*281	***
Other receipts	***	*8,500	***	317,915	***	24,101	*54,868	*7,158	212,821	***
Total deductions	***	*485,057	***	21,484,333	***	1,372,647	*1,090,885	*1,269,559	5,529,333	***
Cost of sales and operations	***	*376,034	***	16,583,157	***	830,532	*748,485	*530,791	3,298,453	***
Compensation of officers	***	*5,031	***	*14,865	***	*16,302	*36,925	*18,859	50,535	***
Repairs	***	*957	***	*62,146	***	*3,484	*1,844	*13,060	16,463	***
Bad debts	***	*1,291	***	*11,212	***	*4,635	*7,141	*6,015	44,213	***
Rent paid on business property	***	*6,754	***	368,025	***	*61,839	*27,797	*65,313	255,191	***
Taxes paid	***	*2,418	***	287,886	***	41,239	*15,456	*44,892	104,496	***
Interest paid	***	*8,502	***	*128,107	***	*25,731	*8,987	*26,899	179,978	***
Contributions or gifts	***	*41	***	3,853	***	451	*164	*474	1,664	***
Amortization	***	992	***	*4,610	***	*12,044	*3,808	*8,922	18,401	***
Depreciation	***	*3,887	***	410,472	***	25,584	*17,103	*46,464	73,156	***
Depletion	***	--	***	1	***	--	--	--	--	***
Advertising	***	*1,718	***	208,677	***	*26,359	*14,205	*13,973	294,724	***
Pension, profit-sharing, stock bonus, and annuity plans	***	*1,251	***	11,162	***	3,898	*3,590	*3,191	*13,390	***
Employee benefit programs	***	*8,465	***	321,170	***	*12,174	*7,763	*51,663	51,279	***
Net loss, noncapital assets	***	--	***	934	***	*2,237	8,185	859	12,970	***
Other deductions	***	*67,717	***	3,068,055	***	306,137	*189,430	*438,182	1,114,419	***
Total receipts less total deductions	***	*8,858	***	467,112	***	55,055	*36,333	*66,638	303,434	***
Constructive taxable income from related foreign corporations	***	--	***	--	***	--	--	101	--	***
Includable income of Controlled Foreign Corporations	***	--	***	--	***	--	--	--	--	***
Foreign dividend income resulting from foreign taxes deemed paid	***	--	***	--	***	--	--	101	--	***
Net income	***	*8,858	***	466,914	***	55,055	*36,333	*66,739	286,083	***
Income subject to tax	***	*1,041	***	429,175	***	*35,329	*4,523	*41,831	233,035	***
Income tax, total [8]	***	*751	***	164,363	***	*11,918	*1,738	*13,824	78,621	***
Regular tax	***	*276	***	145,481	***	*10,986	*1,212	*13,664	77,612	***
Recapture of investment credit	***	--	***	31	***	--	--	--	12	***
Alternative minimum tax	***	*465	***	18,104	***	880	*500	*105	*728	***
Environmental tax	***	*10	***	747	***	52	*26	*55	268	***
Foreign tax credit	***	--	***	--	***	6	--	365	249	***
U.S. possessions tax credit	***	--	***	--	***	--	--	--	--	***
Orphan drug credit	***	--	***	--	***	--	--	--	--	***
Nonconventional source fuel credit	***	--	***	--	***	--	--	--	--	***
General business credit	***	--	***	5,752	***	167	244	1,413	*1,374	***
Prior year minimum tax credit	***	--	***	--	***	156	--	--	577	***
Total income tax after credits	***	*751	***	158,612	***	*11,589	*1,494	*12,046	76,421	***

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

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25—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	3,396	76	107	104	108	*10	1,942	1,048
Total assets	368,606,985	132,579,065	69,732,334	78,660,326	30,331,546	*3,658,175	16,472,693	37,172,846
Cash	26,655,136	17,059,752	2,734,234	3,353,532	470,277	*474,041	1,319,258	1,244,042
Notes and accounts receivable	146,512,263	78,040,097	41,620,567	19,592,277	661,661	*164,567	1,663,385	4,769,708
Less: Allowance for bad debts	3,276,162	1,148,878	2,024,945	*52,642	2,468	*8,111	5,796	33,322
Inventories	1,169,350	12,015	10,550	*196,750	--	928	692,284	256,822
Investments in Government obligations	17,112,066	5,538,507	264,651	6,905,298	4,111,382	--	*10,112	282,115
Tax-exempt securities	3,694,734	1,460,372	61,130	26,807	1,813,334	321,158	*6,115	5,818
Other current assets	69,537,906	8,107,152	8,811,298	41,265,167	4,524,100	181,040	1,060,362	5,588,786
Loans to stockholders	15,112,018	387,012	9,109,659	*705,629	--	--	115,837	4,793,882
Mortgage and real estate loans	13,672,316	8,629,566	524,812	8,922	3,195,025	45	455,973	*857,972
Other investments	51,843,706	7,475,549	5,763,471	5,393,559	13,651,923	2,229,332	4,342,869	12,987,002
Depreciable assets	13,400,425	2,793,867	1,483,791	430,532	412,885	*239,417	4,781,255	3,258,677
Less: Accumulated depreciation	4,333,812	1,241,797	867,384	207,075	59,490	*124,375	1,141,686	692,004
Depletable assets	162,636	--	--	--	--	--	*76,407	*86,229
Less: Accumulated depletion	*15,960	--	--	--	--	--	*5,594	10,366
Land	2,980,005	111,754	46,470	*22,093	*26,721	8,008	2,019,982	744,976
Intangible assets (amortizable)	1,721,493	385,209	321,662	190,722	107,900	*81,521	96,617	537,862
Less: Accumulated amortization	412,814	56,269	152,466	88,767	21,228	*6,738	18,842	68,503
Other assets	13,071,680	5,025,156	2,024,832	917,522	1,439,523	*97,340	1,004,156	2,563,151
Total liabilities	368,606,985	132,579,065	69,732,334	78,660,326	30,331,546	*3,658,175	16,472,693	37,172,846
Accounts payable	16,523,603	3,975,412	3,035,965	7,451,054	410,690	*144,177	886,444	619,861
Mortgages, notes, and bonds payable in less than one year	79,003,301	22,596,235	34,243,333	9,094,474	402,169	*44,756	1,572,932	11,049,402
Other current liabilities	159,429,891	82,856,610	9,013,961	58,100,351	5,721,712	*362,293	1,566,825	1,808,140
Loans from stockholders	6,991,265	1,478,278	739,223	*295,539	15,906	--	2,284,538	2,177,781
Mortgages, notes, and bonds payable in one year or more	37,849,480	7,140,771	19,111,835	554,798	828,513	*332,053	4,615,646	5,265,863
Other liabilities	23,013,931	2,595,565	419,219	911,944	16,438,398	*14,852	712,421	1,921,532
Capital stock	11,439,762	3,136,220	912,385	857,927	441,555	*249,781	2,399,838	3,442,055
Paid-in or capital surplus	27,697,772	6,231,553	1,925,895	1,260,051	3,002,313	*348,382	3,881,634	11,047,944
Retained earnings, appropriated	415,685	67,634	256	5,054	289,271	--	*633	52,837
Retained earnings, unappropriated	6,618,010	2,500,810	332,092	135,654	2,811,573	*2,161,884	-1,131,496	-192,506
Less: Cost of treasury stock	375,715	21	*1,830	6,520	30,555	3	*316,721	*20,065
Total receipts	61,505,424	13,686,933	7,329,766	16,652,698	11,767,000	*1,425,970	3,928,591	6,714,466
Business receipts	28,507,231	1,255,536	462,519	12,597,372	7,745,460	*1,323,028	2,139,955	2,983,360
Interest	25,733,723	11,348,568	5,769,536	3,752,481	2,211,985	*66,696	582,128	2,002,328
Interest on Government obligations: State and local	173,092	104,827	7,537	1,952	50,503	6,088	*1,131	*1,054
Rents	1,695,462	456,689	637,562	*2,537	37,657	699	380,510	179,807
Royalties	147,294	645	3	141	12	38	*10	146,444
Net short-term capital gain reduced by net long-term capital loss	158,590	9,660	7,145	63,856	5,100	--	43,935	28,892
Net long-term capital gain reduced by net short-term capital loss	877,110	19,976	31,382	9,238	38,820	1,279	330,341	446,076
Net gain, noncapital assets	374,790	89,142	98,576	*8,769	5,525	1,547	133,806	37,425
Dividends received from domestic corporations	145,384	12,351	9,547	1,725	69,015	13,999	7,130	31,618
Dividends received from foreign corporations	156,489	557	4,506	29	17,160	--	*4,038	130,198
Other receipts	3,536,261	388,982	301,453	214,597	1,585,763	*12,594	305,608	727,264
Total deductions	56,793,783	12,840,602	6,971,603	16,373,693	10,989,963	*1,039,363	3,308,078	5,270,480
Cost of sales and operations	18,185,053	492	*59,729	*10,590,562	4,700,246	93,585	1,105,795	1,634,645
Compensation of officers	847,555	322,864	62,123	155,291	64,821	*17,149	143,290	82,017
Repairs	127,536	76,578	4,140	6,913	3,373	1,870	23,184	11,479
Bad debts	912,409	598,659	220,082	8,681	16,705	4,079	38,217	25,987
Rent paid on business property	686,470	292,543	50,296	65,200	82,070	*46,350	93,358	56,653
Taxes paid	871,464	200,231	76,663	57,739	167,914	*63,953	145,906	159,058
Interest paid	19,096,085	7,957,893	5,165,347	3,511,196	161,290	*32,373	735,447	1,532,539
Contributions or gifts	17,546	8,067	736	531	2,055	*1,322	2,642	2,192
Amortization	149,812	53,214	13,174	20,613	7,264	*668	9,734	45,145
Depreciation	1,814,431	736,007	641,626	40,635	60,850	*21,775	154,056	159,481
Depletion	10,592	1	--	--	(1)	--	*909	*9,682
Advertising	169,194	56,215	10,341	11,033	24,302	*18,800	21,543	26,958
Pension, profit-sharing, stock bonus, and annuity plans	148,082	52,538	4,519	18,703	27,132	*6,534	*5,961	32,697
Employee benefit programs	316,223	112,530	25,136	34,335	35,219	*29,445	33,848	45,709
Net loss, noncapital assets	126,476	70,422	*348	*19,614	691	*171	1,799	33,432
Other deductions	13,314,854	2,302,350	637,345	1,832,646	5,636,032	*701,288	792,388	1,412,806
Total receipts less total deductions	4,711,642	846,331	358,163	279,005	777,036	*386,607	620,514	1,443,986
Constructive taxable income from related foreign corporations	99,410	662	5,261	--	2,763	--	*1,093	89,631
Includable income of Controlled Foreign Corporations	26,861	543	4,292	--	2,742	--	1,019	*18,265
Foreign dividend income resulting from foreign taxes deemed paid	72,549	118	970	--	21	--	*74	71,365
Net income	4,637,959	742,165	355,888	277,053	729,296	*380,518	620,476	1,532,562
Income subject to tax	3,452,746	703,911	283,213	183,715	508,639	*350,263	342,135	1,080,869
Income tax, total [2]	1,257,204	266,967	126,041	64,511	178,024	*119,543	119,781	382,337
Regular tax	1,163,436	239,249	96,133	62,224	172,101	*119,087	112,269	362,373
Recapture of investment credit	295	23	139	--	3	--	82	48
Alternative minimum tax	87,081	26,427	29,075	1,969	5,089	10	6,523	17,988
Environmental tax	5,411	1,268	684	269	831	*446	446	1,466
Foreign tax credit	86,370	3,765	6,048	*3,679	416	--	*248	72,214
U.S. possessions tax credit	--	--	--	--	--	--	--	--
Orphan drug credit	--	--	--	--	--	--	--	--
Nonconventional source fuel credit	--	--	--	--	--	--	--	--
General business credit	23,429	195	20,716	*120	50	224	*537	1,587
Prior year minimum tax credit	4,922	1,338	144	*294	1,432	--	*861	*856
Total income tax after credits	1,142,483	261,671	99,133	60,418	176,125	*119,319	118,136	307,680

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

RETURNS WITH NET INCOME WITH 50 PERCENT OR MORE FOREIGN OWNERSHIP

Table 25--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							
	Services							
	Total	Hotels and other lodging palces	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	Nature of business not allocable
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	**2,077**	**72**	*	**1,395**	*	**215**	**388**	--
Total assets	**25,161,008**	**8,224,016**	*	**9,150,045**	*	**3,623,917**	**3,933,307**	--
Cash	1,541,780	430,354	*	680,513	*	100,613	320,644	--
Notes and accounts receivable	6,272,726	1,786,747	*	3,124,039	*	529,880	803,941	--
Less: Allowance for bad debts	156,676	26,325	*	45,687	*	*43,405	39,962	--
Inventories	1,306,031	28,711	*	351,748	*	805,360	98,174	--
Investments in Government obligations	*92,485	--	*	*92,485	*	--	--	--
Tax-exempt securities	29,754	--	*	29,754	*	--	--	--
Other current assets	1,506,410	104,207	*	850,564	*	225,593	312,008	--
Loans to stockholders	93,493	*56,944	*	*12,018	*	*1,208	*10,893	--
Mortgage and real estate loans	*44,884	*6,027	*	*14,881	*	--	23,976	--
Other investments	4,121,677	2,059,403	*	1,171,867	*	153,897	736,447	--
Depreciable assets	6,398,856	2,528,759	*	1,965,114	*	289,775	1,436,782	--
Less: Accumulated depreciation	1,862,512	370,628	*	727,584	*	178,646	504,709	--
Depletable assets	*431	--	*	*431	*	--	--	--
Less: Accumulated depletion	*44	--	*	*44	*	--	--	--
Land	707,682	420,448	*	106,587	*	*65,938	84,160	--
Intangible assets (amortizable)	1,415,241	*14,458	*	1,036,005	*	25,020	315,463	--
Less: Accumulated amortization	221,498	*5,513	*	149,308	*	*14,361	43,035	--
Other assets	3,870,286	1,190,424	*	636,661	*	1,663,045	378,525	--
Total liabilities	**25,161,008**	**8,224,016**	*	**9,150,045**	*	**3,623,917**	**3,933,307**	--
Accounts payable	1,885,182	326,727	*	1,098,111	*	183,566	266,330	--
Mortgages, notes, and bonds payable in less than one year	3,405,315	*495,162	*	1,981,752	*	347,795	576,125	--
Other current liabilities	1,997,208	483,060	*	903,647	*	232,834	361,957	--
Loans from stockholders	669,571	*97,234	*	387,807	*	*62,676	121,854	--
Mortgages, notes, and bonds payable in one year or more	7,282,610	3,239,149	*	1,848,680	*	1,011,865	1,095,869	--
Other liabilities	1,950,768	*149,992	*	533,127	*	*1,026,347	231,516	--
Capital stock	3,136,648	1,839,475	*	432,076	*	556,031	256,531	--
Paid-in or capital surplus	6,321,018	2,750,789	*	1,762,421	*	654,353	1,123,713	--
Retained earnings, appropriated	*4,717	--	*	1,545	*	*160	*3,012	--
Retained earnings, unappropriated	-1,411,590	-1,157,538	*	276,293	*	-446,720	-103,600	--
Less: Cost of treasury stock	80,440	*35	*	*75,414	*	*4,991	--	--
Total receipts	**18,801,415**	**2,199,359**	*	**10,560,917**	*	**2,005,791**	**3,716,566**	--
Business receipts	16,427,186	1,343,295	*	9,570,620	*	1,786,735	3,420,978	--
Interest	679,053	236,327	*	222,111	*	81,827	132,689	--
Interest on Government obligations: State and local	1,218	--	*	1,218	*	--	--	--
Rents	301,291	59,048	*	217,086	*	*2,164	20,985	--
Royalties	148,708	19,212	*	*41,451	*	*84,103	117	--
Net short-term capital gain reduced by net long-term capital loss	*8,957	2,719	*	516	*	--	*5,722	--
Net long-term capital gain reduced by net short-term capital loss	209,660	*170,950	*	37,896	*	--	*743	--
Net gain, noncapital assets	60,113	45,451	*	10,818	*	*1,239	2,421	--
Dividends received from domestic corporations	5,005	*1,430	*	2,298	*	*1,156	*122	--
Dividends received from foreign corporations	62,395	28,929	*	*32,955	*	*399	*112	--
Other receipts	897,830	291,998	*	423,948	*	48,169	132,676	--
Total deductions	**17,526,398**	**1,855,701**	*	**10,028,763**	*	**1,796,610**	**3,538,986**	--
Cost of sales and operations	8,479,368	384,234	*	5,867,532	*	843,949	1,253,332	--
Compensation of officers	258,913	*5,187	*	163,443	*	14,429	74,728	--
Repairs	88,099	22,870	*	27,225	*	4,312	32,372	--
Bad debts	87,285	4,539	*	27,222	*	8,644	44,851	--
Rent paid on business property	682,190	104,868	*	425,931	*	40,600	105,370	--
Taxes paid	568,683	75,061	*	351,586	*	27,462	104,802	--
Interest paid	1,040,615	387,937	*	318,606	*	116,292	206,766	--
Contributions or gifts	5,845	*977	*	2,910	*	*1,102	789	--
Amortization	213,344	2,288	*	44,930	*	157,428	6,911	--
Depreciation	513,173	108,802	*	210,743	*	43,349	138,331	--
Depletion	*19	--	*	*18	*	--	1	--
Advertising	201,224	66,474	*	90,237	*	12,496	19,980	--
Pension, profit-sharing, stock bonus, and annuity plans	103,033	31,699	*	54,285	*	*4,318	12,319	--
Employee benefit programs	214,866	*3,148	*	111,660	*	7,732	85,624	--
Net loss, noncapital assets	19,017	*4,087	*	6,394	*	*4,674	3,815	--
Other deductions	5,050,723	653,529	*	2,326,042	*	509,825	1,448,994	--
Total receipts less total deductions	1,275,017	343,658	*	532,154	*	209,181	177,580	--
Constructive taxable income from related foreign corporations	*42,576	16,289	*	*18,991	*	7,295	--	--
Includable income of Controlled Foreign Corporations	8,318	--	*	1,256	*	7,062	--	--
Foreign dividend income resulting from foreign taxes deemed paid	*34,258	16,289	*	*17,735	*	234	--	--
Net income	1,316,375	359,947	*	549,927	*	216,476	177,580	--
Income subject to tax	734,532	211,880	*	392,873	*	35,558	81,776	--
Income tax, total [2]	265,962	75,366	*	137,988	*	15,458	32,912	--
Regular tax	246,265	71,790	*	131,334	*	11,735	27,175	--
Recapture of investment credit	13	8	*	5	*	--	--	--
Alternative minimum tax	18,745	*3,139	*	6,196	*	*3,516	5,894	--
Environmental tax	1,244	429	*	454	*	*207	148	--
Foreign tax credit	58,731	33,199	*	22,447	*	*1,321	*1,657	--
U.S. possessions tax credit	--	--	*	--	*	--	--	--
Orphan drug credit	--	--	*	--	*	--	--	--
Nonconventional source fuel credit	--	--	*	--	*	--	--	--
General business credit	5,086	*2,796	*	1,531	*	--	*692	--
Prior year minimum tax credit	879	73	*	*338	*	--	*468	--
Total income tax after credits	201,266	39,298	*	113,671	*	14,137	30,095	--

*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.

[1] Less than $500 per return.

[2] Also includes adjustments to income tax and to total tax which are 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."

INDEX

Accounting periods, 169
Accounts and notes payable, 169
Accounts payable, 169
Adjustments to tax due or overpayment, 169
Adjustments to total tax, 169
Advertising, 169
Alcohol fuel credit, 170
Allowance for bad debts, 170
* Alternative minimum tax, 170
* Amortization, 171

Bad debts, 172
Branch tax of foreign corporations, 173
Business receipts, 173
Calendar year returns, 174
Capital stock, 174
Cash, 174
Compensation of officers, 174
Consolidated returns, 174
Constructive taxable income from related foreign corporations, 175

Contributions or gifts, 177
Cost of sales and operations, 177
Cost of treasury stock, 178
Credit for federal tax on fuels, 178
Credit for tax paid by regulated investment companies, 178
Deficit, 178
Depletable assets, 178
Depletion, 179
Depreciable assets, 179
Depreciation, 180

Dividends received from domestic corporations, 181
Dividends received from foreign corporations, 182
Employee benefit programs, 182
Environmental tax, 182
Estimated tax payments, 183
Excess net passive income tax, 183
Foreign tax credit, 183
General business credit, 184
Income subject to tax, 185
Income tax, 186

Income tax after credits, 187
Intangible assets, 187
Interest, 187
Interest on government obligations: state and local, 187
Interest paid, 188
Inventories, 188
Investment credit, 188
Investment credit carryover, 189
Investments in government obligations, 190

Jobs credit, 190
Land, 190
Loans from stockholders, 191
Loans to stockholders, 191
Low-income housing credit, 191
Members of controlled groups, 191
Minimum tax credit, 192
Mortgages and real estate loans, 192
Mortgage, notes, and bonds payable, 192
Net capital gains, 192

* Definition has been modified from prior year reports to reflect processing or tax law changes as well as clarification of the explanations.

Net gain (or loss), noncapital assets, 193
Net income (or deficit), 195
Net long-term capital gain reduced by net short-term capital loss, 195
Net operating loss deduction, 196
Net short-term capital gain reduced by net long-term capital loss, 196
*Net worth, 196
Noncalendar year returns, 196
Nonconventional source fuel credit, 196
Notes and accounts receivable, 196
Number of returns, 197

Orphan drug credit, 197
Other assets, 197
Other capital assets less reserves, 198
Other current assets, 198
Other current liabilities, 198
Other deductions, 198
Other investments, 199
Other investments and loans, 200
Other liabilities, 200

Other receipts, 200
Overpaid windfall profit tax, 200
* Overpayments claimed as a credit, 201
Paid-in or capital surplus, 201
Part-year returns, 201
Payments with applications for extension of filing time (Forms 7004), 201
Pension, profit-sharing, stock bonus, and annuity plans, 201
Personal holding company tax, 201
Prior year minimum tax credit, 202

Real estate investment trust, 202
Recapture of investment credit, 203
Recapture of low-income housing credit, 203
Refund of estimated tax payments, 204
Regular tax, 204
Regulated investment company, 204
Rent paid on business property, 205
Rents, 205
Repairs, 205

*Research activities credit, 205
Retained earnings, appropriated, 205
*Retained earnings, unappropriated, 206
Returns of active corporations, 206

Returns of inactive corporations, 206
Returns with net income, 206
Returns without net income, 206
Royalties, 206
S corporation returns, 207
Size of business receipts, 208
Size of income tax after credits, 208
* Size of total assets, 208
Statutory special deductions, 209

Taxable income, 211
Tax due at time of filing, 211
Tax from recomputing prior year investment credit, 212
Tax from Section I (Form 1120F), 212
Tax from Section II (Form 1120F), 212
Tax overpayment, 212
Tax preference items, 213
Tax-exempt securities, 213
Taxes paid, 213

Total assets and Total Liabilities, 213
Total deductions, 214
Total income tax, 214
Total receipts, 215
*Total receipts less total deductions, 215
Total special deductions, 215
U.S. possessions tax credit, 215
*U.S. tax paid or withheld at source, (Form 1120F), 215
*Zero assets, 216

EXPLANATION OF TERMS

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 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. The Tax Reform Act of 1986 introduced required calendar year accounting periods for S corporations and qualified personal service corporations. This requirement was subsequently revised so that under Code section 444 these corporations could elect a noncalendar year accounting period.

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 promissory notes were generally included under this heading.

Adjustments to Tax Due or Overpayment

These were the adjustments included in Tax Due or Overpayment on page one of the form usually at the bottom margin. Examples of these adjustments are Code section 1291 interest; and other interest and penalties not included in one of the line items.

Adjustments to Total Tax (*)

These were the adjustments included on line 10, total tax by the taxpayer. Adjustments included on this line were interest on tax attributable to payments received on installment sales of certain timeshares and residential lots; interest on tax deferred under the installment method for certain nondealer installment obligations; interest under the look-back method for completed long-term contracts; deferred tax and interest on undistributed earnings of a qualified electing fund under section 1294; and installment payment of tax attributable to LIFO recapture by corporations making an S corporation election.

Advertising

Advertising expenses were allowed as a deduction under Code section 263(b), 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 part of the cost of sales and operations, or capitalized under section 263A, as well as advertising reported separately as a business deduction. The statistics included combined amounts reported as advertising and promotion and advertising and publicity. For corporations whose principal business activity was: the printing and publishing of newspapers and periodicals; radio and television broadcasting; telephone, telegraph, or other communication services, the statistics did not include advertising expenses incurred in the preparation of customers' advertising. If identified, these amounts were treated as part of the cost of sales and operations.

For all 1120-A corporations advertising identified in Other Deductions or attached schedules was included in the statistics for advertising.

Alcohol Fuel Credit

An income tax credit was available for alcohol (other than alcohol produced from petroleum, natural gas, or coal) used as a fuel (whether partially or completely comprised of alcohol) in internal combustion engines. In general, the credit was available to the blender in the case of pure alcohol fuels. The amount of the credit was 60 cents per gallon for alcohol of at least 190 proof and 45 cents per gallon for alcohol between 150 and 190 proof. No credit was available for alcohol of less than 150 proof.

The Windfall Profit Tax Act of 1980 contained provisions for the alcohol fuel credit. The credit was generally available for alcohol sold or used after September 30, 1980, and before January 1, 1993. The credit was claimed as one of the components of the general business credit. For a discussion of the income tax limitations and carryback and carryforward provisions of the credit, see General Business Credit, in this section. The alcohol fuel credit was included (as a component) in the general business credit shown in the tables. The components of the general business credit were shown separately in Table 21.

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. The statistics for both the allowance and for the gross amount of Notes and Accounts Receivable were understated by these unidentified amounts. Additionally, the allowance was not available from balance sheets of tax returns filed by life and certain mutual insurance companies for prior years. However, beginning with Tax Year 1987, data for these accounts became available from income tax returns filed by certain nonlife mutual insurance companies, as well as for certain stock insurance companies which filed a Form 1120-PC. On the other hand, the statistics for both accounts continue to be understated by the amounts unidentified for life insurance companies.

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 such reserves 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. However, in some cases, the supporting schedules were not attached to the return and the amount may be understated.

Alternative Minimum Tax (*)

The alternative minimum tax was designed to ensure that no taxpayer with substantial economic income could avoid significant tax liability through a legitimate use of exclusions, deductions, and credits. The former minimum tax did not adequately address tax avoidance, for two reasons: (1) it did not define a comprehensive income base (2) it did not sufficiently approach the measurement of economic income. The computation of the alternative minimum tax addressed both these concerns through the treatment of adjustment items, tax preference items, and adjusted current earnings.

To compute the alternative minimum tax (AMT), adjustments were made to the income subject to regular tax (before the net operating loss deduction). Adjustment items could either increase or decrease the income subject to regular tax. The adjustments reflected the difference in treatment of certain items under the regular tax system versus the treatment under the AMT system. The accelerated aspect of specific income tax items under the regular system were adjusted and the same items were adjusted to satisfy the intent of the AMT system. The AMT adjustment was the difference between the two systems for each item.

The adjustment items included:

(1) Depreciation of tangible property placed in service after 1986;
(2) Amortization of certified pollution control facilities placed in service after 1986;
(3) Amortization of mining exploration and development costs paid or incurred after 1986;
(4) Amortization of circulation expenses of personal holding companies only;
(5) Basis adjustment in determining gain or loss from sale or exchange of property;
(6) Long term contracts entered into after February 28, 1986;
(7) Installment sales of certain property;
(8) Merchant marine capital construction funds;
(9) IRC section 833(b) deduction;
(10) Tax shelter farm activities;
(11) Passive activities;
(12) Certain loss limitations;
(13) Other adjustments;

Tax preference items were added to the income base of the alternative minimum tax, as they were to the income base of the former minimum tax. These tax items typically express more permanent differences between the regular tax system and the AMT system. Tax preference items added to the income base of the alternative minimum tax included:

(1) Depletion;
(2) Tax-exempt interest from private activity bonds issued after August 7, 1986;
(3) Appreciated property charitable deduction.
(4) Intangible drilling costs;
(5) Reserves for losses on bad debts of financial institutions;
(6) Accelerated depreciation of real property placed in service before 1987;
(7) Accelerated depreciation of leased personal property placed in service before 1987 (personal holding companies only);
(8) Amortization of certified pollution control facilities placed in service before 1987;

Thus, the income subject to regular tax before NOLD reconciled by the adjustment items, tax preference items, and the book income adjustment became the alternative minimum taxable income (AMTI). AMTI could then be reduced by the alternative tax NOLD, but not by more than 90 percent. The AMTI could be further reduced by an exemption amount; the maximum was $40,000. No exemption applied when the alternative minimum taxable income exceeded $310,000.

The tentative minimum tax was determined by applying a 20 percent rate of tax to the alternative minimum taxable income after the reduction for the alternative tax NOLD and the income exemption. The tentative minimum tax could be reduced by an AMT foreign tax credit and carryover of unused investment credits. The foreign tax credit was computed under the AMT system and could not become part of that credit allowed under the regular tax system. Up to 25 percent of the tentative minimum tax remaining after the AMT foreign tax credit could be reduced by the carryover of investment tax credits.

The amount by which the remaining tentative minimum tax exceeded the regular tax after reduction by the foreign tax credit (under the regular system) and the possessions tax credit was the alternative minimum 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; depending on the specific provision of the law, the period of time often 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 expenditures (Code section 195)
computer software costs
expenditures to remove architectural and transportation barriers to the handicapped and elderly (Code section 190)
lessee's improvements to leased property, leasehold improvements (Code section 178)
organizational expenditures of corporations (Code section 248)
optional write-off of certain tax preferences over a specified period (Code section 59(e))
pollution control facilities (Code section 169 limited by Code section 291)
qualified forestation and reforestation expenditures (Code section 194)

research and experimental expenditures (Code section 174).

The amounts shown in the statistics included any identifiable amortization (as described above) reported as part of the cost of sales and operations or in the schedule in support of depreciation as described below. Amortization was reported separately on Form 4562, Depreciation and Amortization and not on a separate line of the income statement of the tax return. The amount of amortization was also reported in Other Deductions. However, when amortization was shown separately for the statistics, the amount was excluded from Other Deductions. 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.

Beginning with the 1986 statistics, all deduction amounts identified as amortization by the taxpayer were included in amortization with the following exceptions: (1) when the property appeared to actually be depreciable rather than amortizable property, and (2) when the amortization was for intangible drilling costs, which was included in Other Deductions in the statistics. See also: Alternative Minimum Tax.

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 sections 166 and 585, respectively. Included in the statistics were amounts such as bad check losses, worthless government or corporate bonds, notes for commercial and mutual banks and for bank holding companies, write-offs, net loss from agents or premiums from other insurance companies, and uncollectible railway revenue.

Commercial banks, mutual savings banks, savings and loan associations, small business investment companies and other financial institutions were historically 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 were able to increase their reserves based on percentages of outstanding loans. However, certain restrictions to bring these institutions in line with other businesses were introduced in 1969.

For commercial banks, the deductible additions to the reserves decreased in three transitional steps. The decrease was achieved over a period of years through a decline in allowable percentages of eligible outstanding loans. By 1983, the allowable percentage had been reduced to 0.6 percent. 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.

The reserve method of computing the deduction for bad debts was repealed for large banks and for small business investment companies by the Tax Reform Act of 1986. Thereafter, the deduction was to be based on actual losses for the current and 5 preceding years, using the specific charge-off method, the same as for other businesses.

A bank was treated as a large bank, for any taxable year beginning after December 31, 1986, if the average adjusted basis of all assets of the bank (or any controlled group, as defined under Code section 1563(c)(1), of which the bank was a member) exceeded $500 million. The average adjusted bases was to be determined quarterly. Large banks were required to recapture the balance of their bad debt reserves over a period of four taxable years, beginning with the year of disqualification. The year of disqualification was the first taxable year after December 31, 1986 for which the bank was considered to be a large bank. A bank could suspend the recapture of its reserves for any year in which it was a financially troubled bank, as defined under Code section 585(c)(3)(B).

Specific rules governing the recapture of the bad debt reserve were provided. In the disqualification year, at least 10 percent of the balance in the reserve for bad debts was to be included in income. The remaining balance was to be recaptured at prescribed rates over three taxable years. A bank could elect to recapture more than 10 percent of the reserve in the disqualification year. If that election were made, different rates of recapture were prescribed.

An alternative to recapturing the reserve was available to a large bank in the disqualification year. An election could be made in the disqualification year to use a cut-off method of accounting for the reserve for

bad debts. Members of a consolidated group could not make the election independently. Each bank, included in a consolidated income tax return, was obligated by the election (if made) by the consolidated group. As defined under Code section 585(c)(4), a bank using this method could maintain its reserve for bad debts but charge any losses resulting from loans held by the bank against the reserve. No deduction would be allowed for additions to the reserve account.

An option for computing the deduction for bad debts was available to mutual savings banks, domestic building and loans associations, cooperative banks and certain stock associations. Under the tax reforms of 1986, those organizations, which met certain asset qualifications could continue to use the reserve method. However, they could only deduct a maximum of 0.6 percent of an adjusted taxable income, provided it did not increase the reserve beyond 0.6 percent of the qualifying outstanding loans. For this purpose, taxable income was before the deduction for the bad debt reserve as specified under Code section 593(b)(2).

Amounts of recovered bad debts reported by corporations which deducted actual bad debts and the recapture of bad debt reserve accounts were included in the statistics for Other Receipts.

Branch Tax of Foreign Corporations

The U.S. earnings and profits of a foreign corporation became subject to a branch profits tax without consideration for the ratio of U.S. income to the total income of the foreign corporation, for tax years beginning after December 31, 1986. A 30 percent rate of tax was imposed on the earnings and profits as well as the interest paid by or to a foreign corporation from its trade or business activities conducted in the United States. The provisions under Code section 884 were introduced to lessen the disparity of U.S. taxation between U.S. corporations owned by foreign persons and foreign corporations doing business through their own unincorporated branches in the United States. This provision of U.S. tax laws also required coordination with income tax treaties between the United States and foreign countries. Under tax treaties the tax rates could be lower than the 30 percent tax rate imposed by U.S. tax laws.

The branch profits tax was imposed on the dividend equivalent amount or the earnings and profits of a U.S. branch of a foreign corporation that was attributable to its income effectively connected (or treated as effectively connected under Code section 897) with a U.S. trade or business. The rate of tax varied based on the treaty conditions with the country in which the foreign corporation was a resident. The effectively connected earnings and profits were adjusted to identify changes in a branch's U.S. net equity under two circumstances: (1) to reflect any reinvestment of the branch's earnings in assets in the U.S. trade or business (or reduce liabilities in the U.S. trade or business); and (2) to reflect any prior reinvested earnings that were considered remitted to the home office of the foreign corporation.

Certain earnings and profits attributable to income effectively connected with a U.S trade or business were exempt from the branch profits tax. The tax exempt earnings included: (1) certain earnings of a foreign sales corporation as described in Code sections 921(d) and 926(b); (2) earnings of foreign transportation carriers (such as ships and aircraft) that were exempt from U.S. tax by reciprocal exemption; (3) earnings derived from the sale of any interest in U.S. real property holding corporations; (4) interest income derived by a possession bank from U.S. obligations as described in Code section 882(e); (5) earnings derived by certain insurance companies which elected to have income treated as effectively connected income; and (6) income of foreign governments and international organizations exempt under Code section 892.

The branch tax was the sum of the tax imposed on the earnings and profits and interest payments of the foreign corporation. The branch tax was reported on the Form 1120-F U.S. Income Tax Return of a Foreign Corporation. The tax was included in Total Income Tax in the statistics. It was also shown separately in the statistics for foreign corporations with U.S. business operations in Tables 10, 11 and 20 of this report.

Business Receipts

Business receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. 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. In any case, the statistics reflected receipts, as reported by the taxpayers. When included in 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. See: Cost of Sales and Operations and Taxes Paid.

Business receipts included rents reported as a principal business income by real estate operators as well as 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 providing lodging places and the rental of automobiles or clothing. 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. Some companies reported these items on attached schedules as other income, not as business receipts. For such companies, the items were included in the statistics for business receipts, not for the other income. Condominium management fees reported by condominium management and cooperative housing associations were also included in business receipts.

Since interest was the principal operating income of banking and savings institutions, interest was included in the statistics for Interest and excluded from business receipts. Interest could be included in the statistics for business receipts within the finance industries, but only if it was not separately identified on the tax returns. Some banking institutions reported business receipts from the sale of Federal funds and included the purchase price of those funds as part of cost of sales and operations. For those companies, business receipts were reduced by the purchase price of those funds and the purchase price was excluded from Cost of Sales and Operations.

Regulated Investment Companies and Real Estate Investment Trusts do not report business receipts. Also in the finance, insurance, and real estate industries, premium income of most insurance companies was included in business receipts. However, certain nonlife insurance companies could elect to be taxed on their investment income only, if their net written premiums or direct written premiums (whichever was greater) exceeded $350,000 but not over $1,200,000. Under this election the premium income was not reported. Consequently, total business receipts for insurance carriers could be slightly understated.

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 were 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 Gain (or Loss), Noncapital Assets and Net Capital Gains.

Calendar Year Returns

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

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.

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. Also included were compensation of officers identified as part of cost of goods sold. Contributions to a 401(k) plan or a salary reduction (SEP) agreement were included in the statistics for Pension, Profit Sharing (etc.) Plans. 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. Directors fees reported elsewhere by the Corporation were not included in these statistics.

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; and (4) corporations designated tax-exempt under Code section 501.

Under Code section 1504(c) corporations could elect to include their domestic insurance companies in consolidated tax returns. There could be three separate components of this type of consolidated return:

(a) non-insurance companies; (b) life insurance companies; and (c) property and casualty insurance companies.

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 and (2) foreign dividend gross-up. Both were income constructed for U.S. income tax purposes, and were not actual business receipts. For most purposes, a 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.

Includable Income

The earnings and profits of a Controlled Foreign Corporation (CFC) became subject to U.S. taxation, prior to the Subpart F provisions, only when the income was actually distributed to the U.S. shareholders or repatriated to the United States. In many cases, those earnings and profits were not distributed to the shareholders, unlike the earnings and profits of domestic corporations. Because the earnings were being held undistributed outside the United States, the income from CFC's was not subject to U.S. tax.

The Subpart F provisions, instituted under Code section 952, drew certain earnings and profits of CFC's under the umbrella of U.S. taxation. The provisions required that the worldwide gross income of U.S. corporations include a portion of the undistributed earnings and profits from their CFC'S. Thus, the income of CFC's became subject to U.S. tax through deemed distributions to the U.S. shareholders.

The deemed distributions represented foreign income, that while not actually received by U.S. shareholders, was to be included in income subject to U.S. tax (i.e. includable income from Controlled Foreign Corporations). 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, and which was either withdrawn from those countries or repatriated to the U.S. shareholders and therefore became 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 from premiums for insurance issued by foreign companies which were Controlled Foreign Corporations when the insurance was issued outside the country of incorporation of the CFC (as determined under Code section 953);

(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 was generally sales income from personal property which was purchased or sold in

a transaction involving a related corporation and:

(1) produced outside the country of incorporation of the CFC, and

(2) used outside the country of incorporation of the CFC;

(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 the use of aircraft or vessels in foreign commerce or income from the performance of services directly related to the use or sale of any such aircraft or vessels; and

(e) "foreign base company oil-related income" - in general, this was income from the non-extraction business activities, related to foreign oil or gas, which were conducted outside the foreign country where the oil or gas was extracted. The non-extraction business activities of the foreign corporation included processing, transporting, distributing, and selling oil or gas and derived products for use or consumption outside the foreign country in which the oil or gas was extracted. Also, income from the sale of assets used in the non-extraction business activities were included in the oil-related income.

(3) income from participation in international boycotts not sanctioned by the United States;

(4) illegal bribes, kickbacks, or other payments to a government official; and

(5) income derived from any foreign country during any period for which a foreign tax credit would be denied for taxes paid to those countries, as described in Code section 901(j), (i.e. a government: which was not recognized by the United States, with which the United States severed or did not conduct diplomatic relations, which provided support for international terrorism, and beginning January 1, 1988, the country of South Africa until specific requirements of the Comprehensive Anti-Apartheid Act of 1986 would be met).

Foreign Dividend Gross-Up

Foreign dividend gross-up was constructive taxable income to corporations which claimed a foreign tax credit. A U.S. corporation could claim a foreign tax credit for a share of the foreign taxes actually paid by its related foreign corporations, including its Controlled Foreign Corporations. The U.S. corporation's share of the total foreign taxes was proportionate to the ratio of the dividend received (actual or constructive) to the total earnings and profits of the related foreign corporation. The foreign taxes were treated as deemed paid by the U.S. corporation. In order to receive credit against U.S. tax, the foreign taxes deemed paid needed to be included in the corporation's worldwide income as well. They were included in income as an increase to foreign dividends; a dividend gross-up. The dividend gross-up was the equivalent amount of the foreign taxes deemed paid by the U.S. corporation.

Constructive Taxable Income

Foreign dividend gross-up, resulting from foreign taxes deemed paid, and includable income from Controlled Foreign Corporations were combined and presented in the statistics as Constructive Taxable Income from Related Foreign Corporations. The components were presented separately in Table 20. Neither includable income from Controlled Foreign Corporations nor foreign dividend gross-up were included in the statistics for Total Receipts.

The statistics for Constructive Taxable Income from Related Foreign Corporations reflected variation in taxpayer reporting in certain cases. Some corporations reported foreign dividends received as includable income from Controlled Foreign Corporations, while others reported includable income from Controlled Foreign Corporations as foreign dividends received. Also, some corporations reported dividend gross-up for foreign taxes deemed paid as foreign dividends received, while others reported foreign dividends received as dividend gross-up. Still others incorrectly reported dividend gross-up for foreign taxes paid directly by the U.S. corporation. All foreign dividends were reported on the dividends received schedule of the U.S. income tax return, including actual and constructive receipt.

The statistics could have reflected these variations in taxpayer reporting, to the extent that the specific nature of the dividend was not identified on supporting schedules attached to the U.S. income tax return. However, when specifically identified elsewhere on the return, the amounts were included in the statistics for the type of foreign dividend, as specifically identified, rather than for the items as reported on the dividend received schedule.

Contributions or Gifts

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

(1) the deduction for contributions;
(2) special deductions for dividends received and for dividends paid on certain preferred stock of public utilities;
(3) any allowable deduction resulting from the repurchase of bonds, as described under Code section 249;
(4) deduction allowed for payments to the National Railroad Passenger Corporation, as described under Code section 250;
(5) any net operating loss carryback under Code section 172;
(6) 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. A corporation except a Personal Holding Company or a service organization could receive a larger deduction for contributing scientific property used for research to an institution of higher education under Code section 170(e).

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.

The amount shown in the statistics included contributions identified as part of cost and sales and operations as well as contributions reported as a business deduction.

Charitable contributions paid by S corporations were directly passed through to the shareholders, rather than indirectly as a business deduction. The statistics did not include contributions paid by S corporations, Regulated Investment Companies or Real Estate Investment Trusts.

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.

Many items that were allowable deductions prior to the 1986 tax reforms were required to be capitalized or included in inventory under the 1986 I.R. Code. Uniform capitalization rules of Code section 263A resulted from the 1986 tax reforms and were generally effective for taxable years beginning after December 31, 1986. With respect to inventory, some of the indirect costs which were required to be capitalized included such items as: administration expenses; taxes; depreciation; insurance costs, compensation paid to officers attributable to services; rework labor; and contributions to pension, stock bonus, and certain profit sharing, annuity, or deferred compensation plans. Corporations which were subject to the rules were required to capitalize direct costs and an allocable portion of most indirect costs that related to the assets produced or acquired for resale. Special rules were provided for the capitalization of interest expense paid or incurred in the course of production. The uniform capitalization rules also applied to the production of property constructed or improved for use in a trade or business or in an activity engaged in for profit. Corporations were required to revalue their beginning inventory to reflect the costs under Code section 263A, which were not previously included in inventory.

The rules did not apply to personal property acquired for resale for corporations with annual average gross receipts of $10,000,000 or less; to timber; to property produced under a long-term contract. Special rules were provided for farmers.

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 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, intangible drilling costs 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 included in the statistics for Cost of Treasury Stock.

Credit for Federal Tax on Fuels

Code section 34 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); and
(3) fuel not used for taxable purposes (Code section 6427); such as, on the sale of fuel when tax has been imposed under section 4041(a) or (e) and the purchaser uses such fuel other than for the use for which sold, or resells such fuel.

It was also used to claim the credit for purchase of qualified diesel-powered highway vehicles.

These taxes could be applied as a credit against income tax liability or could have been, under certain conditions, refunded directly.

Credit for Tax Paid by Regulated Investment Companies

Regulated investment companies were required to pay tax at the 34 percent rate 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 was this credit which comprised 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 was 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 were later converted or manufactured prior to sale. For other natural deposits, gross income was defined to include income from mining or extraction and certain treatment processes as well. Additionally, exploration expenditures, previously deducted, were required under provisions of Code section 617, to be recaptured or included in income 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 deferred amounts were not included in the statistics as part of depletion. Excluded in the statistics were amounts of depletion shown by the corporation as a deduction in computing net gain or loss from sale of depletion assets, except timber, under Code section 631(a).

Percentage depletion, though based on percentages of gross income from depletable property, was limited. Generally, it could not exceed 50 percent of the taxable 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. Percentage depletion could not generally be used for oil and gas wells, except for certain small producers as defined under Code section 613A. 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 included any identifiable depletion reported as part of the cost of sales and operations. Amortization of Intangible Drilling Costs in not included in the statistics but is part of Other Deductions. For 1120-A corporations depletion reported in Other Deductions or an attached schedule is included in these statistics.

These statistics did not include depletion paid by Regulated Investment Companies or Real Estate Investment Trusts.

See also Alternative Minimum Tax.

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 one 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. In general, depreciable assets were 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. Certain insurance companies were included among the corporations which reported only a net amount of depreciable assets. Life insurance companies and some property and casualty insurance companies reported their 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.

Generally, the value of depreciable assets and accumulated depreciation were not 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 in the current year for tax purposes.

Depreciation

The Tax Reform Act of 1986 introduced the Modified Accelerated Cost Recovery System (MACRS) and changed the rules for section 179 property for property placed in service after December 31, 1986. Section 179 property is property that meets certain conditions and therefore can be expensed in the year the property was first utilized instead of depreciation over several years. The maximum amount of allowable section 179 expense was increased to $10,000. However, if total cost for section 179 property placed in service after December 31, 1986 was more than $200,000, then the total expense deduction was to be reduced by the amount by which the cost exceeded $200,000. For tax year 1989, the taxpayer was required to provide additional information regarding the Section 179 expense deduction, including the carryover of disallowed deduction from the prior year, the carryover of the disallowed deduction to 1990, and the computation of the taxable income limitation under section 179 (b)(3).

Taxpayers who use the MACRS depreciation rules also had to recompute their depreciation for purposes of figuring their minimum tax. There were eight classes of recovery property under MACRS using the General Depreciation System or the Alternative Depreciation System and reported on Form 4562-Depreciation of Property Placed in Service After December 31, 1986. They included: 3-, 5-, 7-, 10-, 15-, 20- year property, residential rental property and nonresidential real property. Generally, the first six classifications were for depreciable property, other than buildings while the last two were real property, or buildings. The 3-year class included tangible depreciable property with a class life of 4 years or less, 5-year property included property with a class life of more than 4 years, but less than 10 years. For example, computers or peripheral equipment would be classified as 5-year property under GDS. The 7-year property had a class life of 10 years or more, but less than 16 years; this class also included any property which did not have a class life and which had not been designated by law as being in any other class. Office furniture, for example, would be classified as 7-year property under GDS. The property in the 10-year class included property with a class life of 16 years or more, but less than 20 years. The 15-year property had class lives of 20 years or more, but less than 25 years; and the 20-year property included class lives of 25 years or more.

The prescribed method for "General Depreciation System (GDS)" property in the 3-, 5-, 7-, or 10- year classes was a method called 200 percent declining balance over 3, 5, 7; or 10 years, switching to the straight-line method for the first taxable year in which that method resulted in a higher deduction. For property in the 15- or 20- year class, the 150 percent declining balance method over 15 or 20 years was prescribed. In both cases, a half-year convention (half-year's depreciation for the first year in service, no matter when in the tax year the property was acquired) had to be used.

If more than 40 percent of the total cost or other basis of all property placed in service during the tax year was placed in service during the last 3 months of that year, then the mid-quarter convention must be used for all property placed in service during the year. This rule did not apply to nonresidential real property or residential rental property. For residential rental property the prescribed method was straight-line over 27.5 years and for non-residential real property, straight-line over 31.5 years. The applicable convention was the mid-month convention which treated all property placed in service during any month as placed in service on the mid-point of such month.

Instead of using the prescribed method, "the Alternate Depreciation System" (ADS), primarily requiring the straight-line method, could be elected. The recovery period for computing ADS was based on the class life: 12 years for personal property with no class life, 40 years for nonresidential real property or residential rental, and the class life for all other property. The election to use the straight-line method for a class of property applied to all property in that class that was placed in service during the tax year of the election. For all classes and methods, salvage value was treated as zero.

The taxpayer could also make an irrevocable election to use the 150 percent declining balance method for one or more classes of property (except for residential rental, nonresidential real property or any tree or vine-bearing fruit or nuts). If this election was made, then the recovery periods would follow the ADS system.

Depreciation on tangible assets first placed in service after 1980 and before 1987 was to be determined

under the Accelerated Cost Recovery System (ACRS), except to the extent that the property did not qualify as recovery property. If a corporation had a binding contract on a piece of property before the MACRS rules went into effect, but did not place the property in service until the 1988 accounting period, the property was considered transition property. The ACRS rules were applied for depreciation. For 1988, ACRS property placed into service in prior years was combined with other depreciation and reported as one item. Whereas, prior year MACRS property was reported separately from the current year. Under ACRS, the cost of eligible property was recovered over a 3-, 5-, 10-, 15-, 18-, or 19- year period, depending on the type of property.

The deduction was determined by applying the statutory percentage for the appropriate class of property to its unadjusted basis. An Alternate Depreciation System, a straight-line method, could have been used for 3-, 5-, and 10- year property using a half-year convention. The Alternate System could have also been elected for 15-, 18-, or 19- year real property and low income housing property, but the mid-month convention applied.

There were five types of property that had to be depreciated under ADS using the straight-line method: (1) property used mainly outside the U.S., (2) tax-exempt use property, (3) property financed by tax-exempt obligations, and (4) certain imported property, and (5) any property used primarily in a farming business and placed in service when a section 263A (d)(3) election was made. The depreciation for listed property used 50% or less in a trade or business was also subject to the straight-line method.

Automobiles, which are listed property, have certain limits on the annual depreciation that is allowed. The limitations, which vary depending on the recovery year, were increased for automobiles placed in service during 1989 due to an inflation adjustment.

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.)

Dividends from Interest Charge Domestic International Sales Corporations (IC-DISC's) and from former Domestic International Sales Corporations (DISC's) that were deductible were included as domestic dividends received. 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 either (1) 70 percent if the dividends were from less than 20 percent owned domestic corporations, or (2) 80 percent if the dividends were from 20 percent or more owned domestic corporations (ownership is determined by the voting power and value of the stock of the issuing corporation). However, the deduction was equivalent to about 50 percent of the dividends received on certain preferred stock of public utilities. 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 tax bracket exemption amount 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.

Under provisions of the 1984 Tax Reform Act corporate shareholders reduced the deduction for dividends received on debt-financed portfolio stock. The provision generally reduced the deduction for dividends received on debt-financed portfolio stock so that the deduction was available, in effect, only with respect to dividends attributable to that portion of the stock which was not debt financed. Generally, this was accomplished by determining the percentage of the cost of an investment in stock which was debt financed and by reducing the otherwise allowable dividends received deduction, with respect to any dividends received on that stock, by that percentage. The reduction in the amount allowable as a dividends received deduction could not exceed the amount of interest deduction allocable to the dividend.

This amount was reported as part of domestic dividends even though it also represented debt-financed stock of foreign corporations.

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 (1) the 70 percent deduction when received from less than 20 percent owned foreign corporations and certain FSC's, or (2) the 80 percent deduction when received from 20 percent or more owned foreign corporations and certain FSC's;
(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, or received from a FSC when the dividends were from earnings and profits attributable to foreign trade income; 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.

Because foreign dividend gross-up and includable income from Controlled Foreign Corporations were not actual receipts, for statistical purposes, they were excluded from dividends received. Both were combined and presented in the statistics as Constructive Taxable Income from Related Foreign Corporations.

The statistics for foreign dividends received reflected variation in taxpayer reporting in certain cases. Some corporations reported foreign dividends received as includable income from Controlled Foreign Corporations, while others reported includable income from Controlled Foreign Corporations as foreign dividends received. Also, some corporations reported dividend gross-up for taxes deemed paid as foreign dividends received, while others reported foreign dividends received as dividend gross-up. All foreign dividends, actual and constructive, were reported on the dividends received schedule of the U.S. income tax return.

These variations in taxpayer reporting could have been reflected in the statistics, to the extent that the specific nature of the dividend was not identified on supporting attachments to the tax return. However, when specifically identified elsewhere on the return, the amounts were included in the statistics for the type of foreign dividend, as specifically identified, rather than for the items as reported on the dividend received schedule.

Employee Benefit Programs

Contributions made by employees to such plans as death benefit plans, insurance plans, health plans, accident and sickness plans, and other welfare plans were deductible under Code section 162(i). Generally, such programs were not an incidental part of a pension, profit sharing plan or other funded deferred compensation plan, Deductions for a welfare benefit fund were limited to the qualified cost of the fund for the taxable year, as described under Code section 419. Direct payments for employees welfare were not included as employees benefits, only payments into a fund for employee benefits.

Included in the statistics for this item were amounts identified as part of the cost of sales and operations, or capitalized under section 263A. Regulated Investment Companies and Real Estate Investment Trusts do not report employee benefits. Some mining companies could have reported an amount for a combination of welfare/retirement plans, when identified, the combined amount was included in the statistics for contributions to employee benefit plans.

Environmental Tax

Corporations were required to pay the environmental tax, as a result of the Superfund Amendments and Reauthorization Act of 1986. The requirements for this tax were provided under the Code section 59A. The tax was based on a modified alternative minimum taxable income of the corporation in excess of $2,000,000. (Members of a controlled group of corporations were entitled to one $2,000,000 exemption.) The amount of the excess income was subject to a .12 percent rate of tax. The modified alternative minimum taxable income was alternative minimum taxable income without consideration for the alternative tax net operating loss deduction and the allowable deduction from income for the environmental tax. For an explanation of alternative minimum taxable income, see Alternative Minimum Tax. For purposes of determining the regular tax, the amount of the current year environmental tax was allowed as a deduction from the current year gross income under Code section 164 (a).

In general, the environmental tax was effective for taxable years beginning after December 31, 1986 and before January 1, 1992.

Estimated Tax Payments

Corporations not exempt from taxation were required to make quarterly tax payments if the estimated tax for the taxable year was expected to be $500 or more. The tax was estimated by applying the regular graduated corporate tax rates to the expected taxable income for the taxable year (personal service corporations estimated their tax using a flat 34 percent tax rate), then the excess of the regular tax (estimated) over the amount the corporation estimated as the sum of credits against regular tax (including credits for foreign taxes, possessions tax, production or sale of nonconventional source fuels, orphan drug research, general business incentives, and prior year minimum tax) plus any recapture tax of investment credit or of low income housing credit, alternative minimum tax, environmental tax minus credit for Federal tax on fuels. The lesser of 90 percent of the estimated tax for the current taxable year or 100 percent of the tax due on the previous year return was used to calculate the installment payments.

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 were presented for the components of net estimated tax payments which include 1989 overpayments claimed as a credit, 1990 estimated tax payments, and refund of estimated tax payments.

Excess Net Passive Income Tax

The Subchapter S Revision Act of 1982 imposed a limitation on passive income for S corporations which had accumulated earnings or profits from prior subchapter C status. A tax was imposed on the net passive income in excess of 25 percent of gross receipts. The income was taxed at the regular corporate tax rate of 34 percent. Passive investment income, in general, was gross receipts derived from rents, royalties, dividends, interest, annuities, or the sales or exchange of stock or securities.

Prior to 1982 under Code section 1372, an S corporation was generally 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.

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. When determining the foreign tax credit, income, deductions pertaining to foreign branches, and Section 863(b) activities were included in the computation of worldwide income. These had been excluded in previous years.

The credit could be claimed by domestic corporations, by foreign sales corporations (FSC's) for taxes paid on the foreign trade income, and also by foreign corporations engaged in trade or business in the United States for taxes paid on income effectively connected with the U.S. business. Additionally, stockholders of Domestic International Sales Corporations (DISC's) could claim a credit for foreign taxes paid by an DISC. However, the credit was not allowed for S Corporations because their income was primarily taxed through their shareholders. These corporations also had to exclude any foreign taxes paid or accrued from the deduction for taxes paid in computing their net income from trade or business activities. Instead, the foreign taxes were passed through to the shareholders for their use as a foreign tax credit (or a deduction).

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. (Under this election, these companies also excluded foreign taxes paid or accrued from the deduction for taxes to compute net income.) However, if the election were not made, the regulated investment company could claim the foreign tax credit.

A corporation that claimed the foreign tax credit could not also claim a business deduction for the same foreign taxes paid. The credit could be reduced for

taxes paid on foreign income from operations involving participation or cooperation with an international boycott. The U.S. income tax which could be reduced by the credit excluded the recapture taxes for investment credit and low-income housing credit; the alternative minimum tax, the Personal Holding Company tax and the environmental tax.

After 1986, the foreign tax credit was computed separately for foreign taxes paid or accrued with respect to nine categories of income. These were: (1) passive income; (2) high withholding tax interest; (3) financial services income; (4) shipping income; (5) dividends from each noncontrolled section 902 corporation; (6) dividends from a DISC or former DISC; (7) foreign trade income of a FSC; (8) distributions of a FSC or former FSC; and (9) all other income from sources outside the United States. For each category, the credit was computed subject to a limitation which prevented the corporations from using foreign tax credits to reduce U.S. tax liability on U.S. sourced income. This limitation was determined using the overall method.

Using the overall method the credit was limited to that percentage of the total U.S. income tax against which the credit was allowed as represented by the ratio of taxable income from foreign sources to worldwide taxable income. The taxpayer totaled the taxes paid to all foreign countries and possessions which was then subjected to a limitation computed by multiplying the U.S. tax liability by a fraction where the numerator consisted of taxable income from foreign sources (after relevant deductions) and the denominator was worldwide taxable income. The limitation fraction is not permitted to exceed 1.00 for any separate limitation and was applied separately for each income category.

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 under section 904(c).

The foreign tax credit was not allowed for taxes paid to certain foreign countries whose government was not recognized by the United States, with which the United States severed or did not conduct diplomatic relations, which provided support for international terrorism. No foreign tax credit was allowed for foreign taxes paid or accrued to South Africa after December 31, 1987.

Foreign tax credit figured and reported for alternative minimum tax purposes was not included in these statistics.

General Business Credit

The Tax Reform Act of 1986 made several changes to the general business credit. This credit consisted of a combination of five individual credits - investment credit (Form 3468), jobs credit (Form 5884), alcohol fuel credit (Form 6478), research credit (Form 6765) and the low-income housing credit (Form 8586). The orphan drug credit, which was also reported on Form 6765 was not included as part of the general business credit. If a corporation claimed more than one of these credits, reported a carryforward, or had credits from a passive activity; Form 3800 was to be filed with the income tax return.

The purpose of the general business credit was to provide a uniform limitation on the amount that could be used to reduce tax liability and to establish uniform rules for carrybacks and carryforwards. Each of the five credits were computed separately. The total of the credits became the general business credit for the purpose of applying the maximum tax liability rules and the carryback and carryforward rules.

Generally, S corporations computed these credits at the corporate level, the credits were then passed through to the shareholders. The regular investment credit and energy investment credit were exceptions. The S corporation reported the basis in the qualifying property to each shareholder. The shareholders themselves computed the regular investment and energy investment credits. However, S corporations which were previously C corporations could use business credit carryforwards to reduce tax on their net recognized built-in gains.

Effective for tax years beginning after December 31, 1985, the general business credit reduced the tax liability to the extent of 100 percent of the first $25,000 of net tax liability and 75 percent of the net tax liability over $25,000. An additional limitation was also imposed on the general business credit as a result of the alternative minimum tax introduced by the Tax Reform Act of 1986.

When the credit exceeded: the $25,000-plus-75 percent limitation in any year, or the excess of income tax liability over tentative minimum tax; the excess

became an unused business credit. An unused business credit could be carried back to the three years preceding the unused credit year and forward to the 15 years following that year. An amount of carryforward of the general business credit was shown separately in Table 21, as a component of the general business credit. Use of carryback provisions would require that a prior year return be amended. Amended returns were not included in the corporate sample. Therefore, any changes in tax liability due to carryback of unused business credits were not reflected in the statistics.

Income Subject to Tax

Because of the different types of corporations, U.S. tax was imposed on a variety of corporate tax bases. These were the taxable income bases defined by Code section 63, used by the majority of corporations to which the tax rates applied; the tax base of S corporations electing to be taxed through their shareholders; the tax bases applicable to life and nonlife insurance companies; and the amounts taxable to regulated investment companies and real estate investment trusts. Most of these tax bases were represented in the statistics for Income Subject to Tax.

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 those returns, income subject to tax was reduced to zero and the excess of the two special deductions became the statutory loss for the year. This current year statutory loss became available for a net operating loss deduction over the prescribed carryback and carryover periods.

Also, the tax bases of life insurance companies, regulated investment companies, and real estate investment trusts were not defined as net income less statutory special deductions. For S corporations with a limited tax liability on capital gains, the statistics for income subject to tax represented the ordinary income from the normal business activities of the corporation. No special deductions were allowed to reduce this income.

For the life insurance companies, net income was derived from gain or loss from operations to which statutory special deductions were added back; income subject to tax was gain from operations (which included statutory special deductions) less (if applicable) the small life insurance company deduction. To this amount were added: (1) amounts resulting from the limitation of noninsurance losses, 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).

In addition, the life insurance company provisions applied to life insurance departments of certain banking institutions, 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.

Provisions under Code section 1504(c) allowed corporations to elect to include their domestic insurance companies in a consolidated tax return. There could be three separate components of this type of consolidated return:

(a) non-insurance companies;
(b) life insurance companies; and
(c) property and casualty insurance companies.

For companies which elected to file a consolidated return under Code section 1504(c), the income tax was based on the consolidated amount of income subject to tax. Net income in the statistics represented the aggregate for the separate components of the consolidation. However, specific limitations were imposed on the use of nonlife business activity losses as an offset to life insurance gains for the purpose of computing income subject to tax and income tax. As a result, a consolidated return under Code section 1504(c) with a net deficit could report income subject to tax.

In the case of regulated investment companies, any undistributed income, other than undistributed long-term capital gains, was included in the statistics for income subject to tax. This portion of the undistributed income was taxed at the normal graduated corporate tax rates. Any net long-term capital gain (reduced by net short-term capital loss) which was not distributed to stockholders was taxed at a flat 34 percent rate. The undistributed portion of the long-term capital gains were excluded from the statistics for income subject to tax.

See also, Income Tax.

Income Tax

The maximum corporate regular tax rate was reduced to 34 percent, under the Tax Reform Act of 1986. The benefit of a graduated tax rate was phased out for income over $100,000. The number of tax brackets was reduced to three. For tax years which began on July 1, 1987 and thereafter, the corporate taxable income brackets and regular tax rates were:

Taxable Income	Tax Rate
Not over $50,000	15
Over $50,000 but not over $75,000	25
Over $75,000	34

An additional 5 percent tax was imposed on income in excess of $100,000. The maximum additional tax was $11,750. Corporate taxable income in excess of $335,000 was in effect subject to a regular flat tax rate of 34 percent.

Prior to the Tax Reform Act of 1986, for corporations with net long-term capital gains, an alternative method of tax computation was advantageous if using the alternative method resulted in a lower tax liability than the liability would have been using the regular method. The alternative tax on capital gains was repealed by the 1986 Tax Reform Act. Generally, after July 1987, capital gains were included in taxable income and taxed at the normal graduated corporate tax rates, except for S corporations and regulated investment companies. However, as provided by the Technical and Miscellaneous Revenue Act of 1988, any gain recognized by a qualified life insurance company on the redemption of certain market discount bonds were subject to tax at the rate of 31.6 percent. (See Income Subject to Tax.)

For corporations which elected to be treated as S corporations, an income tax was imposed on certain long-term capital gains, as well as recognized built-in gains and excess net passive income of companies which were formerly C corporations. The tax liability was not passed through to the shareholders of the corporation. The taxes paid on capital gains or recognized built-in gains by S corporations were included in the corporate statistics as regular income tax. The taxes paid on excess net passive income were included in total income tax but were excluded from regular income tax.

A small number of corporations without net income had an income tax liability. The tax from those returns was included in the statistics as regular income tax. The tax resulted from:

(1) special statutory provisions applicable to life insurance businesses;
(2) the provisions under Code section 594 allowing certain banking institutions with life insurance departments to compute tax separately from the banking activity; and

(3) the provisions under Code Section 1504(c) allowing corporations to elect to include their domestic insurance companies in consolidate tax returns.
   (a) non-insurance companies;
   (b) life insurance companies; and
   (c) property and casualty insurance companies.

For companies which elected to file a consolidated return under Code section 1504(c), net income in the statistics represented the aggregate for the separate components of the consolidation. The income tax was based on the consolidated taxable income. Specific limitations were imposed on the use of nonlife business activity losses as an offset to life insurance gains for the purpose of computing income subject to tax and income tax. As a result, a consolidated return under Code section 1504(c) with a net deficit could report income subject to tax and income tax.

Income tax, or regular tax in the statistics, was the amount of tax before reduction by tax credits for: foreign taxes, possessions tax, orphan drug research, the production or sale of fuels from nonconventional sources, general business incentives, and the prior year minimum tax. Income tax was shown separately as regular tax and included in total income tax in the statistics.

Some adjustments were made to income tax returns by the taxpayer due to the election of bank holding companies 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; interest on tax attributable to payments received on installment sales of certain timeshares and residential lots; interest on tax deferred under the installment method for certain non-dealer installment obligations; and deferred tax amount for shareholders

in a passive foreign investment company that received an excess distribution or deposed of its investment during the year.

Adjustments made to income tax returns after they were filed could affect the final tax liability and the tax due. Such adjustments were not reflected in the statistics. Adjustments could result from tax examination or the use of carryback provisions for:

(1) net operating losses and certain capital losses, which generate adjustments to taxable income and consequently create adjustments to the tax liability; and

(2) unused foreign taxes and unused general business credits which would cause adjustments to income tax through recomputed credits.

The use of these carryback provisions would require that a corporation file an amended income tax return. Amended returns were excluded from the corporate sample.

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.

See Total Income Tax and Income Tax After Credits in this section.

Income Tax After Credits

Income tax after credits in the statistics represents total income tax less the sum of credits for: foreign tax; U.S. possessions tax; orphan drug research; the production or sale of fuels from nonconventional sources; general business incentives; and prior year minimum tax.

See Income Tax and Total Income Tax in this section.

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.

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. Interest received on loans, notes, mortgages, arbitrage bonds, nonexempt private activity bonds, corporate bonds, bank deposits, and tax refunds was also included in this item. The interest received was reduced by the amortizable bond premium, as defined under Code section 171. For installment sales, interest received included amounts stated in the contract and certain unstated amounts of interest, as defined under Code section 483.

Interest received from tax-exempt state or municipal bonds and ESOP loans was not included in this item. 1120S interest received is not included in this item but is separately reported on the Schedule K. Corporations were not allowed to offset any interest expense against interest income. However, if the corporation reported only a net amount, this figure was used in the statistics. See Interest Paid.

Interest on Government Obligations: State and Local

The interest received from certain government obligations was not subject to U.S. income tax. These tax-exempt obligations included those issued by states, municipalities and other local governments, the District

of Columbia, and U.S. possessions, including Puerto Rico. The amounts shown for this item were reduced by the amortizable bond premium.

For statistical presentation, this interest was included in Total Receipts. However, it was not included in net income (less deficit) or income subject to tax.

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 in section 6 of this report). Because of variations in taxpayer reporting, this item may not have always been identified. Therefore, the statistics could be understated for interest received from state and local government obligations.

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 defined under Code section 483. For banking and savings institutions, the statistics also included interest paid on deposits and withdrawable shares. For mutual savings banks, building and loan associations and cooperative banks, interest paid includes amounts paid or credited to the accounts of depositors as dividends, interest or earnings under Code section 591. Interest identified as part of the cost of sales and operations, or capitalized under Section 263A, was excluded from cost of sales and included in the statistics as interest paid. Tax-exempt interest is not included in these statistics. See Total Receipts for further information.

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.

When inventories were reported by companies within certain financial industries, the amounts were included in the statistics for Other Investments and excluded from inventories. For commodity brokers, dealers and exchanges, and other holding and investment companies (except bank holding companies), inventories were included in Other Investments for companies which were nonconsolidated or consolidated with only financial subsidiaries. Inventories were included in Other Investments, when reported by security brokers and dealers, whether consolidated or nonconsolidated.

Inventories were included in the statistics for Other Current Assets and excluded from inventories when reported by other nonconsolidated corporations within the Finance, Insurance, and Real Estate industrial division. However, inventories were included in Other Current Assets, if reported by bank holding companies, whether a "pure" consolidated or nonconsolidated. If bank holding companies were consolidated with nonfinancial subs, inventories were included in the statistics.

Inventories included in the statistics for the Finance, Insurance, and Real Estate industrial division were those reported by consolidated financial companies with diversified nonfinancial subsidiaries.

See also Cost of Sales and Operations.

Investment Credit

The Tax Reform Act of 1986 repealed the regular portion of the investment credit for most taxpayers. For property placed in service after December 31, 1985, no regular investment credit could be claimed unless the property was:

(1) Transition property, for example, construction in progress on December 31, 1985;
(2) Qualified progress expenditure property; or
(3) Qualified timber property treated as section 38 property under Code section 48(a)(1)(F):

No regular investment credit could be claimed for property, such as, automobiles, delivery trucks, office equipment, and farm equipment unless it was transition property on December 31, 1985, or it fell into one of the other categories listed above.

The 1986 Tax Act also extended for three years the business energy portion of the investment credit for solar, geothermal, and ocean thermal property and for two years for biomass property. The rehabilitation portion of the investment credit was also modified.

The allowable credit for rehabilitation property was reduced; for older nonresidential buildings from 15 or 20 percent of the qualified investment to 10 percent and for certified historic structures from 25 percent to 20 percent.

For qualified progress expenditures property, a corporation could elect to claim an investment credit for taxable years before the qualified property was placed in service. For periods after 1985, the depreciable basis of the property was to be reduced by the full amount of the credit. Prior to the 1986 Tax Act, a corporation could elect to reduce the available credit rather than the basis of the property.

The investment credit (before limitations) for qualified timber property was 10 percent of the qualified investment. The credit for transition property and qualified progress expenditure property was also 10 percent of the qualified investment. After June 30, 1987, a 35 percent reduction applied to the regular 10 percent investment credit for those properties except for qualified timber property. The amount of the reduction could not be carried to any other tax year.

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.

A corporation could also claim an investment credit for certain vessels under special provisions of Code sections 46(g)(1) through (6) for certain maritime property.

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. Limitations on investment credit for movie and television films or tapes were defined under Code section 48(k).

The investment credit could not reduce the recapture taxes for the investment credit or low-income housing credit; the alternative minimum tax; the environmental tax; the personal holding company tax; or the tax liability of S corporations for capital gains or excess net passive investment income. Shareholders of S corporations computed the regular investment credit, it was not computed at the corporate level by the S corporation. The S corporation reported the basis in the qualifying property to each shareholder for this purpose.

The investment credit was claimed as one of the components of the general business credit. For a discussion of the income tax limitations and carryback and carryforward provisions of the credit, see General Business Credit, in this section.

The investment credit was included (as a component) in the general business credit shown in the tables. The components of the general business credit were shown separately in Table 21; the tentative business energy credit was not included in the regular investment credit.

See Recapture of Investment Credit.

Investment Credit Carryover

The 1984 Tax Reform Act provided that unexpired investment credit from each pre-1984 taxable year would be combined with other credits into the general business credit carryforward from each unused credit year to be carried to post-1983 years. The carryforward period was not to exceed 15 years from the year of the original unused credit. 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 do not reflect any changes in tax liability due to the use of investment credit carryback.

See Investment Credit.

Investments in Government Obligations

This balance sheet asset item comprised U.S. obligations, including those of instrumentalities of the Federal Government. State and local government obligations, the interest on which is excluded from gross income under section 103(a), is included in Tax-Exempt Securities.

Balance sheet data for mutual property and casualty insurance companies were extracted from the income tax return, Form 1120-PC, rather than the annual statement, beginning with Tax Year 1987. Prior to 1987, these companies filed tax returns on Form 1120M, which did not include a balance sheet. The balance sheet data were then extracted from the annual statement attached to the returns.

Some mutual property and casualty insurance companies included Investments in Government Obligations with Other Investments on the income tax return, Form 1120-PC. When identified, the amounts were included in the statistics for Investments in Government Obligations and excluded from Other Investments.

The comparability of balance sheet data could have been affected by differences in reporting on the annual statement for years prior to 1987 and on the income tax return Form 1120-PC, beginning with 1987. Comparison of data reported on the annual statement to that reported on the Form 1120-PC indicated that Investments in Government Obligations was often more clearly identified on the annual statement than on the income tax return. Thus, the statistics could be overstated for Other Investments and understated for Investments in Government Obligations, to the extent that Investments in Government Obligations may not have been identified on the tax return.

Stock property and casualty insurance companies also filed income tax returns on the Form 1120-PC, beginning with 1987. However, prior to 1987 these companies reported balance sheet data on the income tax return, Form 1120 or Form 1120-A, rather than an annual statement. Therefore, the comparability of balance sheet data, before and after 1987, was not generally affected by the tax return filed by nonlife stock insurance companies.

See also: Tax-Exempt Securities.

Jobs Credit

The credit was allowed to taxpayers who hired individuals from any of the following targeted groups: (1) vocational rehabilitation referrals; (2) economically disadvantaged young adults; (3) Vietnam era veterans from an economically disadvantaged family; (4) federal, state, and local welfare recipients; (5) general assistance recipients; (6) economically-disadvantaged former felons; (7) youths participating in a qualified cooperative education program; (8) eligible work incentive employees; or (9) qualified summer youth employees, age 16 or 17, who first worked for the corporation between May 1 and September 15, 1988.

For employees hired before September 30, 1990, only qualified first-year wages could be used to determine the jobs credit. The credit was limited to the sum of: 40 percent of the first $6,000 of qualified first-year wages, and 40 percent of the first $3,000 of qualified summer youth employee wages, (for work done in any 14-day period between May 1 and September 15). The 1988 Tax Act reduced the percentage for qualified summer youth employee wages, from 85 percent to 40 percent for those employees hired after December 1988.

The jobs credit was claimed as one of the components of the general business credit. For a discussion of the income tax limitations and carryback and carryforward provisions of the credit, see General Business Credit, in this section. The jobs credit was included (as a component) in the general business credit shown in the tables. The components of the general business credit were shown separately in Table 21.

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. Whenever corporations included and identified land as part of depreciable assets, the amount was reclassified as land, but land improvements remained as depreciable assets.

Loans from Stockholders

This balance sheet liability item was regarded as long-term in duration and included loans to the company from holders of the company' stock.

Loans to Stockholders

This balance sheet asset item was regarded as long-term in duration and included loans to persons who held stock in the corporation.

Low-Income Housing Credit

The Tax Reform Act of 1986 introduced new credits for owners of residential rental property providing low-income housing. These credits replaced existing tax incentives for low-income housing such as preferential depreciation, five-year amortization of rehabilitation expenditures and special treatment of construction period interest and taxes.

The Tax Reform Act of 1986 provided a credit of 70 percent of the qualified basis of each new low-income building placed in service after 1986 (30 percent in the case of certain federally subsidized new buildings or certain existing buildings purchased and placed in service). This credit could be taken over a 10-year period so that the present value of the 10 annual credit amounts as of the last day of the first year of the credit period equaled 70 percent (or 30 percent) of the qualified basis.

The maximum annual credit percentage for new buildings placed in service during 1987 was 9 percent for each of the 10 years in the credit period (4 percent for federally subsidized new buildings, and existing buildings). For buildings placed in service after 1987 the credit percentage was determined by the Internal Revenue Service.

The low-income housing credit could only be claimed for residential rental projects that meet the requirements of one of the following tests:

(1) 20-50 Test: 20 percent or more of the residential units in the project must be both rent restricted and occupied by individuals whose income is 50 percent or less of the area median gross income, or
(2) 40-60 Test: 40 percent or more of the residential units in the project must be both rent restricted and occupied by individuals whose income is 60 percent or less of the area median gross income.

A unit was rent restricted if the gross rent did not exceed 30 percent of the income limitation in (1) or (2) above for individuals occupying the unit. A corporation could elect to classify a project under either one of the above criteria. Once made, the election was irrevocable.

The low-income housing credit was claimed as one of the components of the general business credit. For a discussion of the income tax limitations and carryback and carryforward provisions of the credit, see General Business Credit, in this section.

The low-income housing credit is included (as a component) in the general business credit shown in the tables. The components of the general business credit are shown separately in Table 21.

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 sections 1561 and 1563 limited the taxable income brackets to a maximum amount in such brackets, 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.

As of 1981, insurance companies were allowed, under Code section 1504(c) to be included in a controlled group with noninsurance companies, as long as the noninsurance companies had been members of the affiliated group for 5 taxable years (see Consolidated Returns). Prior to 1981, two or more related life insurance companies were required to be treated as a controlled group separate from any other corporation to which they were related.

Minimum Tax Credit

See: Prior Year Minimum Tax Credit.

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 anuncollectible 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 capital gains represented the excess of gains over losses from the sales or exchanges of capital assets subject to the limitations described below. The long-term capital gain holding period was more than 6 months for assets acquired after June 22, 1984 and before January 1, 1988. For assets purchased after January 1988, any recognized capital gain or loss qualified for long-term treatment if the assets were held for more than one year. If the assets were held for one year or less, the gain or loss was treated as short-term. This was the same holding period that had applied to assets acquired before June 23, 1984.

Net short-term gains (reduced by net long-term losses) and net long-term gains (reduced by net short-term losses) were generally taxed as ordinary income after July 1987. Certain capital gains for some corporations, however, were subject to a flat 34 percent tax rate.

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 S corporations. A net capital loss for a Regulated Investment Company could be carried forward 8 years instead of 5 years. If the unused capital loss carryover was not eliminated within the prescribed span of years, it could not be taken. Regardless of origin, all carrybacks and carryovers were treated as short-term capital losses for carryback and carryover purposes.

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) an inventorible asset;
(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 publications of the United States Government;
(5) depreciable property used in the trade or business; real property used in the trade or business; and
(6) 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. For the latter, see: Net Gain (or Loss), Noncapital Assets.

Under section 1231, capital gains provisions could have applied to a net gain from dispositions of or certain transactions involving specified types of business assets that were otherwise considered noncapital assets, based on Code section 1221. Gains and losses from the 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 ordinary income as a net loss from noncapital assets. Thus, a net gain under section 1231 could receive treatment as a long-term capital gain, while a net loss under section 1231 could receive 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 are described in the Net Gain (or Loss), Noncapital Asset Section.

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, 1251, 1252, and 1254, and in the case of certain mining property, by section 617. 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 (or more than one year after January 1988). Gain or loss from involuntary conversions such as by condemnation were included in the regular consolidation of Code section 1231 gains and losses. 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.

Net Gain (or Loss), Noncapital Assets

In general, noncapital assets related to property of a business nature. Special rules governing the computation of a net gain or loss from noncapital assets were provided under Code section 1231. Transactions treated under these special provisions included:

(1) the sale or exchange of real or depreciable property used in a trade business;
(2) the cutting or disposal of timber treated as a sale or exchange under Code section 631(a) and (b);
(3) the disposal of coal or iron ore treated as a sale under Code section 631(c);
(4) the sale or exchange of livestock (excluding poultry) used in a trade or business for draft, breeding, dairy, or sporting purposes; if held for at least 12 months (24 months for horses and cattle);
(5) the sale or exchange of unharvested crops; and
(6) the involuntary conversion of property or capital assets due to partial or total destruction, theft, seizure, requisition, or condemnation.

Transactions not treated under the section 1231 provisions included the sale or exchange of: (a) inventory or property ordinarily held for sale; (b) certain copyrights; (c) literary, musical, or artistic compositions; (d) letters or memorandums; (e) U.S. Government publications; or (f) other similar property.

Under section 1231, capital gains provisions could have applied to a net gain from dispositions of or certain transactions involving specified types of business assets that were otherwise considered noncapital assets, based on Code section 1221. Gains and losses from the 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 ordinary income as a net loss from noncapital assets.

For a long-term capital gain or loss, the required holding period of the asset was more than one year for assets acquired before June 23, 1984 and after December 31, 1987. The long-term holding period was more than six months for assets acquired after June 22, 1984 and before January 1, 1988.

Gains and losses resulting from involuntary conversions, due mostly to casualty and theft, received special treatment. Such losses were to be included in the computation of net gain or loss, noncapital assets. However, some corporations reported them in Other Deductions, in which case, the losses were included in the statistics for Other Deductions. No attempt was made to recompute the net gain or loss from noncapital assets for such returns.

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, 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. Section 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 or amortizable 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 were 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, extraction, or the providing of transportation, communications, electrical energy, gas, water, or sewage disposal services.

The depreciable property to which Code section 1250 applied was depreciable real property not subject to recapture rules under 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. Section 1250 generally applied when depreciation was computed using an accelerated method of computation.

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, or amortization for certain property, claimed on the asset after a certain date prior to its disposition.

Code section 1252:

Under Code section 1252, net gain or loss from noncapital assets included ordinary gains from the sale or other disposition of certain types of farm lands 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.

This recapture was based on a declining annual percentage of total deductions for 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 that a gain from the disposition of oil, gas, or geothermal property placed in service before January 1, 1987 be treated as ordinary income. When the disposition of such property resulted in a gain, the intangible drilling costs, depletion, mine exploration and development costs were to be recaptured under Code sections 263, 616, and 617.

Net Income (or Deficit)

This was the difference between gross receipts and the ordinary and necessary business deductions allowed by the Code, and reflected not only actual receipts but constructive receipts as well (i.e., certain income from Controlled Foreign Corporations and foreign dividend gross-up). Interest from State and local government obligations was excluded from this item.

Net income was generally larger than the amounts shown in the statistics for Income Subject to Tax. Certain statutory special deductions, including the net operating loss deduction, were allowed to most corporations for computing their taxable income. Income subject to tax generally represented net income reduced by the statutory special deductions. These statutory special deductions, however, were not allowed to reduce certain taxable income of S corporations, life insurance companies, regulated investment companies, and real estate investment trusts.

Also, included in the net income was ordinary income form the normal trade or business activities of S corporations. Although the income was taxable to the shareholders, it was used for the statistics as a measure of corporate business activity for these companies. For tax purposes, net income for S corporations excluded passive income such as rents and other portfolio investments. (This income was also taxable to the shareholders.) Certain long-term capital gains, however, were taxable to S corporations before, the gains were passed through to the shareholders. These gains were excluded from net income. When the capital gains were taxable to the S corporation, the gains were included in the statistics for net long-term capital gain reduced by net short-term capital loss presented in Tables 6, 7, 14, and 15. The net long-term capital gain did not include the net recognized built-in gains of S corporations which were formerly C corporations.

The statistics for net income (or deficit) also included the "effectively connected income" of foreign corporations operating in the United States. Generally, income was considered effectively connected if the foreign corporation conducted a trade or business in the United States and the income was attributable to that business.

For non-life insurance companies subject to tax under Code section 831, the net income (or deficit) in this report was the sum of investment income, the statutory underwriting income, and certain other statutory receipts unique to these companies reduced by the ordinary business deductions and certain other statutory deductions.

Some small non-life insurance companies could elect to compute income tax on their taxable investment income only. Under the election, they were not required to report underwriting income. To make the election the company's net or direct written premiums were required to be over $350,000 but not over $1,200,000. Therefore, the statistics for net income included only net investment income for those companies.

In the statistics, the net income (or deficit) for life insurance companies, consisted of the gain or loss from operations adjusted by adding back the special deductions for dividends received and for operating losses incurred. Gain or loss from operations included both underwriting and investment income, reduced by ordinary business deductions, additions to required reserves, certain other statutory deductions unique to these companies, and deductions for dividends received and operating losses incurred.

Provisions under Code section 1504(c) allowed corporations to elect to include their domestic insurance companies in a consolidated tax return. There could be three separate components of this type of consolidated return: (a) non-insurance companies; (b) life insurance companies; (c) life insurance companies.

For companies which elected to file a consolidated return under Code section 1504(c), net income in the statistics represented the aggregate for the separate components of the consolidation. However, specific limitations were imposed on the use of nonlife business activity losses as an offset to life insurance gains for the purpose of computing income subject to tax and income tax. The income tax was based on the consolidated amount of income subject to tax. As a result, a consolidated return under Code section 1504(c) with a net deficit could report income subject to tax.

Net Long-Term Capital Gain Reduced by Net Short-Term Capital Loss

See Net Capital Gains in this section

Net Operating Loss Deduction

See: Statutory Special Deductions.

Net Short-Term Capital Gain Reduced by Net Long-Term Capital Loss

See Net Capital Gains in this section.

Net Worth (*)

Net worth represented the stockholders' equity in the corporation (total assets minus the claims of creditors). In the statistics, net worth comprised 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.

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

This credit was allowed for the sale of qualified fuels produced from a nonconventional source. 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 encouraged the use of fuels derived from other energy sources by providing a tax incentive for their production and sale. Because these alternative fuels frequently competed with oil and gas, production incentives were linked to the uncontrolled price of domestic oil and were to be phased out when efficiently produced alternative fuels could compete effectively with oil.

In general, the amount of credit was equal to $3 for each quantity of fuel that would yield energy equal to that of a barrel of oil, the so-called barrel-of-oil equivalent which was approximately 5.8 million British Thermal Units (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. Only production within the U.S. or a U.S. possession was taken into account.

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 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 inflation adjustment factor was the gross national product (GNP) implicit price deflator for the calendar year expressed as a percent of the GNP implicit price deflator for 1979.

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. These current assets would normally be converted to cash within 1 year. This category included certificates of deposit, commercial paper, charge accounts, current intercompany receivables, property improvement loans, and trade acceptances. Current nontrade receivables were generally included in Other Current Assets.

Certain savings and loan associations reported loans and mortgages as notes and accounts receivable. When identified, such mortgage loans were included in the statistics for Mortgage and Real Estate Loans, rather than Notes and Accounts Receivable.

The gross amount of the receivables and the corresponding adjustment account, Allowance for Bad Debts, were reported on the balance sheets of most corporation income tax forms. For an explanation of the adjustment account, see: Allowance for Bad Debts. Some corporations, however, reported only the net amount of the accounts receivable.

In the case of life insurance companies, balance sheet data were extracted from the annual statement attached to the income tax return, Form 1120L. Form requirements of the annual statement were prescribed under State law. Consequently, data reported on the annual statement were not always comparable to that reported on the balance sheet of the income tax returns of noninsurance companies. For example, only the net amount of the accounts receivable was reported on the annual statement for life insurance companies.

For mutual property and casualty insurance companies, balance sheet data were extracted from the income tax return, Form 1120-PC, rather than the annual statement, beginning with 1987. The balance sheet on the Form 1120-PC provided for reporting both the gross receivables and the allowance for bad debts. Prior to 1987, these companies filed income tax returns on Form 1120M, which did not include a balance sheet. The balance sheet data for the statistics were extracted from the annual statements attached to the returns. Only the net amount of the accounts receivable was reported on the annual statements. Therefore, the tax form change, from Form 1120M to Form 1120-PC, affected the comparability of the balance sheet data, before and after 1987, for mutual property and casualty insurance companies.

Stock property and casualty insurance companies also filed income tax returns on the Form 1120-PC, beginning with 1987. However, prior to 1987 these companies reported balance sheet data on the income tax return, Form 1120 or Form 1120-A. Balance sheet data for the statistics were not extracted from an annual statement. Therefore, the change in tax forms did not affect the comparability of balance sheet data for nonlife stock insurance companies.

Notes and Accounts Receivable, Net were presented in the statistics for tables 4 and 5. The amount shown was after the reduction for the allowance for bad debts.

Number of Returns

Returns of inactive corporations were excluded from the statistics. (See Returns of Inactive Corporations.) For most tables, the total number of returns represented all active corporations which filed the various types of Form 1120 tax returns sampled for the corporate program. For some tables, the number of returns was limited to corporations which filed specific types of Form 1120. Those included Form 1120-A, Form 1120S, and Form 1120F. The number of returns was limited for other tables by excluding specific types of Form 1120. Those tables were limited to Forms 1120, other than Forms 1120S, 1120-REIT, and 1120-RIC. One table was limited to the number of consolidated returns of active corporations. The number of returns with net income was also provided in some tables, while other tables were limited to returns with net income. The number of returns with income tax was provided in one table.

See also: Consolidated Returns and Returns of Active Corporations.

Orphan Drug Credit

Orphan drug credit was a credit against tax for an amount equal to 50 percent of the qualified clinical testing expenses of certain drugs for rare disease or conditions. In order to claim the credit, the expenses must have been for a drug that was designated as an orphan drug under Section 526 of the Federal Food, Drug and Cosmetic Act. Form 6765 is used for claiming the orphan drug credit. The income tax against which the credit was applied was the remaining U.S. income tax after reductions by the credits for taxes paid to foreign countries and possessions.

Other Assets

In general, other assets were comprised of noncurrent assets which were not allocable to a specific account on the balance sheet, and certain assets not identified as current or noncurrent. Both tangible and intangible assets were included in this category. Also included were assets such as: deposits on contracts, interest discounts, and guaranty deposits, when reported as noncurrent assets. 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.

When identified on the tax return, assets held for investment were not included in Other Assets.

Other Capital Assets Less Reserves

This item, shown in Tables 4 and 5, 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 listed on the balance sheet of the tax form and assets reported as short-term, but without identification of a specific current account.

Marketable securities, prepaid expenses (unless reported as long-term), nontrade receivables, coupons and dividends receivable, and similar items were included in this asset account. Also included were amounts in excess of billings for contract work in progress reported as current by construction corporations.

When reported by certain nonconsolidated financial companies, inventories were included in the statistics for other current assets, rather than for inventories. Those nonconsolidated financial companies included banks, credit agencies, insurance companies, insurance agents, brokers, real estate operators, lessors, condominium management and cooperative housing associations. Inventories were included in other current assets if reported by bank holding companies, whether a "pure" consolidated or nonconsolidated; however, if consolidated with nonfinancial subsidiaries, then inventories were not moved to Other Current Assets.

Other Current Liabilities

Other current liabilities included certain amounts due and payable within the coming year. The account was comprised of 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, accrued employee accounts such as for payrolls and contributions to benefit plans, dividends payable, overdrafts, accrued interest or rent, and deposits and withdrawable shares of banking and savings institutions, if not reported as long-term by the corporation. For construction corporations, amounts for uncompleted contracts or jobs in progress were included in this item, if reported as current. Balance sheet data for mutual property and casualty insurance companies were extracted from the income tax return, Form 1120-PC, rather than the annual statement, beginning with Tax Year 1987. Prior to that year, these companies filed tax returns on Form 1120M, which did not include a balance sheet. The balance sheet data were then extracted from the annual statement attached to the returns.

The comparability of balance sheet data could have been affected by differences in reporting on the income tax return Form 1120-PC, beginning with 1987, and on the annual statement for years prior to 1987. Mutual property and casualty insurance companies frequently included Losses in Other Liabilities on the income tax return. Whereas in prior years, Losses were reported on the annual statement and included in Other Current Liabilities during statistical processing. Thus, Other Current Liabilities may be understated while Other Liabilities may be overstated, compared to the pre-1987 data, obtained from the annual statement.

Stock property and casualty insurance companies also filed income tax returns on the Form 1120-PC, beginning with 1987. However, prior to 1987 thesecompanies reported balance sheet data on the income tax return, Form 1120 or Form 1120-A, rather than an annual statement. Therefore, the comparability of balance sheet data, before and after 1987, was not generally affected by the tax return filed by nonlife stock insurance companies.

Other Deductions

Other deductions comprised: (1) business expenses which were not allocable to a specific deduction item on the tax return, or which were not included elsewhere on the tax return, and (2) certain amounts which were given special treatment in the course of statistical processing, and (3) the amount for salaries and wages reported on the tax return.

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. Certain dividends may be deducted from an employee stock ownership plan under section 404(k). For meal and entertainment only 80 percent is deductible, with a few exceptions. The second category included 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 life and property and casualty insurance companies.

For corporations filing a Form 1120-A, advertising, depletion, and deductions for pension, profit-sharing and employee benefit plans were moved to the appropriate item.

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.

Also included are any adjustment items reported by corporations and listed in other deductions. The statistics for Other Deductions excluded amounts for amortization reported on the Form 4562, Depreciation and Amortization, and included net foreign currency loss for Regulated Investment Companies.

Losses from involuntary conversions which were reported as ordinary losses on Form 4797, Supplemental Schedule of Gains and Losses, were included in the statistics 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 were generally not held for conversion to another form of investment within the current year. Examples of non-government investments included stocks, bonds, loans to subsidiaries, treasury stocks reported as assets, and other types of financial securities.

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) were reported as Other Investments. Certain insurance carriers also included their real holdings (other than their home and branch office buildings and equipment) in this asset category.

When inventories were reported by companies within certain financial industries, the amounts were included in the statistics for Other Investments. For commodity brokers, dealers, and exchanges and other holding and investment companies (except bank holding companies), inventories were included in Other Investments for those companies which were nonconsolidated or consolidated with only financial subsidiaries. Inventories were included in Other Investments when reported by security brokers and dealers, whether consolidated or nonconsolidated.

The statistics may be somewhat overstated by amounts reported for treasury stock. When treasury stock held for resale or for future distribution was reported as an asset, rather than a liability, the treasury stock was included in the statistics for Other Investments.

Balance sheet data for mutual property and casualty insurance companies were extracted from the income tax return, Form 1120-PC, rather than the annual statement, beginning with Tax Year 1987. Prior to 1987, these companies filed tax returns on Form 1120M, which did not include a balance sheet. The balance sheet data were then extracted from the annual statement attached to the returns.

Some mutual property and casualty insurance companies included Investments in Government Obligations with Other Investments on the income tax return, Form 1120-PC. When identified, the amounts were included in the statistics for Investments in Government Obligations and excluded from Other Investments.

The comparability of balance sheet data could have been affected by differences in reporting on the annual statement for years prior to 1987 and on the income tax return Form 1120-PC, beginning with 1987. Comparison of data reported on the annual statement to that reported on the Form 1120-PC indicated that Investments in Government Obligations was often more clearly identified on the annual statement than on the income tax return. Thus, the statistics could be overstated for Other Investments and understated for Investments in Government Obligations, to the extent that Investments in Government Obligations may not have been identified on the tax return.

Stock property and casualty insurance companies also filed income tax returns on the Form 1120-PC, beginning with 1987. However, prior to 1987 these companies reported balance sheet data on the income tax return, Form 1120 or Form 1120-A, rather than an annual statement. Therefore, the comparability of balance sheet data, before and after 1987, was not generally affected by the tax return filed by nonlife stock insurance companies.

Other Investments and Loans

This item, shown in Tables 4 and 5, was the sum of loans to stockholders, mortgage and real estate loans, and other investments. Each was 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. The excess of reserves for amortization, depreciation, and depletion over the respective asset accounts were included in this balance sheet account.

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. Accounts and notes payable, borrowed securities, commissions, intercompany accounts, loans, overdrafts, and unearned income are also included.

Balance sheet data for mutual property and casualty insurance companies were extracted from the income tax return, Form 1120-PC, rather than the annual statement, beginning with Tax Year 1987. Prior to that year, these companies filed tax returns on Form 1120M, which did not include a balance sheet. The balance sheet data were then extracted from the annual statement attached to the returns.

The comparability of balance sheet data could have been affected by differences in reporting on the income tax return Form 1120-PC, beginning with 1987, and on the annual statement for years prior to 1987. Mutual property and casualty insurance companies frequently included Losses in Other Liabilities on the income tax return. Whereas in prior years, Losses were reported on the annual statement and included in Other Current Liabilities during statistical processing. Thus, Other Liabilities may be overstated while Other Current Liabilities may be understated, compared to the pre-1987 data, obtained from the annual statement.

Stock property and casualty insurance companies also filed income tax returns on the Form 1120-PC, beginning with 1987. However, prior to 1987 these companies reported balance sheet data on the income tax return, Form 1120 or Form 1120-A, rather than an annual statement. Therefore, the comparability of balance sheet data, before and after 1987, was not generally affected by the tax return filed by nonlife stock insurance companies.

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. Payments with respect to security loans and net foreign currency gains for regulated investment companies.

See also, Business Receipts.

Overpaid Windfall Profits Tax

A corporation which overpaid its windfall profit tax could claim a credit for the overpayment on its income tax return. Although the producer of oil was liable for the tax, the first purchaser of the oil generally withheld the tax and deposited it. The producer could claim any overwithholding as a credit against its income tax.

The windfall profit tax was a federal excise tax on the windfall profit from domestically produced crude oil. For newly discovered oil, the tax rate decreased from 22.5 percent in 1987 to 20 percent in 1988, to 15 percent in 1989 and thereafter.

The windfall profit tax was repealed by the Omnibus Trade and Competitiveness Act of 1988, for crude oil removed on or after August 23, 1988. Rules for phasing out the tax were provided under Chapter 45 of the I.R. Code.

Overpayments Claimed as a Credit (*)

This was overpayments of income tax for 1989 that were not refunded. Instead of requesting refunds, certain corporations specifically requested that the tax overpayments be credited towards their 1990 estimated tax. The credit was reflected in the estimated tax payments shown in Table 18.

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 were 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. Data from part-year returns were included in the statistics. See: Figure B in section 1 for the percentage of returns filed for each of the accounting periods covered in this report.

Payments With Applications for Extension of Filing Time (Form 7004)

These statistics were derived from the income tax returns, rather than from the application for extension of time to file, Form 7004. The automatic extension of time to file a corporate tax return was 6 months.

A request for an extension of time to file the return did not postpone the payment of tax.' When an extension was filed on Form 7004, the full amount of tax liability was due.

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

Pension, Profit Sharing, Stock Bonus, and Annuity Plans

Employers who maintained a pension, profit-sharing or other funded deferred compensation plan were required to file a Form 5500, 5500-C, 5500-R, or 5500-EZ depending on the number of participants. Contributions made by employers to these plans were deductible under Code section 404. Excess contributions could be carried over to succeeding years.

Amounts labeled "pension" identified else-where on the return were left where reported. Companies other than mining companies that reported an amount for a combination of welfare/retirement plans, the combined amount was included in the statistics for contributions to pension and profit-sharing plans. Amounts found in Other Deductions for an 1120-A return identified, as pension and profit-sharing, stock bonus, and annuity plans, were included in these statistics.

This item was not reported for Regulated Investment Companies and Real Estate Investment Trusts.

Pension and profit-sharing identified as part of the cost of sales and operations, or capitalized under Section 263A, was excluded from cost of sales and included in the statistics as pension, profit-sharing, stock bonus, and annuity plans.

Personal Holding Company Tax

In addition to the regular income tax and the alternative minimum tax, corporations classified as personal holding companies could be liable for a tax equal to 28 percent of their undistributed personal holding company income. A corporation was treated as a personal holding company under Section 542 if at least 60 percent of its adjusted ordinary gross income for the tax year was personal holding company income and, at any time during the last half of the tax year, more than 50 percent of the value of its outstanding stock was owned directly or indirectly by not more than five individuals.

The tax was imposed on the personal holding company's undistributed income after certain adjustments less the dividends paid deduction. Since most personal holding companies distributed all of their personal

holding company income, only a small number were actually liable for the tax.

The tax was included 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 another industry. The following corporations were exempt from personal holding company tax: corporations exempt from income tax, banks, domestic building and loan associations, life insurance and security companies, certain lending and finance companies, foreign personal holding companies, and certain small business investment companies.

The statistics could be slightly understated because the personal holding company tax was not always reported separately from the regular income tax.

Prior Year Minimum Tax Credit

Beginning in 1988, corporations could reduce their regular income tax liability with the prior year minimum tax credit, if an alternative minimum tax had been paid for any year after 1986. The credit was designed to prevent double taxation of the same income. The dual tax could result from the imposition of tax on the same income under the alternative and regular tax systems. Under the alternative tax system, a corporation could be required to pay a portion of tax that would otherwise be deferred under the regular system. The minimum tax credit could act as a mechanism to coordinate the two tax systems.

The credit was allowed for a portion of the alternative minimum tax from a prior year. The prior year alternative minimum tax was recomputed to disregard three tax preference items: percentage depletion, charitable contributions of appreciated property, and tax exempt interest on bonds. The credit was limited to the excess of regular tax after credits over the current year tentative minimum tax. Any unused portion of the prior year minimum tax credit could be carried forward indefinitely to reduce the regular tax. The credit was not designed to reduce any minimum tax liability. There were no carryback provisions for this tax credit.

See also, Alternative Minimum Tax.

Real Estate Investment Trust

Certain corporations, trusts, or associations elected to be taxed as a real estate investment trust (REIT). To qualify as a real estate investment trust, the trust had to meet certain ownership, purpose, income and diversification requirements. A beneficial ownership of the trust had to be established through transferable shares or transferable certificates of beneficial interest. Although the beneficial ownership had to be held by 100 or more persons, this rule did not apply for the first tax year of the trust. The trust could not be closely held i.e, five or fewer persons could not hold ownership of more than 50 percent of the trust. This rule did not apply for the first tax year of the trust.

To qualify as a real estate investment trust for any tax year, the trust also had to satisfy certain gross income and diversification of investment requirements. These requirements were established through limitations on income. The limitations were imposed on the components of income and percentages of total gross income from certain components. For the purpose of computing the limitations, certain prohibited income was excluded from the total gross income.

At least 95 percent of the total gross income of a real estate investment trust was required to be from: (a) dividends, (b) interest, (c) rents from real property, (d) gain from the sale of stock, securities, and real property, (e) abatements and refunds of taxes on real property, (f) income and gain from foreclosure property, (g) gain from the sale of a real estate asset which was not a prohibited asset, and (h) amounts received or accrued as consideration for entering into agreements:

(1) to make loans secured by mortgages (on real property or on interest in real property); or

(2) to purchase or lease real property (including interest in real property and interest in mortgages on real property).

At least 75 percent of the total gross income of a real estate investment trust had to be derived from (a) rents from real property, (b) interest on obligations secured by mortgages on real property (or on interests in real property), (c) gain from the sale of real property (included interests in real property and interest in

mortgages on real property) which was not prohibited property or property held primarily for sale to customers in the ordinary course of business, (d) dividends and gain from the sale of transferable shares (or transferable certificates of beneficial interest) in other qualified real estate investment trusts (e) abatements and refunds of taxes on real property, (f) income and gain from foreclosure property, (g) gain from the sale of a real estate asset which was not a prohibited sale, and (h) amounts received or accrued as consideration for entering into agreements concerning real property.

Less than 30 percent of the total gross income of a real estate investment trust could be derived from the sale or other disposition of: (a) stock or securities held for less than one year (b) property in a transaction which was a prohibited transaction, and (c) real property (including interests in real property and interests in mortgages on real property) held for less than four years other than:

(1) property converted involuntarily or in compliance with tax laws and
(2) property which was foreclosure property.

At the close of each quarter of a taxable year, a real estate investment trust also had to satisfy certain asset requirements. At least 75 percent of its total assets were to consist of real estate assets, cash and cash items (including receivables), and Government securities. No more than 25 percent of its total assets could consist of securities other than Government securities. Limitations were further imposed on the amount of securities that could be issued to the trust by any one issuer. For a single issuer, the value of securities was limited to 5 percent of the total assets of the trust and to 10 percent of the outstanding voting securities of the issuer.

Financial institutions, such as mutual savings banks, cooperative banks, domestic building and loan associations, savings and loans associations and insurance companies to which subchapter L of the Code applies could not make this election. Foreign corporations were also excluded from this provision of U.S. tax law.

Recapture of Investment Credit

This tax was formerly described as Tax from Recomputing Prior-Year Investment Credit, in the statistics. The recapture tax 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.

For investment credit property placed in service after 1980, a 2-percent recapture rule applied. The regular credit was 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. If certain listed property such as transportation, entertainment, recreation or amusement property placed in service after June 18, 1984 ceased to be used predominantly for business, corporations would have to recapture the investment credit claimed for the property. Unless otherwise indicated, the recapture tax of investment credit was included in the statistics for Income Tax in this report.

See also, Investment Credit.

Recapture of Low-Income Housing Credit

The Tax Reform Act of 1986 introduced the low-income housing credit. The Tax Act made the credit available for owners of qualified residential rental property which provided low-income housing. A 15 year compliance period for maintaining certain requirements was imposed on the residential rental building. Since the low-income housing credit was first claimed for Tax Year 1987, the recapture became applicable for 1988.

A part of the low-income housing credit, claimed in a previous year, had to be recaptured in a current tax year throughout the compliance period when:

(1) an owner's qualified basis in the building decreased from the previous tax year, or
(2) the building or an interest in the building was disposed of after the credit was taken in previous years, or
(3) a building failed to meet the percentage requirements for the number of low-income units ("set aside" requirements).

The decrease in basis had to exceed any additions to the qualified basis in the property after the property was placed in service. The recapture rule was not required for disposition of a building, if the owner had posted a satisfactory bond.

The amount of the recapture was based on the accelerated portion of the low-income housing credit claimed in previous years. This amount was generally equivalent to one-third of the previously claimed credit. The decrease in qualified basis, expressed as a percent of the total qualified basis in the rental property, was applied to the accelerated portion of the credit. For cases involving the disposition of the building or failure to meet the percentage requirements for low-income units, the full amount of the accelerated portion of the previously claimed credit was to be recaptured.

Interest was added to the recaptured accelerated portion of the credit to determine the final amount of the credit recapture. The interest was charged at the federally prescribed overpayment rate and determined quarterly. The interest could not be used as a business deduction against income.

No income tax credits could reduce the amount of the credit recapture. Any amount of unused low-income housing credit, carryforwards and carrybacks, were also to be decreased by the amount of the recapture.

Refund of Estimated Tax Payments

A corporation which determined that it had overpaid its estimated tax could file for a quick refund or adjustment of the overpayment even before it filed its return. 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.

Regular Tax

See Income Tax, in this section.

Regulated Investment Company

A regulated investment company had to be a domestic corporation registered with the Securities and Exchange Commission. The company was registered as a management company, business development company, or a unit investment trust (defined under the Investment Act of 1940) or a common trust fund or similar fund (excluded from the definition of investment company under the 1940 Act) which was not exempt from taxation as a corporation under section 584 of the Internal Revenue Code.

A regulated investment company was required to derive at least 90 percent of its gross income from dividends, interest, payments related to securities loans, and gains from the sale of stock or securities, foreign currencies, or other income related to its business of investing in such stock, securities or currencies. Less than 30 percent of the total gross income could be derived from the sale or other disposition of any of the following held for less than three months: stock or securities, options, futures, forward contracts, or foreign currencies not directly related to company's principal business.

Certain restrictions also applied to the deduction for dividends paid (excluding capital gain dividends) of a regulated investment company. This deduction had to equal or exceed the sum of: 90 percent of the company's taxable income (without regard to the dividend deduction) and 90 percent of its net income from tax exempt obligations.

Certain rules limiting diversified investments were also imposed on a regulated investment company. The company was required to meet those rules at the close of each quarter of its taxable year. At least 50 percent of its total assets had to be cash and cash items (including receivables), Government securities, securities of other regulated investment companies and other securities.

Limitations were further imposed on the amount of securities that could be issued to a regulated investment company by any one issuer. For a single issuer, the value of securities was limited to 5 percent of the total assets of the regulated investment company and to 10 percent of the outstanding voting securities of the issuer. Not more than 25 percent of the total assets of the regulated investment company could be invested in securities of any one issuer, or of two or more issuers (if controlled by the regulated investment company) engaged in the same or similar trades or businesses.

If a regulated investment company had more than

one fund, each fund was treated as a separate corporation for income tax purposes.

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. Some corporations reported taxes paid and other specific expenses with rents paid. When identified, those items were included in the statistics for the respective deductions and excluded from Rents Paid.

Rent identified as part of the cost of sales and operations, or capitalized under Section 263A, was excluded from cost of sales and included in the statistics as rent paid on business property.

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. Corporations engaged in manufacturing, public utilities, wholesale and retail trade, and services frequently leased rather than sold their products. The rental income of those companies was included in the statistics for Business Receipts, rather than in Rents. For real estate operators and condominium management and cooperative housing associations, rental income was included in Business Receipts rather than in Rents, if the expense schedule indicated that the owner operated the building rather than leased it. Rent received by hotels, motels and other lodging places was also included in Business receipts.

No rent is reported for Regulated Investment Companies or S corporations.

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 permanent improvements which increased the cost or basis of the property were treated as capital expenditures and were generally depreciable.

Research Activities Credit (*)

The Tax Reform Act of 1986 made several major changes to the research credit and the 1988 Tax Act extended the credit for qualified expenses incurred through 1989. The Revenue Reconciliation Act of 1990 extended the research credit through December 31, 1991. In addition, the requirement of the proration of research expenditures incurred during 1990 found in a special rule was repealed.

The research credit was the sum of: 1) 20 percent of the excess of qualified research expenses for the current year over the average research expenses in the base period (the three immediately preceding tax years), and 2) 20 percent of the university basic research payments. The base period research expenses could never comprise less than half of the qualified research expenses for the current tax year. In the case of a short taxable year, research expenditures were annualized.

Starting in 1986, research was limited to research undertaken to discover information, technological in nature and useful in the development of a new or improved business component. The research had to be conducted within the United States and could not involve the social sciences or humanities. Research funded by another person, by a grant, or by a government agency was ineligible for the credit.

The research activities credit (but not the orphan drug credit) was claimed as one of the components of the general business credit. For a discussion of the income tax limitations and carryback and carryforward provisions of the credit, see: General Business Credit.

The research activities credit was included (as a component) in the general business credit shown in the tables. The components of the general business credit were shown separately in Table 21.

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 (for certain finance companies), reserves for plant expansion, bond retirements, contingencies for extraordinary losses and general loss reserves. Also included were the total amount of all the companies reserves not defined as valuation reserves or reserves included in

other liabilities. Specifically excluded were the reserves for bad debts, depreciation, depletion, and amortization, which are shown separately in this report. Unrealized appreciation was included in retained earnings unappropriated. Unrealized profits were included in other liabilities. Unearned income, if not current, was also included in other liabilities. Any amount of retained earnings not identified as appropriated or unappropriated was considered unappropriated for purposes of these statistics.

Retained Earnings, Unappropriated (*)

Retained earnings, unappropriated, consisted of the retained earnings and profits of the corporation less any reserves (these reserves are shown in the statistics as Retained Earnings, Appropriated). For the 1990 tables, Form 1120S accumulated adjustments account, other adjustments account, other retained earnings, and shareholders' undistributed taxable income previously taxed where not shown seperately but were included in retained earnings, unappropriated. Dividends and distributions to stockholders were paid from this account. These accumulated earnings included income from normal and discontinued operations, extraordinary gains or losses and prior period adjustments. Also included were undistributed or undivided earnings (income or profits), and earned surplus. For railroads, these earnings included additions to property and funded debt retired through income and surplus. Net amounts, after reduction for negative amounts reported, were presented in the statistics.

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 (Code section 6012(a)(2)). Inactive corporations were 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 gross payments received, generally on an agreed percentage basis, for the use of propertyrights before taking deductions for depletion, taxes, etc. Included were amounts received from such properties as copyrights, patents, and trademarks; and from natural resources such as timber, mineral mines, and oil wells. Expenses relating to royalties, depletion or taxes, were not deducted directly from this income, but were reported among the various business deductions from total gross income. No royalties are included in the statistics for Regulated Investment Companies, Real Estate Investment Trusts and S corporations.

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 treated as a long-term capital gain. 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), Noncapital Assets.

S Corporation Returns

Form 1120S, U.S. Income Tax Return for an S Corporation, was filed by corporations electing to be taxed through their shareholders under Code section 1362.

To qualify as an S 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 35 shareholders;
(2) have as a shareholder a person (other than an estate or trust) who was not an individual;
(3) have a nonresident alien as a shareholder;
(4) have more than one class of stock;

An S corporation also could not be a financial institution that was a bank, including certain mutual savings banks, cooperative banks, and domestic building and loan associations, or an insurance company (other than certain stock casualty companies). A corporation electing a possessions tax credit could not also elect to be an S corporation. A FSC or an IC-DISC or former DISC was also excluded from making an election to be treated as an S corporation.

An election could be terminated, when among other reasons, an S corporation had for each of three consecutive tax years: both Subchapter C earnings and profits and more than 25 percent of gross receipts derived from passive investment income as defined in Section 1362(d)(3)(D).

Every S corporation was required to file a return on Form 1120S even though it may not have been subject to tax. The corporation reported gross income and allowable deductions from its ordinary trade or business activities. The corporation's ordinary income was passed through (deemed distributed) to its shareholders. Generally, each shareholder's share of the income (loss) and expenses of the corporation was passed through pro-rata on a per-share, daily basis. The income or loss from passive investments were also passed through to the shareholders. The net income (or loss) from the business operations and the passive investment activities were reported on Schedule K of the Form 1120S.

As a result of the Tax Reform Act of 1986, for tax years which began after December 31, 1986, all S corporations regardless of when they became S corporations were required to use a permitted tax year. A permitted tax year was a tax year ending December 31 (a calendar tax year) or any other ending accounting period, if the S corporation established a business purpose for the accounting period to the satisfaction of the Internal Revenue Service. Subsequent changes to this provision allowed S corporations an election to have an accounting period other than the permitted tax year. Certain restrictions were imposed on the election. The deferral period between tax years could not be longer than 3 months and the S corporation could be a member of a tiered structure that consisted only of partnerships or S corporations.

Also added by the 1986 Tax Act, Code section 469 generally limited shareholders from offsetting any income that was not from passive activities with losses from passive activities. The shareholders also could only offset taxes on income from passive activities with credits from those passive activities. These limitations required that S corporations report income or loss separately on Schedule K for each of the following types of passive activities: (1) rental real estate activity, (2) rental activity other than real estate rental, and (3) portfolio income and related expenses not derived in the ordinary course of a trade or business, such as interest, dividends and royalties, for example.

A tax on built-in capital gains was imposed on corporations which elected to be S corporations after December 31, 1986. An S corporation could be liable for the built-in gains tax if:

(1) it was a corporation with subchapter C earnings and profits prior to making the election to be treated as an S corporation,

(2) it had a recognized built-in gain within 10 years from the first day of the first tax year it became an S corporation,

(3) the recognized built-in gains for the tax year did not exceed the net unrealized built-in gain minus the recognized built-in gains that were subject to tax for prior years within the recognition period (10 years).

The net unrealized built-in gain was the amount by which the fair market value of the assets of the S corporation exceeded the aggregate adjusted basis of the assets held by the corporation on the first day of its first effective tax year as an S corporation. Any gain on the disposition of those assets was to be considered as a recognized built-in gain by the S corporation during the first 10 years of its existence.

The tax was imposed on the lesser of: (a) the recognized built-in gain for the tax year or (b) an amount of taxable income computed as though the corporation were not an S corporation. For corporations which elected to be treated as S corporations on or after March 31, 1988, any built-in gains in excess of the current year taxable income limitation was to be treated as a recognized built-in gain for the following tax year.

For purposes of computing the taxable amount of the built-in gains, the S corporation was allowed a carryforward of any net operating loss (NOL) or capital loss from the period when it was not an S corporation. Certain business credit carryforwards from when an S corporation was a C corporation could also reduce the tax on recognized built-in gains. The tax was imposed at a 34 percent rate. The recognized built-in gains tax was included in the statistics for Total Income Tax.

If a corporation made an election to be treated as an S corporation before January 1, 1987, a tax was imposed on certain capital gains of the S corporation. An existing corporation that elected to become an S corporation was subject to a 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 S corporation for each year of its existence was not subject to the tax at all. Section 1374 of the Code before the enactment of the Tax Reform Act of 1986 provided that the tax be imposed on the lower of the following: (1) 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, or (2) net income computed as though the corporation were not an S corporation. For this purpose, the amount of capital gain was also determined using a substituted basis for the asset (i.e., the basis that was transferred from another corporation which was not also an electing S corporation). After July 1987, capital gains were taxed at the regular income tax rate of 34 percent for all corporations.

Foreign tax credit, U.S. possessions tax credit, orphan drug credit, nonconventional source fuel credit, and general business credit were not available to the corporation to reduce this tax. (The cost of investment credit property was allocated to shareholders for their use in computing their credits.) Also, see Excess Net Passive Income Tax.

Size of Business Receipts

Returns for nonfinance industries were classified by size of gross receipts from sales and operations. Returns of industries within the finance, insurance, and real estate industrial division, were classified by size of total receipts (the sum of business receipts and investment income).

See: Business Receipts and Total Receipts.

Size of Income Tax After Credits

This classification was based on the amount of total income tax less the sum of credits for: foreign taxes; U.S. possessions tax; orphan drug research; the production or sale of fuels from nonconventional sources; general business incentives; and prior year minimum tax. Total income tax included the regular tax, personal holding company tax, recapture taxes for investment credit and low-income housing credit, alternative minimum tax, environmental tax, branch tax (Form 1120F), taxes paid by real estate investment trusts on certain income from: foreclosure property, failure to meet source of income requirements, and prohibited transactions (Tax from Part II, Part III, and Part IV, Form 1120-REIT, respectively), tax on undistributed net capital gain of regulated investment companies (Tax from Part II, line 4, Form 1120-RIC), taxes paid by S corporations on excess net passive income, certain capital gains, and net recognized built-in gains, and adjustments to income tax. For S corporations, only the tax on certain net recognized built-in gains was reduced by a carryover of general business credits from previous years as a C corporation.

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.

Statutory Special Deductions

Statutory special deductions represented the sum of the deductions for: (1) net operating losses of prior years, (2) total special deductions as defined by the Code, i.e., the sum of deductions for dividends received and for dividends paid on certain preferred stock of public utilities, (3) deduction for dividends paid for Regulated Investment Companies and Real Estate Investment Trusts, and (4) Section 857(b)(2)(E) deduction reported by Real Estate Investment Trusts. Since these deductions were allowed by law, in addition to ordinary and necessary business deductions, they were shown in the statistics as deductions from net income. In general, net income less statutory special deductions equaled income subject to tax. However, the dividend deduction was 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. Special deductions for dividends were not allowed to S corporations which elected to be taxed through shareholders. However, S corporations, which were C corporations prior to the S election, could reduce their net recognized built-in gains by the net operating loss carried forward from those years as a C corporation.

The statutory special deductions contained in the statistics were defined as follows:

(1) Net operating loss deduction (NOLD)-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, consisted 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 would be reported on amended income tax returns. Amended income tax returns were not 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 15 years. A corporation however, could carry back for 10 years, the part of a net operating loss attributable to a product liability loss.

Real Estate Investment Trusts (REIT's) could not carry back any net operating loss (NOL) but could carryover the NOL for fifteen years. Regulated Investment Companies (RIC's) were not allowed a NOLD. S corporations which were formerly C corporations were allowed to use any carryover of net operating losses from previous years as a C corporation. However, this carryover could reduce only the net recognized built-in gains of the S corporation. The former provisions for a ten year carryback and five year carryover period for banks was repealed for taxable years that began after 1986. Thereafter, banks were generally allowed a carryback period of 3 years and a carryover period for 15 years. Except that, a special 10 year carryback provision was allowed to certain commercial banks which used the specific charge-off method for computing bad debts.

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 the excess of allowable deductions over gross income with certain adjustments: no NOLD was allowed, and capital losses were only deductible to the extent of capital gains. A deduction for dividends received was allowed without regard to limitations.

(2) Total special deductions-For stock acquired after March 1, 1986, no deduction was allowable if the corporation held the stock for 45 days or less, or 90 days or less if it was cumulative preferred stock. The total special deductions contained in this report were the sum of the following deductions:

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

(1) Deductions equal to 70 percent of dividends received from less than 20 percent owned domestic corporations, and 80 percent of dividends received from 20 percent or more owned domestic corporations -- These particular deductions accounted for the major portion of the dividends received deduction. A small business investment company, operating under the Small Business Investment Act of 1958 could deduct 100 percent of dividends received from domestic corporations subject to income tax.

(2) A deduction reduced from the 80 percent/70 percent dividends received from debt-financed portfolio stock - The 80 percent/70 percent deduction was reduced by a percentage that was related to the amount of debt incurred to acquire the stock. This reduction was calculated by multiplying the difference between 100 percent and the average portfolio indebtedness by 80 percent or 70 percent, depending on the percentage of ownership.

(3) A deduction equal to 70 percent of certain dividends received from less than 20 percent owned foreign corporations and 80 percent of certain dividends received from 20 percent or more owned 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. To qualify for the deduction the corporation must own at least 10 percent of the stock of the foreign corporation by vote and value.

(4) A deduction equal to 100 percent of certain qualifying dividends received by members of an affiliated group not electing to file consolidated returns, but sharing instead, one set of graduated income tax brackets under Code section 1561;

(5) 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;

(6) Deductions equal to about 41 percent of dividends received on certain preferred stock of less than 20 percent owned public utilities and about 47 percent of dividends received on certain preferred stock of 20 percent or more owned public utilities for which a dividends paid deduction, described below, was also allowed the distributing corporation;

(7) 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) Limitation on the Dividends Received Deduction-The aggregate amount of dividends received deductions that a corporation could take was limited to 70 percent (80 percent for 20 percent owned corporations) of its taxable income. For limitation purposes taxable income was computed without regard to any net operating loss deduction, dividends received or paid deduction or capital loss carryback. The limitation did not apply for the year if the full dividends received deduction resulted in a net operating loss. Small business investment companies were also excluded from this limitation.

(c) 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 41 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.

(3) Deduction for Dividends Paid for Regulated Investment Companies and Real Estate Investment Trusts-The deduction for dividends paid as reported by Regulated Investment Companies and Real Estate Investment Trusts was generally the sum of (1) dividends paid during the taxable year, (2) the consent dividends for the taxable year, and (3) for personal holding companies, the dividend carryover as described in Code section 564.

For Regulated Investment Companies, the deduction must equal or exceed the sum of: 90 percent of its taxable income (excluding the dividend deduction) and 90 percent of its net income from tax exempt obligations.

For Real Estate Investment Companies, the deduction must equal or exceed the sum of: 95 percent of its Real Estate Investment Trust taxable income (excluding the dividend deduction and any net capital gain) and 95 percent of the excess of its net income from foreclosure property over the tax imposed on such income by Code section 857(b)(4)(A), minus any excess noncash income as determined under Code section 857(e).

(4) Section 857(b)(2)(E) deduction reported by Real Estate Investment Trusts-This deduction was equivalent to the tax imposed on Real Estate Investment Trusts that fail to meet the income requirements. Specifically, a 100 percent tax was imposed on the net income attributable to the greater of the amounts by which the trust failed to meet the 75 percent or 95 percent income test as outlined in the definition for Real Estate Investment Trusts.

Taxable Income

See Income Subject to Tax.

Tax Due at Time of Filing

Tax due was the amount by which the income tax liability at the time the return was filed exceeded payments and credits for certain taxes previously paid. For a corporation to have an income tax liability, the regular income tax less certain credits plus other taxes were not reduced to zero. The regular income tax could be reduced to zero by credits for: foreign taxes, possessions tax, orphan drug research, the production or sale of fuels from nonconventional sources, general business incentives, and prior year minimum tax. Other taxes consisted of: tax on the undistributed income of personal holding companies; recapture taxes of investment credit and low-income housing credit; environmental tax; tax on excess net passive income, certain net long-term capital gains, and net recognized built-in gains of S corporations; tax on the undistributed net capital gain of regulated investment companies; tax on the net income of foreclosure property, failure to meet income requirements, and prohibited transactions of real estate investment trusts; and the branch tax of foreign corporations.

Based on this total income tax, tax due was the amount of the remaining tax liability plus any penalty for underpayment of estimated tax 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) estimated tax payments less refunds; (d) credit for federal taxes on fuels; (e) overpaid windfall profit tax; (f) prior year overpayment of tax applied to current year; (g) credit by reciprocal for tax paid under Code section 835(d); and (h) 1988 special estimated tax payments from property and casualty insurance companies.

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.

Some adjustments were made to income tax returns by the taxpayer and included in the tax due. Adjustments made to income tax returns after they were filed could affect the final tax liability and the tax due. Such adjustments were not reflected in the statistics. Adjustments could result from tax examination or the use of carryback provisions for: net operating losses; certain capital losses; unused foreign taxes paid or accrued; and unused general business credits. See: Income Tax and Adjustments to Tax Due or Overpayment.

Tax from Recomputing Prior Year Investment Credit

See Recapture of Investment Credit.

Tax from Section I (Form 1120F)

This tax was reported by foreign corporations on Form 1120F. The tax was imposed on U.S. source income not directly related to a business activity conducted in the United States, (i.e. not effectively connected income). The income was generally taxed at a flat 30 percent rate or at tax treaty rates if lower. The tax treaty rates resulted from negotiated treaties between the United States and the country in which the foreign company was incorporated. Fifty percent of the income received by foreign companies from transportation activities that began and ended in the United States was treated as U.S. source income. The U.S. source transportation income was taxed at a 4 percent rate. U.S. source income that was not effectively connected income of foreign corporations was subject to withholding provisions for U.S. income tax.

U.S. tax reported on Section I of Form 1120F was included in the statistics only for those resident foreign companies which also had income that was effectively connected with the conduct of a trade or business in the United States. Foreign corporations which did not conduct business activities in the United States but had U.S. source income were also required to report the income and U.S. tax on section I of the Form 1120F. The U.S. tax for these companies was excluded from the statistics.

Tax from Section I was not included in the statistics for Total Income Tax, because the Section I tax was generally withheld from income at the source while total income tax was generally a computed tax liability based on taxable income. Section I tax was not included in the statistics for Tax Due or Tax Overpayment. This tax was presented separately in Tables 10, 11, and 20.

Tax From Section II (Form 1120F)

U.S. tax was imposed on income from the trade or business activities conducted in the United States by resident foreign corporations. Income from those trade or business activities was reported on Section II of the Form 1120F as effectively connected income and was subject to the regular U.S. corporate tax rates. Foreign corporations which did not conduct business activities in the United States could elect to treat income from U.S. real property as effectively connected income and were allowed regular business deductions against that income. Foreign companies organized in U.S. possessions to conduct banking business were generally required to report interest received on U.S. obligations as effectively connected income. Any gain or loss from the disposition of U.S. real property by foreign corporations was also treated as effectively connected income for U.S. tax purposes. This portion of U.S. source income of resident foreign corporations was included in the statistics for Income Subject to Tax.

Section II tax was the U.S. tax on the effectively connected income of resident foreign corporations. This tax was regular income tax reduced by credits for: foreign taxes (for foreign corporations this was actually taxes paid to the United States on the effectively connected income), the production and sale of fuels from nonconventional sources, orphan drug research, general business incentives, and prior year minimum tax. The recapture taxes of investment credit and low-income housing credit were added to the balance of regular tax after credits. Section II tax was presented separately in Tables 10, and 11. Any alternative minimum tax and environmental tax reported by foreign corporations were added to this tax and included in the statistics for Total Income Tax.

Tax Overpayment

Tax overpayment was the excess amount of payments and credits, for taxes previously paid, over total income tax liability at the time the return was filed. For a corporation to have an income tax liability, the regular income tax less certain credits plus other taxes were not reduced to zero. The regular income tax could be reduced to zero by credits for: foreign taxes, possessions tax, orphan drug research, the production or sale of fuels from nonconventional sources, general business incentives, and prior year minimum tax.

Other taxes consisted of: tax on the undistributed income of personal holding companies; recapture taxes of investment credit and low-income housing credit; environmental tax; tax on excess net passive income, certain net long-term capital gains, and net recognized built-in gains of S corporations; tax on the undistributed net capital gain of regulated investment companies; tax on the net income of foreclosure property, failure to meet income requirements, and prohibited transactions of real estate investment trusts; and the branch tax of foreign corporations.

Based on this total income tax, the tax overpayment was the amount by which certain payments and credits exceeded the tax liability plus any penalty for underpayment of estimated tax. The payments and credits represented the sum of: (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) estimated tax payments less refunds; (d) credit for Federal tax on special fuels; (e) overpaid windfall profit tax; (f) prior year overpayment of tax applied to current year; (g) credit by reciprocal for tax paid under Code section 835(d); and (h) special estimated tax payments from property and casualty insurance companies.

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

Some adjustments were made to income tax returns by the taxpayer and included in overpayment. Adjustments made to income tax returns after they were filed could affect the final tax liability and the tax overpayment. Such adjustments were not reflected in the statistics. Adjustments could result from tax examination or the use of carryback provisions for: net operating losses; certain capital losses; unused foreign taxes paid or accrued; and unused general business credits. See: Income Tax; Tax Due at Time of Filing, and Adjustments to Tax Due or Overpayment.

Tax Preference Items

See Alternative Minimum Tax.

Tax-Exempt Securities

This balance sheet asset item comprised (1) state and local government obligations, the interest on which is excludible from gross income under section 103(a), and (2) stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the corporation. Examples included bond anticipation notes, project notes, Public Housing Authority bonds, and state and local revenue bonds.

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 operations 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; excise taxes, import and tariff duties; business, license and privilege taxes; and the environmental tax. Income and profit taxes paid to foreign countries or U.S. possessions were also deductible unless claimed as a credit against income tax. However, S corporations (primarily taxed through their shareholders) had to exclude any foreign taxes paid or accrued from the deduction for taxes paid in computing their net income from trade or business activities. Instead, the foreign taxes were passed through to the shareholders for their use as a foreign tax credit (or a deduction). Regulated investment companies also had to exclude those foreign taxes from the deduction for taxes when they elected under Code section 853 to allow their stockholders to claim a foreign tax credit (or a deduction) for the foreign taxes paid. (However, if the election were not made, a regulated investment company could include foreign taxes paid in the deduction for taxes or claim a foreign tax credit.) See Foreign Tax Credit.

Taxes not deductible generally included Federal income and excess profits taxes (the environmental tax was an exception), gift taxes, taxes assessed against local benefits, and certain other taxes, including state or local taxes that were paid or incurred in connection with an acquisition or disposition of property. Taxes related to the acquisition of property were to be treated as part of the cost of the property, while taxes related to the disposition of property were to be treated as a reduction in the amount realized from the disposition.

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 may not have been identified and therefore, would not have been included in the statistics for taxes paid.

Total Assets amd 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 total 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 tax return or by using either reference books or relationships between income statement and balance sheet items on similar returns in the same major industrial group.

Tax returns filed by life insurance companies on Forms 1120L did not provide a separate schedule for reporting balance sheet information. Most life insurance companies did; however, attach copies of their annual statements to their federal income tax returns. The annual statements were produced for administering State law; they were not official income tax forms produced by the Internal Revenue Service. The asset and liability data contained in this report for these companies were obtained from the annual statements and reference books. These sources were also used for any other insurance company when the U.S. income tax return did not include a separate schedule for reporting the balance sheet data. Balance sheet data for mutual property and casualty insurance companies were extracted from the income tax return, Form 1120-PC, rather than the annual statement, beginning with Tax Year 1987. Previously, these companies filed tax returns on Form 1120M, which did not include a balance sheet. The balance sheet data were then extracted from the annual statement attached to the returns.

Stock property and casualty insurance companies also filed income tax returns on the Form 1120-PC, beginning with 1987. However, prior to 1987, these companies reported balance sheet data on the income tax return, Form 1120 or Form 1120-A, rather than on an annual statement.

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 small non-life insurance companies, with net or written premiums (whichever was greater) over $350,000 but not over $1,200,000, total deductions represented only investment expenses; underwriting business expenses were excluded by law.

See also, Total Receipts.

Total Income Tax

The statistics for Total Income Tax, Income Tax, Total, and Income Tax before Credits include:

(1) regular income tax before reduction by any tax credits, which included tax on certain net long-term capital gains, and net recognized built-in gains of S corporations (see Income Tax, in this section);
(2) personal holding company tax (described under a separate heading);
(3) recapture of investment credit (described under a separate heading);
(4) recapture of low-income housing credit (described under a separate heading);
(5) alternative minimum tax;
(6) environmental tax;
(7) tax on excess net passive income of S corporations (described under a separate heading);
(8) tax on undistributed net capital gain as provided under Code section 852(b)(3) for regulated investment companies ("Tax from Part II, line 4 (1120-RIC," in the statistics);
(9) tax from certain income of real estate investment trusts:
    (a) net income on foreclosure property ("Tax from Part II, 1120-REIT," in the statistics);
    (b) section 857(b) income from failure to meet source of income requirements ("Tax from Part III, 1120-REIT," in the statistics); and
    (c) net income from prohibited transactions ("Tax from Part IV, 1120-REIT," in the statistics);
(10) the branch tax computed by foreign corporations on the earnings and profits and interest income of their U.S. branches (Form 1120 F); and
(11) any adjustments to total income tax.

Some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture taxes of investment credit and low-income housing credit. A small number of corporations without net income and regular tax reported

such taxes on their income tax returns. These taxes were included in the statistics for total income tax. See also Income Tax for a description of: (1) returns without net income having regular tax and (2) taxes not included in the statistics for returns with adjustments to tax from tax examination or use of carryback provisions of tax credits.

See also, Adjustments to Total Tax.

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 (2) tax-exempt 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.

Long-term capital gains were excluded for Regulated Investment Companies and Real Estate Investment Trusts. Short-term capital gains were excluded for S corporations.

For certain small non-life insurance companies, with net or direct written premiums (whichever was greater) over $350,000 but not over $1,200,000, the gross taxable receipts included in the statistics represented only the receipts from investments; underwriting income was excluded by law. (See also Total Deductions.)

Total Receipts Less Total Deductions(*)

For Tax Year 1990 this item differed from net income (less deficit) for tax purposes in that it included nontaxable Interest on State and local Government Obligations and Long-term Capital Gain for Forms 1120-RIC and 1120 S 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.

Total Special Deductions

See Statutory Special Deductions.

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), the Tax Reform Act of 1976 added a tax credit - the U.S. possessions tax credit in lieu of the ordinary foreign tax credit. Under Code section 936, the U.S. possessions tax credit was equal to the U.S. tax on a corporation's income from the active conduct of a trade or business within a possession, the sale or exchange of all of the assets used in the trade or business, as well as certain qualified possession source investment income. To claim the credit, corporations had to make an election to be treated as a U.S. Possessions Corporation. The election was generally effective for ten years and could not be revoked except by IRS consent. After the tenth year, the corporation could revoke the election without consent. For each year in which the credit was claimed, the corporation had to satisfy the requirements of two income tests under Code section 936. For the applicable period, a domestic corporation had to receive: (1) at least 80 percent of its gross income from sources within a U.S. possession, and (2) at least 75 percent of its gross income from the active conduct of a trade or business within a U.S. possession. The applicable period was the lesser of 3 years immediately preceding the close of the current taxable year or the period during which the corporation was engaged in the active conduct of a trade or business within a U.S. possession. A Possessions Corporation could not claim a foreign tax credit for the same taxes claimed as a possessions tax credit. In addition, during the period of an effective election, a Possessions Corporation was prohibited from joining in a consolidated income tax return.

U.S. Tax Paid or Withheld at the Source (Form1120F) (*)

These were U.S. taxes reported by foreign corporations on Form 1120F. This item included taxes paid or withheld on income related to a U.S. business activity (i.e. effectively connected income) and income not directly related to a U.S. trade or business (i.e. not effectively connected income). In tax year 1990, U.S. income tax paid or withheld at source included both

effectively and not effectively connected income which is shown in Tables 10, 11, and 18. Resident foreign corporations which did conduct a trade or business in the U.S. reported taxes or withheld:

(a) from the gains from any disposition of U.S. real property (as reported on Form 8288-A); and
(b) on effectively connected income allocable to foreign partners (as reported on Form 8805).

The U.S. taxes paid or withheld at source for foreign corporations which were not involved in a U.S. trade or business were not included in the statistics for "Total Income Tax," "Tax Due," or "Tax Overpayment." These foreign corporations were also required to report the income and taxes paid or withheld on section I of the Form 1120F.

Zero Assets (*)

In general, returns in this size class of total assets 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. Prior to the 1990 statistics, balance sheet data for U.S. branches of foreign insurance companies were included in the statistics and were classified by the size of total assets of these branches. See also, Size of Total Assets.

Section 6 FORMS AND INSTRUCTIONS

Form 1120 (1990)
U.S. Corporation Income Tax Return, 219

Form 1120-A (1990)
U.S. Short-Form Corporation Income Tax Return, 221

Schedule D, Form 1120 (1990)
Capital Gains and Losses, 230

Form 1120F (1990)
U.S. Income Tax Return of a Foreign Corporation, 231

Form 1120L (1990)
U.S. Life Insurance Company Income Tax Return, 242

Form 1120-PC (1990)
U.S. Property and Casualty Insurance Company Income Tax Return, 252

Form 1120-REIT (1990)
U.S. Income Tax Return for Real Estate Investment Trusts, 262

Form 1120-RIC (1990)
U.S. Income Tax Return for Regulated Investment Companies, 268

Form 1120S (1990)
U.S. Income Tax Return for an S Corporation, 274

Schedule D, Form 1120S (1990)
Capital Gains and Losses and Built-in Gains, 286

Form 3800 (1990)
General Business Credit, 289

Form 4562 (1990)
Depreciation and Amortization, 291

Form 4626 (1990)
Alternative Minimum Tax--Corporations (including environmental tax), 295

Form 6765 (1990)
Credit for Increasing Research Activities, 298

Form 8801 (1990)
Prior Year Minimum Tax Credit, 300

Form **1120**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 1990 or tax year beginning _____, 1990, ending _____, 19____
▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

OMB No. 1545-0123
1990

Check if a—
A Consolidated return ☐
B Personal holding co. ☐
C Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T—see Instructions) ☐

Use IRS label. Otherwise, please print or type.

Name
Number, street, and room or suite no. (If a P.O. box, see page 2 of Instructions.)
City or town, state, and ZIP code

D Employer identification number
E Date incorporated
F Total assets (see Specific Instructions) $

G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address

Income	1a	Gross receipts or sales ____ b Less returns and allowances ____ c Bal ▶	1c	
	2	Cost of goods sold (Schedule A, line 7)	2	
	3	Gross profit (line 1c less line 2)	3	
	4	Dividends (Schedule C, line 19)	4	
	5	Interest	5	
	6	Gross rents	6	
	7	Gross royalties	7	
	8	Capital gain net income (attach Schedule D (Form 1120))	8	
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)	9	
	10	Other income (see Instructions—attach schedule)	10	
	11	**Total income**—Add lines 3 through 10 ▶	11	
Deductions (See Instructions for limitations on deductions.)	12	Compensation of officers (Schedule E, line 4)	12	
	13a	Salaries and wages ____ b Less jobs credit ____ c Balance ▶	13c	
	14	Repairs	14	
	15	Bad debts	15	
	16	Rents	16	
	17	Taxes	17	
	18	Interest	18	
	19	Contributions (**see Instructions for 10% limitation**)	19	
	20	Depreciation (attach Form 4562) 20	21b	
	21	Less depreciation claimed on Schedule A and elsewhere on return 21a	22	
	22	Depletion	23	
	23	Advertising	24	
	24	Pension, profit-sharing, etc., plans	25	
	25	Employee benefit programs	26	
	26	Other deductions (attach schedule) ▶	27	
	27	**Total deductions**—Add lines 12 through 26	28	
	28	Taxable income before net operating loss deduction and special deductions (line 11 less line 27)	29c	
	29	**Less:** a Net operating loss deduction (see Instructions) 29a; b Special deductions (Schedule C, line 20) 29b	30	
Tax and Payments	30	**Taxable income**—Line 28 less line 29c	31	
	31	**Total tax** (Schedule J, line 10)		
	32	**Payments:** a 1989 overpayment credited to 1990 32a; b 1990 estimated tax payments 32b; c Less 1990 refund applied for on Form 4466 32c ( ) d Bal ▶ 32d	32h	
		e Tax deposited with Form 7004 32e; f Credit from regulated investment companies (attach Form 2439) 32f; g Credit for Federal tax on fuels (attach Form 4136). See Instructions 32g	33	
	33	Enter any **penalty** for underpayment of estimated tax—Check ▶ ☐ if Form 2220 is attached	34	
	34	**Tax due**—If the total of lines 31 and 33 is larger than line 32h, enter amount owed	35	
	35	**Overpayment**—If line 32h is larger than the total of lines 31 and 33, enter amount overpaid **Refunded** ▶	36	
	36	Enter amount of line 35 you want: **Credited to 1991 estimated tax** ▶		

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 _____

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed ☐ Preparer's social security number

Firm's name (or yours if self-employed) and address ▶ _____ E.I. No. ▶ _____ ZIP code ▶ _____

Schedule A Cost of Goods Sold (See Instructions for line 2, page 1.)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4a	Additional section 263A costs (see Instructions—attach schedule)	4a	
b	Other costs (attach schedule)	4b	
5	**Total**—Add lines 1 through 4b	5	
6	Inventory at end of year	6	
7	**Cost of goods sold**—Line 5 less line 6. Enter here and on line 2, page 1	7	

8a 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 adopted 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 8c
d Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No
e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

Schedule C Dividends and Special Deductions (See Instructions.)

	(a) Dividends received	(b) %	(c) Special deductions: (a) × (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		See Instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		41.176	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		47.059	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 **Total**—Add lines 1 through 8. See Instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities (see Instructions)			
19 **Total dividends**—Add lines 1 through 17. Enter here and on line 4, page 1. ▶			

20 **Total deductions**—Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶

Schedule E Compensation of Officers (See Instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are $500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	Percent of corporation stock owned (e) Preferred	(f) Amount of compensation
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	

2	Total compensation of officers	
3	**Less:** Compensation of officers claimed on Schedule A and elsewhere on return	( )
4	Compensation of officers deducted on line 12, page 1	

Schedule J Tax Computation

1 Check if you are a member of a controlled group (see sections 1561 and 1563) ▶ ☐

2 If the box on line 1 is checked:
- a Enter your share of the $50,000 and $25,000 taxable income bracket amounts (in that order): (i) $ (ii) $
- b Enter your share of the additional 5% tax (not to exceed $11,750) ▶ $

3 Income tax (see Instructions to figure the tax). Check this box if the corporation is a qualified personal service corporation (see Instructions on page 12). ▶ ☐ — 3

4a Foreign tax credit (attach Form 1118) — 4a
- b Possessions tax credit (attach Form 5735) — 4b
- c Orphan drug credit (attach Form 6765) — 4c
- d Credit for fuel produced from a nonconventional source (see Instructions) — 4d
- e General business credit. Enter here and check which forms are attached: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586 — 4e
- f Credit for prior year minimum tax (attach Form 8801) — 4f

5 Total—Add lines 4a through 4f — 5

6 Line 3 less line 5 — 6

7 Personal holding company tax (attach Schedule PH (Form 1120)) — 7

8 Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611 — 8

9a Alternative minimum tax (attach Form 4626). See Instructions — 9a
- b Environmental tax (attach Form 4626) — 9b

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

Additional Information (See General Instruction F.)

	Yes	No
H Refer to the list in the Instructions and state the principal: (1) Business activity code no. ▶ (2) Business activity ▶ (3) Product or service ▶		
I (1) Did the corporation 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) before NOL and special deductions of such 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 the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (c). (a) Attach a schedule showing name, address, and identifying number. (b) Enter percentage owned ▶ (c) Was the owner of such voting stock a foreign person? (See Instructions.) **Note:** *If "Yes," the corporation may have to file Form 5472.* If "Yes," enter owner's country ▶		
J Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation.		

	Yes	No
K At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See General Instruction F and filing requirements for form TD F 90-22.1.) If "Yes," enter name of foreign country ▶		
L Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.		
M During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's 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, did the corporation maintain any part of its accounting/tax records on a computerized system?		
O Check method of accounting: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶		
P Check this box if the corporation issued publicly offered debt instruments with original issue discount ☐ If so, the corporation may have to file Form 8281.		
Q Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		
R Enter the number of shareholders at the end of the tax year if there were 35 or fewer shareholders ▶		

Schedule L Balance Sheets

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see Instructions)				
6 Other current assets (attach schedule)				
7 Loans to stockholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach schedule)				
15 Total assets				
Liabilities and Stockholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach schedule)				
19 Loans from stockholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities (attach schedule)				
22 Capital stock: a Preferred stock				
b Common stock				
23 Paid-in or capital surplus				
24 Retained earnings—Appropriated (attach schedule)				
25 Retained earnings—Unappropriated				
26 Less cost of treasury stock		( )		( )
27 Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of Income per Books With Income per Return

(This schedule does not have to be completed if the total assets on line 15, column (d), of Schedule L are less than $25,000.)

1 Net income per books		7 Income recorded on books this year not included on this return (itemize): a Tax-exempt interest $	
2 Federal income tax			
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize): a Depreciation $	
5 Expenses recorded on books this year not deducted on this return (itemize): a Depreciation $		b Contributions carryover $	
b Contributions carryover $			
c Travel and entertainment $			
6 Total of lines 1 through 5		9 Total of lines 7 and 8	
		10 Income (line 28, page 1)—line 6 less line 9	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 25, Schedule L)

(This schedule does not have to be completed if the total assets on line 15, column (d), of Schedule L are less than $25,000.)

1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income per books		b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
4 Total of lines 1, 2, and 3		7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	

*U.S. Government Printing Office: 1990 — 265-252

Form **1120-A**
Department of the Treasury
Internal Revenue Service

U.S. Corporation Short-Form Income Tax Return

Instructions are separate. See them to make sure you qualify to file Form 1120-A.

For calendar year 1990 or tax year beginning _____, 1990, ending _____, 19____

OMB No. 1545-0890

1990

A Check this box if corp. is a personal service corp. (as defined in Temp. Regs. sec. 1.441-4T—see Instructions) ▶ ☐

Use IRS label. Otherwise, please print or type.

Name

Number, street, and room or suite no. (If a P.O. box, see page 2 of Instructions.)

City or town, state, and ZIP code

B Employer identification number

C Date incorporated

D Total assets (see Specific Instructions) $

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Change in address

F Check method of accounting: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶

Income

1a	Gross receipts or sales	b Less returns and allowances	c Balance ▶ 1c
2	Cost of goods sold (see Instructions)		2
3	Gross profit (line 1c less line 2)		3
4	Domestic corporation dividends subject to the 70% deduction		4
5	Interest		5
6	Gross rents		6
7	Gross royalties		7
8	Capital gain net income (attach Schedule D (Form 1120))		8
9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)		9
10	Other income (see Instructions)		10
11	**Total income**—Add lines 3 through 10 ▶		11

Deductions (See Instructions for limitations on deductions.)

12	Compensation of officers (see Instructions)		12
13a	Salaries and wages	b Less jobs credit / c Balance ▶	13c
14	Repairs		14
15	Bad debts		15
16	Rents		16
17	Taxes		17
18	Interest		18
19	Contributions **(see Instructions for 10% limitation)**		19
20	Depreciation (attach Form 4562)	20 / 21a	21b
21	Less depreciation claimed elsewhere on return		22
22	Other deductions (attach schedule)		23
23	**Total deductions**—Add lines 12 through 22 ▶		24
24	Taxable income before net operating loss deduction and special deductions (line 11 less line 23)		25c
25	**Less:** a Net operating loss deduction (see Instructions) 25a / b Special deductions (see Instructions) 25b		26

Tax and Payments

26	**Taxable income**—Line 24 less line 25c		27
27	**Total tax** (Part I, line 7)		
28	**Payments:**		
a	1989 overpayment credited to 1990 28a		
b	1990 estimated tax payments 28b		
c	Less 1990 refund applied for on Form 4466 28c ( ) Bal ▶	28d	
e	Tax deposited with Form 7004	28e	
f	Credit from regulated investment companies (attach Form 2439)	28f	
g	Credit for Federal tax on fuels (attach Form 4136). See Instructions	28g	
h	**Total payments**—Add lines 28d through 28g		28h
29	Enter any **penalty** for underpayment of estimated tax—Check ▶ ☐ if Form 2220 is attached		29
30	**Tax due**—If the total of lines 27 and 29 is larger than line 28h, enter amount owed		30
31	**Overpayment**—If line 28h is larger than the total of lines 27 and 29, enter amount overpaid		31
32	Enter amount of line 31 you want: **Credited to 1991 estimated tax** ▶ **Refunded** ▶		32

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 _____

Paid Preparer's Use Only

Preparer's signature _____ Date _____ Check if self-employed ▶ ☐ Preparer's social security number

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.

Form **1120-A** (1990)

Part I Tax Computation

1	Income tax (see Instructions to figure the tax). Check this box if the corp. is a qualified personal service corp. (see Instructions). ▶ ☐		1
2a	General business credit. Check if from: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586	2a	
b	Credit for prior year minimum tax (attach Form 8801)	2b	
3	**Total credits**—Add lines 2a and 2b		3
4	Line 1 less line 3		4
5	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611		5
6	Alternative minimum tax (attach Form 4626). See Instructions		6
7	**Total tax**—Add lines 4 through 6. Enter here and on line 27, page 1.		7

Additional Information (See General Instruction F.)

G Refer to the list in the Instructions and state the principal:

(1) Business activity code no. ▶ _____

(2) Business activity ▶ _____

(3) Product or service ▶ _____

H Did any individual, partnership, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) Yes ☐ No ☐

If "Yes," attach schedule showing name, address, and identifying number.

I Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $

J (1) If an amount for cost of goods sold is entered on line 2, page 1, complete (a) through (c):

(a) Purchases (see Instructions)

(b) Additional sec. 263A costs (see Instructions—attach schedule)

(c) Other costs (attach schedule)

(2) Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? Yes ☐ No ☐

K At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See General Instruction F for filing requirements for form TD F 90-22.1.) Yes ☐ No ☐

If "Yes," enter the name of the foreign country ▶ _____

L Enter amount of cash distributions and the book value of property (other than cash) distributions made in this tax year ▶ $

Part II Balance Sheets

		(a) Beginning of tax year	(b) End of tax year
Assets			
1	Cash		
2a	Trade notes and accounts receivable	( )	( )
b	Less allowance for bad debts		
3	Inventories		
4	U.S. government obligations		
5	Tax-exempt securities (see Instructions)		
6	Other current assets (attach schedule)		
7	Loans to stockholders		
8	Mortgage and real estate loans		
9a	Depreciable, depletable, and intangible assets	( )	( )
b	Less accumulated depreciation, depletion, and amortization		
10	Land (net of any amortization)		
11	Other assets (attach schedule)		
12	Total assets		
Liabilities and Stockholders' Equity			
13	Accounts payable		
14	Other current liabilities (attach schedule)		
15	Loans from stockholders		
16	Mortgages, notes, bonds payable		
17	Other liabilities (attach schedule)		
18	Capital stock (preferred and common stock)		
19	Paid-in or capital surplus		
20	Retained earnings		
21	Less cost of treasury stock	( )	( )
22	Total liabilities and stockholders' equity		

Part III Reconciliation of Income per Books With Income per Return (Must be completed by all filers.)

1	Net income per books	6	Income recorded on books this year not included on this return (itemize)
2	Federal income tax	7	Deductions on this return not charged against book income this year (itemize)
3	Excess of capital losses over capital gains	8	Income (line 24, page 1). Enter the sum of lines 1 through 5 less the sum of lines 6 and 7
4	Income subject to tax not recorded on books this year (itemize)		
5	Expenses recorded on books this year not deducted on this return (itemize)		

☆ U.S. GPO: 1990-265-254 E.I.43-1410168

1990

Department of the Treasury
Internal Revenue Service

Instructions for Forms 1120 and 1120-A

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. 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.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to IRS
1120	68 hrs., 24 min.	39 hrs., 51 min.	70 hrs., 38 min.	8 hrs., 2 min.
1120-A	43 hrs., 17 min.	24 hrs., 24 min.	42 hrs., 56 min.	4 hrs., 50 min.
Sch. D (1120)	6 hrs., 28 min.	3 hrs., 41 min.	6 hrs., 45 min.	48 min.
Sch. PH (1120)	15 hrs., 32 min.	7 hrs., 6 min.	9 hrs., 31 min.	32 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget,** Paperwork Reduction Project (1545-0123), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see the Instructions on page 2 for information on where to file.

Voluntary Contributions To Reduce the Public Debt

Quite often inquiries are received about how to make voluntary contributions to reduce the public debt. A corporation may contribute by enclosing with the tax return a check made payable to "Bureau of the Public Debt." Voluntary contributions to reduce the public debt are deductible subject to the rules and limitations for charitable contributions.

Important Change

New **Form 8826,** Disabled Access Credit, has been developed as a result of the addition of section 44 by the Revenue Reconciliation Act of 1990. This allows eligible small businesses to claim a new nonrefundable income tax credit equal to 50% of expenses that are over $250 and not more than $10,250. These expenses must be paid or incurred after November 5, 1990, to enable a small business to comply with the requirements of the Americans With Disabilities Act of 1990. An eligible small business is one with gross receipts of $1 million or less in the previous tax year or one that had not more than 30 full-time employees in the previous tax year. Examples of expenses eligible for the credit include amounts paid or incurred: **(1)** to remove barriers that prevent a business from being accessible to, or usable by, individuals with disabilities; **(2)** to provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals; **(3)** to provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or **(4)** to acquire or modify equipment or devices for individuals with disabilities.

General Instructions

Note: *In addition to those publications listed throughout these instructions, taxpayers may wish to get:* ***Pub. 534,*** *Depreciation;* ***Pub. 535,*** *Business Expenses; and* ***Pub. 542,*** *Tax Information on Corporations.*

A. Purpose of Form

In general, **Form 1120,** U.S. Corporation Income Tax Return, and **Form 1120-A,** U.S. Corporation Short-Form Income Tax Return, are used to report the corporation's income, gains, losses, deductions, credits, and to figure their income tax liability.

B. Filing Form 1120 and Form 1120-A

Who Must File

Domestic corporations not required to file a special return (see below), must file Form 1120, unless they qualify to file Form 1120-A. All domestic corporations (including corporations in bankruptcy) must file, whether or not they have any taxable income, unless exempt under section 501.

Note: *If an organization more nearly resembles a corporation than a partnership or trust, it will be considered an association taxed as a corporation.*

Who May File Form 1120-A

Form 1120-A may be filed by a corporation if it meets **all** of the following requirements:

- Its gross receipts (line 1a on page 1) must be under $500,000.
- Its total income (line 11 on page 1) must be under $500,000.
- Its total assets (line 12, column (b), Part II on page 2) must be under $500,000.
- It does not have any ownership in a foreign corporation.
- It does not have foreign shareholders who own, directly or indirectly, 50% or more of its stock.
- It is not a member of a controlled group of corporations (sections 1561 and 1563).
- It is not a personal holding company (sections 541 through 547).
- It is not a consolidated corporate return filer.
- It is not a corporation undergoing a dissolution or liquidation.
- It is not filing its final tax return.
- Its only dividend income is from domestic corporations (none of which represents debt-financed securities), and those dividends qualify for the 70% deduction.
- It has no nonrefundable tax credits other than the general business credit and the credit for prior year minimum tax.
- It is not subject to environmental tax under section 59A.
- It has no liability for interest under section 453(l)(3) or 453A(c) (relating to certain installment sales) or installment payments of tax under section 453C or 1363(d).
- It is not required to file a special tax return as stated below under **Special Returns for Certain Organizations.**

Special Returns for Certain Organizations

Certain organizations, listed below, have to file special returns.

- Foreign corporations other than life and property and casualty insurance companies filing Forms 1120L and 1120-PC: File Form 1120F.
- Foreign sales corporations (section 922): File Form 1120-FSC.
- Life insurance companies (section 801): File Form 1120L.
- Property and casualty insurance companies (section 831): File Form 1120-PC.
- Farmers' cooperatives (section 1381): File Form 990-C.
- Exempt organizations with unrelated trade or business income: File Form 990-T.
- S corporations (section 1361): File Form 1120S.
- Interest charge domestic international sales corporations (section 992): File Form 1120-IC-DISC.
- Political organizations (section 527): File Form 1120-POL.
- Condominium management associations and residential real estate management associations that elect to be treated as homeowners associations under section 528: File Form 1120-H.
- Funds set up to pay for nuclear decommissioning costs (section 468A): File Form 1120-ND.
- Designated settlement funds (section 468B): File Form 1120-DF.
- Real estate investment trusts (section 856): File Form 1120-REIT.
- Entities that elect to be treated as real estate mortgage investment conduits (REMICs) under section 860D: File Form 1066.
- Regulated investment companies (section 851): File Form 1120-RIC.

When To File

In general, a corporation must file its income tax return 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.

Extension.—File Form 7004, Application for Automatic Extension of Time To File Corporation Income Tax Return, to request an automatic 6-month extension of time to file.

Period covered.—File the 1990 return for calendar year 1990 and fiscal years that begin in 1990 and end in 1991. For a fiscal year, fill in the tax year space at the top of the form.

Note: *The 1990 Form 1120 may also be used if: (1) the corporation has a tax year of less than 12 months that begins and ends in 1991; and (2) the 1991 Form 1120 is not available by the time the corporation is required to file its return. However, the corporation must show its 1991 tax year on the 1990 Form 1120 and incorporate any tax law changes that are effective for tax years beginning after December 31, 1990.*

Initial return, final return, and change in address.—If this is the corporation's first return, check the "Initial return" box in item G, Form 1120, or item E, Form 1120-A. If the corporation ceases to exist, check the "Final return" box in item G and **do not file Form 1120-A;** use Form 1120. Indicate a change in address by checking the appropriate box. **Form 8822,** Change of Address, can be filed to notify IRS of a change of address that occurs after the return is filed.

Address.—Include the suite, room, or other unit number after the street address. If a pre-addressed label is used, please include this information on the label.

If the Post Office does not deliver mail to the street address and the corporation has a P.O. box, show the P.O. box number instead of the street address.

Where To File

Use the preaddressed envelope. If you do not use the envelope, file your return at the applicable IRS address listed below.

If the corporation's principal business, office, or agency is located in ▼	Use the following Internal Revenue Service Center address ▼
New Jersey, New York (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
Florida, Georgia, South Carolina	Atlanta, GA 39901
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

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 a corporate officer filled in the corporate tax return, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares the tax return and does not charge the corporation, that person should not sign the return. Certain others who prepare the tax return should not sign. For example, a regular, full-time employee of the corporation, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare the tax return must sign it 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 the tax return to the taxpayer in addition to the copy filed with IRS.

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.

Generally, corporations engaged in farming operations must use the accrual method of accounting. See section 447 for exceptions.

Generally, corporations (other than qualified personal service corporations) are required to use the accrual method of accounting if their average annual gross receipts are more than $5,000,000. See section 448(c). A corporation changing to the accrual method because of this provision must complete **Form 3115,** Application for Change in Accounting Method, and attach it to Form 1120 for the year of change. The corporation must also show on a statement accompanying Form 3115 the period over which the section 481(a) adjustment will be taken into account and the basis for that conclusion. See section 448 and Temporary Regulations sections 1.448-1T(g) and 1.448-1T(h) for more information. Include the amount reportable as income in 1990 under section 481(a) on line 10, page 1.

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. Also see **Pub. 538,** Accounting Periods and Methods.

The percentage of completion method, including the look-back method under section 460(b), is generally the only permissible method of accounting for long-term contracts entered into on or after July 11, 1989.

Certain contracts, including real property construction contracts, may continue to be accounted for under the permissible methods of accounting for long-term contracts under prior law. However, an election can be made not to recognize income under a long-term

contract and not to take into account any costs allocable to the long-term contract if less than 10 percent of the estimated total contract costs have been incurred as of the end of the tax year. See section 460(b)(5) for more details. An election to use the 10% method will apply to all long-term contracts entered into during the tax year the election is made and to any later tax year.

See section 460; Notice 87-61, 1987-2 C.B. 370; Notice 88-66, 1988-1 C.B. 552; and Notice 89-15, 1989-1 C.B. 634 for more information.

Change in accounting period.—Generally, before changing an accounting period, the Commissioner's approval must be obtained (Regulations section 1.442-1) by filing **Form 1128,** Application to Adopt, Change, or Retain a Tax Year. Also see Pub. 538.

Personal service corporations as defined in Temporary Regulations section 1.441-4T (see the Instructions for Item C on page 5) must adopt a calendar year unless:

(1) the corporation can establish to the satisfaction of the Commissioner that there is a business purpose for having a different tax year, or

(2) the corporation elects under section 444 to have a tax year other than a calendar year.

Personal service corporations that wish to establish a business purpose for having a different tax year should see Rev. Rul. 87-57, 1987-2 C.B. 117, for more information. Also see Rev. Proc. 87-32, 1987-2 C.B. 396, for procedures to use in adopting, retaining, or changing the corporation's tax year. Personal service corporations that wish to adopt or retain a noncalendar tax year must file requests to do so on Form 1128 in accordance with the procedures outlined in Rev. Proc. 87-32.

Personal service corporations that wish to elect under section 444 to have a tax year other than a calendar year must file **Form 8716,** Election To Have a Tax Year Other Than a Required Tax Year. Generally, Form 8716 must be filed by the earlier of: **(1)** the 15th day of the 5th month following the month that includes the 1st day of the tax year for which the election will be effective, or **(2)** the due date (not including extensions) of the income tax return resulting from the section 444 election. Electing corporations are subject to minimum distribution requirements under section 280H(c) for each year the election is in effect. If the corporation fails to make the required minimum distributions, the deduction allowable for certain amounts paid to employee-owners is limited to a maximum deductible amount under section 280H(d). Amounts not allowed as a deduction for the tax year are carried over to the following tax year. Complete **Schedule H (Form 8716),** Section 280H Limitations for a Personal Service Corporation (PSC), to figure the required minimum distributions and the maximum deductible amount, if applicable.

2. Rounding Off to Whole-Dollar Amounts

The corporation 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. Depositary Method of Tax Payment

The corporation must pay the tax due in full when the return is filed but no later than the 15th day of the 3rd month after the end of the tax year.

Deposit corporation income tax payments (and estimated tax payments) with a Federal Tax Deposit Coupon **(Form 8109).** Be sure to darken the "1120" box on the coupon. Make these tax deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve bank or branch servicing the geographic area where the corporation is located. Do not submit deposits directly to an IRS office; otherwise, the corporation may be subject to a failure to deposit penalty. Records of deposits will be sent to IRS for crediting to the corporation's account. See the instructions contained in the coupon book (Form 8109) for more information.

To help ensure proper crediting to your account, write your employer identification number, "Form 1120," and the tax period to which the deposit applies on your check or money order.

To get more deposit coupons, use the reorder form **(Form 8109A)** provided in the coupon book.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656.

For more information concerning deposits, see **Pub. 583,** Taxpayers Starting a Business.

4. Backup Withholding

If the corporation has had income tax withheld from any payments it received because, for example, it failed to give the payer its correct employer identification number, it may claim a credit on Form 1120 (or 1120-A) for the total amount withheld. This type of withholding is called "backup withholding." Show the amount withheld in the blank space in the right hand column between lines 31 and 32h, page 1, Form 1120 and label the amount as "backup withholding." Also include the amount in the total for line 32h. On Form 1120-A, show the amount withheld on the dotted line to the left of line 28h, page 1, and label the amount as "backup withholding." Also include the amount in the total for line 28h.

5. Estimated Tax

Generally, a corporation must make estimated tax payments if it can expect its estimated tax (income tax minus credits) to be $500 or more. Use **Form 1120-W,** Corporation Estimated Tax, as a worksheet to compute estimated tax. Use the deposit coupons (Forms 8109) in making deposits of estimated tax.

If a corporation is the beneficiary of a trust, and the trust makes a section 643(g) election to credit its estimated tax payments to its beneficiaries, include the corporation's share of the estimated tax payment in the total amount entered on line 32b, Form 1120. In the blank space to the left of the entry space for line 32b, write "T" and the amount attributable to it. On Form 1120-A, include the corporation's share of the section 643(g) payment on line 28b and identify it as shown above for Form 1120.

If the corporation overpaid estimated tax, it 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 the expected income tax liability, and **(2)** at least $500. To apply, file Form 4466 after the end of the tax year, but before the 16th day of the 3rd month thereafter, and before the corporation files its tax return.

6. Timing Change in Deducting Accrued Expenses

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that all events have occurred that determine the liability, and the amount of the liability can be figured with reasonable accuracy. However, generally all the events that establish liability for the amount are treated as occurring only when economic performance takes place. There are exceptions for recurring items. See section 461(h).

7. Rule of 78's Not an Acceptable Method of Figuring Interest

Taxpayers are reminded that, generally, the Rule of 78's is not an acceptable method for computing interest income and expense. Anyone using the Rule of 78's should see Revenue Procedures 84-27, 84-28, 84-29, and 84-30, (which are in Cumulative Bulletin 1984-1) to change their method.

D. Interest and Penalties

A corporation may be subject to interest and penalty charges if the corporation files a late return or fails to pay tax when due unless it can show that the failure to file or pay was due to reasonable cause and not willful neglect.

1. Interest.—Interest is charged on taxes not paid by the due date even if an extension of the time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

2. Late Filing of Return.—A corporation that fails to file its return when due (including extensions of time for filing) may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is more

than 60 days late is the smaller of the tax due or $100.

3. Late Payment of Tax.—The penalty for late payment of taxes is usually ½ of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the amount due. This penalty may also apply to any additional tax not paid within 10 days of the date of the notice and demand for payment.

4. Underpayment of Estimated Tax.—A corporation that fails to make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. In general, to avoid the estimated tax penalty, the corporation must make estimated tax payments of at least the smaller of 90% of the tax shown on the return or 100% of its prior year's tax. See section 6655 for details and exceptions.

Form 2220, Underpayment of Estimated Tax by Corporations, is used to see if the corporation owes a penalty and to figure the amount of the penalty. Generally, the corporation does not have to file this form because IRS can figure the amount of any penalty and bill the corporation for it. However, you must complete and attach Form 2220 even if the corporation does not owe the penalty if: **(a)** the annualized income or adjusted seasonal installment method is used, or **(b)** the corporation is a "large corporation" computing its first required installment based on the prior year's tax. If you attach Form 2220, be sure to check the box on line 33, Form 1120, or line 29, Form 1120-A, and enter the amount of any penalty on this line.

5. Other Penalties.—There are also penalties that can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

E. Other Forms, Returns, Schedules, and Statements That May Be Required

1. 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 Annuities, Pensions, Retired Pay, or IRA Payments.

Form 720, Quarterly Federal Excise Tax Return. A new 10% excise tax applies to the first retail sale of the following items sold after December 31, 1990, to the extent the sales price exceeds the amounts shown: **(1)** passenger vehicles, $30,000; **(2)** boats and yachts, $100,000; **(3)** aircraft, $250,000; and **(4)** jewelry and furs, $10,000. Form 720 is also used to report environmental excise taxes, communications and air transportation taxes, fuel taxes, manufacturers taxes, ship passenger tax, and certain other excise taxes.

Form 966, Corporate Dissolution or Liquidation.

Forms 1042 and **1042S,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding. Use these forms to report and transmit withheld tax on payments or distributions made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent such payments or distributions constitute gross income from sources within the U.S. (see sections 861 through 865). For more information, see sections 1441 and 1442, and **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Form 1098, Mortgage Interest Statement. This form is used to report the receipt from any individual of $600 or more of mortgage interest in the course of the corporation's trade or business for any calendar year.

Forms 1099-A, B, DIV, INT, MISC, OID, PATR, R, and **S.** Information returns for reporting abandonments, acquisitions through foreclosure, proceeds from broker and barter exchange transactions, certain dividends and distributions, interest payments, payments for certain fishing boat crew members, medical and dental health care payments, direct sales of consumer goods for resale, miscellaneous income payments, nonemployee compensation, original issue discount, patronage dividends, total distributions from profit-sharing plans, retirement plans, individual retirement arrangements, insurance contracts, etc., and proceeds from real estate transactions. Also use these returns to report amounts that were received as a nominee on behalf of another person.

For more information see the instructions for Form 1099.

Note: *Every corporation must file information returns if, in the course of its trade or business, it makes payments of rents, commissions, or other fixed or determinable income (see section 6041) totaling $600 or more to any one person during the calendar year.*

Form 5452, Corporate Report of Nondividend Distributions.

Form 5498, Individual Retirement Arrangement Information. Use this form to report contributions (including rollover contributions) to an individual retirement arrangement (IRA) and the value of an IRA or simplified employee pension account.

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, IC-DISC benefits, and FSC benefits.

Form 8264, Application for Registration of a Tax Shelter. It is used by tax shelter organizers to register tax shelters with the IRS, for the purpose of receiving a tax shelter registration number.

Form 8271, Investor Reporting of Tax Shelter Registration Number. It is used by taxpayers who have acquired an interest in a tax shelter, which is required to be registered, to report the tax shelter's registration number. Form 8271 must be attached to any tax return (including an application for tentative refund (Form 1139) and an amended return (Form 1120X)) on which a deduction, credit, loss, or other tax benefit attributable to a tax shelter is taken or any income attributable to a tax shelter is reported.

Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. This form is generally required to be filed by issuers of public offerings of debt instruments within 30 days of the issuance of the debt instrument.

Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business. Generally, this form is used to report the receipt of more than $10,000 in cash or foreign currency in one transaction (or a series of related transactions).

Form 8594, Asset Acquisition Statement, is to be filed by both the purchaser and seller of a group of assets constituting a trade or business if goodwill or a going concern value attaches, or could attach, to such assets and if the purchaser's basis in the assets is determined only by the amount paid for the assets.

Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. A corporation that was a shareholder in a passive foreign investment company (as defined in section 1296) at any time during the tax year must complete and attach this form to its return.

Form 8697, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts. Use this form to figure the interest due or to be refunded under the look-back method of section 460(b)(3) on certain long-term contracts entered into after February 28, 1986, that are accounted for under either the percentage of completion-capitalized cost method or the percentage of completion method.

The look-back method also applies to the new 10-percent method for long-term contracts entered into after July 10, 1989, and accounted for under the percentage of completion method. Attach Form 8697 to the tax return if the corporation owes interest but not if interest is to be refunded. See the instructions for Form 8697.

Form 8810, Corporate Passive Activity Loss and Credit Limitations. Closely held corporations and personal service corporations, which are subject to the passive activity limitations of section 469, use this form to compute their allowable passive activity loss and credit.

Form 8817, Allocation of Patronage and Nonpatronage Income and Deductions. Certain cooperatives that have patronage and nonpatronage source income and deductions must complete and attach this form to the return.

2. 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 income per books with income per return.
- A reconciliation of retained earnings.

Attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

3. Statements

Stock ownership in foreign corporations.—Attach the required statement to Form 1120 if the corporation owned 5% or more in value of the outstanding stock of a foreign personal holding company and the corporation was required to include in its gross income any undistributed foreign personal holding company income from 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; or acquires, disposes of, or owns 5% or more ownership in the outstanding stock of a foreign corporation, may have to file **Form 5471,** Information Return of U.S. Persons With Respect to Certain Foreign Corporations.

A domestic corporation controlled by a foreign person or a foreign corporation that is engaged in a trade or business in the United States may have to file **Form 5472,** Information Return of a Foreign or Foreign-Owned Corporation Engaged in a U.S. Trade or Business.

Transfers to a corporation controlled by the transferor.—If a person receives stock 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 to their respective tax returns the information required by Regulations section 1.351-3.

4. Amended Return

Use **Form 1120X,** Amended U.S. Corporation Income Tax Return, to correct any error in a previously filed Form 1120 or Form 1120-A.

5. Financial Statements

A corporation is not required to complete Schedules M-1 and M-2 (Form 1120 only) if the corporation's total assets at the end of the tax year (line 15, column (d) of Schedule L, Form 1120) are less than $25,000.

6. Attachments

Attach **Form 4136,** Credit for Federal Tax on Fuels, after page 4, Form 1120, or page 2, Form 1120-A. Attach schedules in alphabetical order and other forms in numerical order after the Form 4136.

Please complete every applicable entry space on Form 1120. Do not attach statements and write "See attached" in lieu of completing the entry spaces on Form 1120.

If more space is needed on the forms or schedules, attach separate sheets indicating at the top of each attachment the form number or schedule letter of the form or schedule being continued. Also, show the same information called for on the form in the same order as on the printed forms. **Be sure to show totals on the printed forms.** Please use sheets that are the same size as the forms and schedules. Attach these separate sheets after all the schedules and forms. Also, put the corporation's name and employer identification number (EIN) on each sheet.

F. Additional Information

Be sure to answer questions H through R on page 3, Form 1120, or questions G through L on page 2, Form 1120-A. The instructions that follow are keyed to these questions.

1. Question I(2)(c), Form 1120 only

Foreign person.—The term foreign person means:

1. A foreign citizen or nonresident alien;
2. A foreign partnership;
3. A foreign corporation; or
4. Any 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.

2. Question K

Foreign financial accounts.—Check the "Yes" box if either **a** or **b** below applies to the corporation; otherwise, check the "No" box:

a. At any time during the year the corporation had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account); AND

- The combined value of the accounts was more than $10,000 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.

b. The corporation owns more than 50% of the stock in any corporation that would answer "Yes" to item **a** above.

Get form **TD F 90-22.1,** Report of Foreign Bank and Financial Accounts, to see if the corporation is considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If "Yes" is checked for this question, file form TD F 90-22.1 by June 30, 1991, with the Department of the Treasury at the address shown on the form. Form TD F 90-22.1 is not a tax return, so do not file it with Form 1120.

Form TD F 90-22.1 may be obtained from IRS Forms Distribution Centers.

Also, if "Yes" is checked for this question, write the name of the foreign country or countries. Attach a separate sheet if more space is needed.

3. Question Q, Form 1120, and Question I, Form 1120-A

Report any tax-exempt interest received or accrued in the space provided. Include any exempt-interest dividends received as a shareholder in a mutual fund or other regulated investment company.

Specific Instructions

Item C. Personal service corporation.—The term "personal service corporation" means a corporation whose principal activity during the testing period for the tax year is the performance of personal services that are substantially performed by employee-owners who own more than 10% of the fair market value of the corporation's outstanding stock as of the last day of the testing period for the tax year.

The testing period for a tax year is the tax year preceding the tax year, except for a new corporation. The testing period for a new corporation (one in its first tax year) is the period beginning on the first day of its first tax year and ending on the earlier of the last day of its first tax year or the last day of the calendar year in which the first tax year began.

Activities of the taxpayer that are treated as the performance of personal services are limited to activities of the taxpayer that involve the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting (as such fields are defined in Temporary Regulations section 1.448-1T(e)).

Personal services are substantially performed by employee-owners if more than 20% of the corporation's compensation cost for the testing period attributable to the performance of personal services is attributable to personal services performed by employee-owners.

A person is considered to be an employee-owner if the person is an employee of the corporation on any day of the testing period and the person owns any outstanding stock of the corporation on any day of the testing period. Stock ownership is determined under the attribution rules of section 318 (except that "any" is substituted for "50%" in section 318(a)(2)(C)).

For details, see Temporary Regulations section 1.441-4T.

Item D. Employer identification number.—If the employer identification

number (EIN) on the label is wrong or if the corporation did not receive a label, enter 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. This form may be obtained from most IRS and Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120 or Form 1120-A is mailed. If the EIN has not been received by the filing time for the corporation return, write "Applied for" in the space for the EIN.

For more information concerning an EIN, see Pub. 583.

Item F. 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.

Income

Note: *Generally, income from all sources, whether U.S. or foreign, must be included.*

Line 1

Gross receipts

Enter gross receipts or sales from all business operations except those that must be reported on lines 4 through 10. For reporting advance payments, see Regulations section 1.451-5. To report income from long-term contracts, see section 460.

Generally, the installment method cannot be used for dealer dispositions of property. See section 453(l) for details and exceptions. For dealer dispositions of property before March 1, 1986, dispositions of property used or produced in the trade or business of farming, and certain dispositions of timeshares and residential lots reported under the installment method, 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. For sales of timeshares and residential lots reported under the installment method, the corporation's income tax is increased by the interest payable under section 453(l)(3). To report this addition to the tax, see the instructions for line 10, Schedule J, Form 1120.

Accrual basis taxpayers need not accrue certain amounts to be received from the performance of services which, on the basis of their experience, will not be collected (section 448(d)(5)). This provision does not apply to any amount if interest is required to be paid on the amount or if there is any penalty for failure to timely pay the amount. Corporations that fall under this provision should attach a schedule showing total gross receipts, amount not accrued as a result of the application of section 448(d)(5), and the net amount accrued. The net amount should be entered on line 1a. For more information and guidelines on this "non-accrual experience method," see Temporary Regulations section 1.448-2T.

Line 2

Cost of goods sold

Both Form 1120 and Form 1120-A filers must enter their cost of goods sold on line 2, page 1, of their respective forms. However, a Form 1120 filer must also complete Schedule A on page 2 of the form.

While there is not a similar schedule on Form 1120-A to compute this entry, the following worksheet is provided to help in figuring this amount.

Note: *If a corporation is using either Schedule A, Form 1120, or the following worksheet to figure cost of goods sold and inventories are not an income-determining factor, enter zero on lines 1 and 6 of the schedule or worksheet.*

Form 1120 filers using Schedule A and Form 1120-A filers using the worksheet below should see the Instructions on page 7 before completing Schedule A or the worksheet.

Worksheet (Form 1120-A)

1.	Inventory at start of year (enter here and on page 2, Part II, line 3, column (a), Form 1120-A)	
2.	Purchases (enter here and on page 2, item J(1)(a), Form 1120-A)	
3.	Cost of labor (enter here and include in total on page 2, item J(1)(c), Form 1120-A)	
4a.	Additional section 263A costs (enter here and on page 2, item J(1)(b)) (see instructions)	
b.	Other costs (enter here and include on page 2, item J(1)(c))	
5.	Subtotal—Add lines 1 through 4b	
6.	Inventory at end of year (enter here and on page 2, Part II, line 3, column (b), Form 1120-A)	
7.	Total cost of goods sold. Line 5 less line 6 (enter here and on page 1, line 2, Form 1120-A)	

Inventory valuation methods. 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, 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 a change should be made by filing Form 3115. For more information about the change, see Regulations section 1.446-1(e)(3) and Rev. Proc. 84-74, 1984-2 C.B. 736 as modified by Rev. Proc. 88-15, 1988-1 C.B. 683.

On line 8a of Schedule A (Form 1120 only), check the method(s) used for valuing inventories. Under "lower of cost or market," the term *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 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" (i.e., because of damage, imperfections, shop wear, etc.) within the meaning of Regulations section 1.471-2(c). The goods may be valued at a current bona fide selling price, minus direct cost of disposition (but not less than scrap value) if such a price can be established. 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 Method, or a statement with the information required by Form 970. Also check the LIFO box on line 8b of Schedule A (Form 1120 only). Enter the amount or percent of total closing inventories covered under section 472 on line 8c. Estimates are acceptable.

If the corporation changed or extended its inventory method to LIFO and had to "write up" its opening inventory to cost in the year of election, report the effect of this writeup as income (line 10, page 1) proportionately over a 3-year period that begins in the tax year (section 472(d)).

Section 263A Uniform Capitalization Rules. See the uniform capitalization rules of section 263A discussed below before proceeding.

Schedule A, Form 1120, and Worksheet, Form 1120-A

Line 4a.—An entry is required on this line only for corporations that have elected a simplified method of accounting. In the case of taxpayers that have elected the simplified production method, additional section 263A costs are generally those costs, other than interest, that were not capitalized or included in the inventory costs under the taxpayer's method of accounting immediately prior to the effective date in Temporary Regulations section 1.263A-1T, but that are now required to be capitalized under section 263A. In the case of taxpayers that have elected a simplified resale method, additional section 263A costs are generally those costs incurred with respect to the following categories: off-site storage or warehousing; purchasing; handling, processing, assembly, and repackaging; and general and administrative costs (mixed service costs). Enter on line 4a the balance of section 263A costs paid or incurred during the tax year not included on lines 2 and 3. See Temporary Regulations section 1.263A-1T for more information.

Line 4b.—Enter on line 4b any costs paid or incurred during the tax year not entered on lines 2 through 4a.

Line 6.—See Temporary Regulations section 1.263A-1T for more information on computing the amount of additional

section 263A costs to be capitalized and added to ending inventory.

Line 4

Dividends

Form 1120-A filers.—Because Form 1120-A can be filed by corporations that only received dividends from domestic corporations (that are not from debt-financed stock) that qualify for the 70% dividends-received deduction, they should enter the total of those dividends on line 4, page 1, Form 1120-A.

Form 1120 filers.—See the Instructions for Schedule C, Form 1120.

Line 5

Interest

Enter taxable interest on U.S. obligations and on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest expense against interest income.

Special rules apply to interest income from certain below-market rate loans. See section 7872 for more information.

Line 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. A rental activity held by a closely held corporation or a personal service corporation may be subject to the passive activity loss rules. See Form 8810 and the related Instructions.

Line 8

Capital gain net income

Every sale or exchange of a capital asset must be reported in detail on **Schedule D (Form 1120),** Capital Gains and Losses, even though no gain or loss is indicated.

Line 9

Net gain or (loss)

Enter the net gain or (loss) from line 18, Part II, **Form 4797,** Sales of Business Property.

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 any adjustment under section 481(a) required to be included in income during the current tax year due to a change in a method of accounting; 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 to the extent they reduced income subject to tax in the year deducted (see section 111). Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, describe it in parentheses on line 10.

Deductions

Limitations on deductions

1. Section 263A uniform capitalization rules.—The uniform capitalization rules of section 263A require corporations to capitalize or include in inventory certain costs incurred in connection with the production of real and personal tangible property held in inventory or held for sale in the ordinary course of business. Tangible personal property produced by a taxpayer includes a film, sound recording, videotape, book, or similar property. The rules also apply to personal property (tangible and intangible) acquired for resale. Taxpayers subject to the rules are required to capitalize not only direct costs but an allocable portion of most indirect costs (including taxes) that relate to the assets produced or acquired for resale. Interest expense paid or incurred during the production period of certain property must be capitalized and is governed by special rules. For more information, see Notice 88-99, 1988-2 C.B. 422. The uniform capitalization rules also apply to the production of property constructed or improved by a taxpayer for use in its trade or business or in an activity engaged in for profit.

Section 263A does not apply to personal property acquired for resale if the taxpayer's annual average gross receipts are $10,000,000 or less. It does not apply to timber or to most property produced under a long-term contract. Special rules apply for farmers. The rules do not apply to property that is produced for use by the taxpayer if substantial construction has occurred before March 1, 1986.

In the case of inventory, some of the indirect costs that must be capitalized are administration expenses; taxes; depreciation; insurance; compensation paid to officers attributable to services; rework labor; and contributions to pension, stock bonus, and certain profit-sharing, annuity, or deferred compensation plans.

The costs required to be capitalized under section 263A are not deductible until the property to which the costs relate is sold, used, or otherwise disposed of by the corporation.

Current deductions may still be claimed for reasonable research and experimental costs under section 174, intangible drilling costs for oil and gas and geothermal property, and mining and exploration and development costs. Temporary Regulations section 1.263A-1T specifies other indirect costs that may be currently deducted and those that must be capitalized with respect to production or resale activities. For more information, see Temporary Regulations section 1.263A-1T.

2. Transactions between related taxpayers.—Generally, an accrual basis taxpayer may only deduct business expenses and interest owed to a related party in the year the payment is included in the income of the related party. See sections 163(j) and 267 for limitation on deductions for unpaid expenses and interest.

3. Section 291 limitations.—Corporations may be required to adjust deductions for depletion of iron ore and coal, intangible drilling and exploration and development costs, bad debt deductions for financial institutions, and the amortizable basis of pollution control facilities. See section 291 to determine the amount of adjustment.

4. Golden parachute payments.—A portion of the payments made by a corporation to key personnel that exceeds their usual compensation may not be deductible. This occurs when the corporation has an agreement (golden parachute) with these key employees to pay them these excessive amounts if control of the corporation changes. See section 280G.

5. Business startup expenses.—Business startup expenses are required to be capitalized unless an election is made to amortize them over a period of 60 months. See section 195.

6. Passive activity limitations.—Limitations on passive activity losses and credits under section 469 apply to closely held corporations (defined below) and personal service corporations as defined in Temporary Regulations section 1.441-4T (see the Instructions for item C on page 5). A corporation is a closely held corporation for this purpose if at any time during the last half of the tax year more than 50% in value of its outstanding stock is owned, directly or indirectly, by or for not more than 5 individuals, and the corporation is not a personal service corporation. Certain organizations are treated as individuals for purposes of this test. (See section 542(a)(2).) For rules of determining stock ownership, see section 544 (as modified by section 465(a)(3)).

There are two kinds of passive activities: trade or business activities in which the corporation did not materially participate for the tax year, and rental activities regardless of its participation. An activity is a trade or business activity if the activity involves the conduct of a trade or business (i.e., deductions from the activity would be allowable under section 162 if other limitations, such as the passive loss rules, did not apply), or research or experimental expenditures in the activity are deductible under section 174 (or would be deductible if the corporation chose to deduct rather than capitalize them), and the activity is not a rental activity. Temporary Regulations section 1.469-1T(g)(3) defines material participation of corporations.

Corporations subject to the passive activity limitations must complete **Form 8810,** Corporate Passive Activity Loss and Credit Limitations, to compute their allowable passive activity loss and credit. Before completing Form 8810, see Temporary Regulations section 1.163-8T, which provides rules for allocating interest expense among activities. If a passive activity is also subject to the at-risk rules of section 465, the at-risk rules apply

before the passive loss rules. For more information, see section 469, the temporary regulations thereunder, and **Pub. 925,** Passive Activity and At-Risk Rules.

Line 12

Compensation of officers

Besides entering officers' compensation deductible on line 12, filers of Form 1120 must complete Schedule E on page 2 if their total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are $500,000 or more. Do not include compensation deductible elsewhere on the return, such as amounts included in cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement.

Complete Schedule E, line 1, columns (a) through (f), for all officers. The corporation determines who is an officer under the laws of the state where incorporated.

In a consolidated return, each member of an affiliated group must furnish this information.

Line 13

Salaries and wages

Enter on line 13a the amount of total salaries and wages paid or incurred for the tax year. Do not include salaries and wages deductible elsewhere on the return, such as amounts included in cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement.

Caution: *If the corporation provided taxable fringe benefits to its employees, such as personal use of a car, do not deduct as wages the amount allocated for depreciation and other expenses that you claimed on lines 20 and 26, Form 1120, or lines 20 and 22, Form 1120-A.*

Enter on line 13b the amount of jobs credit from **Form 5884,** Jobs Credit.

Line 14

Repairs

Enter the cost of incidental repairs not claimed elsewhere on the return, such as labor and supplies, that do not add to the value of the property or appreciably prolong its life.

Line 15

Bad debts

Enter the total debts that became worthless in whole or in part during the tax year. A small bank or thrift institution using the reserve method should attach a schedule showing how it arrived at the current year's provision.

Line 16

Rents

If the corporation rented or leased a vehicle, enter the total annual rent or lease expense paid or incurred during the year. Also complete Part V of **Form 4562,**

Depreciation and Amortization. If the corporation leased a vehicle for a term of 30 days or more, the deduction for vehicle lease expense may have to be reduced by an amount called the **inclusion amount.** You may have an inclusion amount if:

The lease term began:	And the vehicle's fair market value on the first day of the lease exceeded:
After 12/31/86	$12,800
After 4/2/85 but before 1/1/87	$23,000
After 6/18/84 but before 4/3/85	$34,500

Note: *If the corporation leased a vehicle during 1986, and the tax year beginning in 1990 is the first tax year the vehicle was used 50% or less for business, you will need to figure an additional inclusion amount. You must figure this additional amount even if the corporation had no inclusion amount using the table shown above.*

See **Pub. 917,** Business Use of a Car, for instructions on how to figure the inclusion amount and additional inclusion amount.

Line 17

Taxes

Enter taxes paid or accrued during the tax year, but do not include the following:

1. Federal income taxes (except the environmental tax under section 59A);
2. Foreign or U.S. possession income taxes if a tax credit is claimed;
3. Taxes not imposed on the corporation; or
4. Taxes, including state or local sales taxes, that are paid or incurred in connection with an acquisition or disposition of property (such taxes must be treated as a part of the cost of the acquired property or, in the case of a disposition, as a reduction in the amount realized on the disposition).

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

If the corporation is liable for the environmental tax under section 59A, see **Form 4626,** Alternative Minimum Tax—Corporations, for computation of the environmental tax deduction.

Line 18

Interest

If the proceeds of a loan were used for more than one purpose (e.g., to purchase a portfolio investment and to acquire an interest in a passive activity), an interest allocation must be made. See Temporary Regulations section 1.163-8T for the interest allocation rules.

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(b).

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 1990 prepaid interest allocable to any period after 1990 can deduct only the amount allocable to 1990. See **Pub. 545,** Interest Expense.

Generally, the interest and carrying charges on straddles cannot be deducted and must be capitalized. See section 263(g).

See section 163(e)(5) which provides special rules for the disqualified portion of original issue discount on a high yield discount obligation.

Certain interest paid or accrued by the corporation (directly or indirectly) to a related person may be limited if no tax is imposed on such interest. See section 163(j) for more detailed information.

Do not deduct interest on debt allocable to the production of qualified property. Interest that is allocable to such property produced by a corporation for its own use or for sale must be capitalized. In addition, a corporation must also capitalize any interest on debt allocable to an asset used to produce the above property. See section 263A and Notice 88-99 for definitions and more information.

See section 7872 for special rules regarding the deductibility of foregone interest on certain below-market rate loans.

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, Form 1120, or line 26, Form 1120-A) computed without regard to the following:

1. Any deduction for contributions;
2. The special deductions on line 29b, Form 1120, or line 25b, Form 1120-A;
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.

Taxable income is modified in order to determine the amount of a net operating loss used in an intervening year (i.e., a year to which a net operating loss is carried but not fully absorbed). For this purpose, taxable income is computed by determining the net operating loss deduction for the year without regard to the net operating loss for the loss year or any later year. See section 172(b)(2). To the extent charitable contributions are

used to reduce taxable income for this purpose and increase a net operating loss carryover, a contributions carryover is not allowed. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid by the 15th day of the 3rd 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 and the total claimed deduction of all property contributed exceeds $500, corporations (except closely held and personal service corporations) must attach a schedule describing the kind of property contributed and the method used in determining its fair market value. Closely held corporations and personal service corporations must complete **Form 8283,** Noncash Charitable Contributions, and attach it to their returns. All other corporations generally must complete and attach Form 8283 to their returns for contributions of property other than money if the total claimed deduction for all property contributed was more than $5,000.

Also, a corporation must keep records, as required by the regulations for section 170, for all of its charitable contributions.

If the corporation made a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the donation, as well as 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, the corporation must reduce the contribution by the sum of:

1. The ordinary income, short-term capital gain that would have resulted if the property were sold at its fair market value, and

2. For certain contributions, all of the long-term capital gain that would have resulted if the property were sold at its fair market value.

The reduction for 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 (except stock for which market quotations are readily available—see section 170(e)(5)) 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 property to certain organizations, see section 170(e)(3) and Regulations section 1.170A-4A.

Charitable contributions of scientific property used for research. 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 on line 20 the part of the cost (up to $10,000) that the corporation elected to expense for certain tangible property placed in service during tax year 1990 or carried over from 1989. See the instructions for **Form 4562,** Depreciation and Amortization.

Line 22 (Form 1120 only)

Depletion

See sections 613 and 613A for percentage depletion rates applicable to natural deposits. Also, see section 291 for the limitation on the depletion deduction for iron ore and coal (including lignite).

Foreign intangible drilling costs and foreign exploration and development costs must either be added to the corporation's basis for cost depletion purposes or be deducted ratably over a 10-year period. See sections 263(i), 616, and 617 for more information.

Attach **Form T (Timber),** Forest Industries Schedules, if a deduction for depletion of timber is taken.

Line 24 (Form 1120 only)

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. There are penalties for failure to file these forms on time and for overstating the pension plan deduction. See sections 6652(e) and 6662(f).

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C/R.—Complete this form for each plan with fewer than 100 participants.

Form 5500EZ.—Complete this form for a one-participant plan.

Line 25 (Form 1120 only)

Employee benefit programs

Enter the amount of contributions to employee benefit programs not claimed elsewhere on the return (for example, insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

Line 26, Form 1120, and Line 22, Form 1120-A

Other deductions

Attach a separate sheet listing all allowable deductions that are not deductible elsewhere on Form 1120 (or 1120-A). Enter the total on this line.

Include on this line the deduction taken for amortization of pollution control facilities, organization expenses, etc. See Form 4562.

A corporation may deduct dividends it pays in cash on stock held by an employee stock ownership plan. However, a deduction may only be taken if, according to the plan, the dividends are:

1. Paid in cash directly to the plan participants or beneficiaries;

2. Paid to the plan, which distributes them in cash to the plan participants or their beneficiaries no later than 90 days after the end of the plan year in which the dividends are paid; or

3. Used to make payments on a loan described in section 404(a)(9).

See section 404(k) for more information and the limitation on certain dividends.

Generally, a deduction may not be taken for the amount of any item or part thereof allocable to a class of exempt income. See section 265(b) for exceptions.

Generally, the corporation can deduct only 80% of the amount otherwise allowable for meals and entertainment expenses paid or incurred in its trade or business. In addition, meals must not be lavish or extravagant; a bona fide business discussion must occur during, immediately before, or immediately after the meal; and an employee of the corporation must be present at the meal. See section 274(k)(2) for exceptions. If the corporation claims a deduction for unallowable meal expenses, it may have to pay a penalty.

Additional limitations apply to deductions for gifts, skybox rentals, luxury water travel, convention expenses, and entertainment tickets. See section 274 and **Pub. 463,** Travel, Entertainment, and Gift Expenses, for details.

Generally, a corporation can deduct all other ordinary and necessary travel and entertainment expenses paid or incurred in its 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 for an activity that is usually considered entertainment, amusement, or recreation. **Note:** *The corporation may be able to deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099-MISC for an independent contractor.*

Note: *Do not deduct penalties imposed on corporations such as those included in General Instruction D.*

Form 1120-A filers.—These filers should also include on line 22 of Form 1120-A the expenses described above for lines 22, 24, and 25 of Form 1120.

Line 28, Form 1120, and Line 24, Form 1120-A

Taxable income before NOL deduction and special deductions

"At-risk" rules.—Special "at-risk" rules under section 465 generally apply to closely held corporations (defined under **Passive activity limitations** on page 7) 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, Form 1120, or line 24, Form 1120-A. (See below.) But the at-risk rules do not apply to: (1) holding real property placed in service by the taxpayer before 1987; (2) equipment leasing under sections 465(c)(4), (5), and (6); and (3) any qualifying business of a qualified corporation under section 465(c)(7). However, the at-risk rules do apply to the holding of mineral property.

If the at-risk rules apply, adjust the amount on this line for section 465(d) losses. These losses are limited to the amount for which such corporation is at risk for each separate activity at the close of the tax year. If the corporation is involved in one or more activities, one or more of which incurs a loss for the year, report the losses for each activity separately. Attach **Form 6198,** At-Risk Limitations, showing the amount at risk and gross income and deductions for the activities with the losses.

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.

Line 29a, Form 1120, and Line 25a, Form 1120-A

Net operating loss deduction

The "net operating loss deduction" is the amount of the net operating loss carryovers and carrybacks that can be deducted in the tax year. See section 172(a). If this deduction is taken, explain its computation on an attached schedule.

Generally, a corporation 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. Personal service corporations are not permitted to carry back a net operating loss to or from any tax year to which a section 444 election applies.

A corporation may carry back 10 years the part of the net operating loss attributable to a product liability loss. See section 172(b)(1)(I). See Regulations section 1.172-13(c) for the required statement that must be attached to Form 1120 when claiming the 10-year carryback on product liability losses.

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. The election may be made by attaching a statement to a return that is filed on time (including extensions). The election is irrevocable. Section 172(b)(1) describes types of losses for which the 15-year carryover period does not apply. Also see section 172(b)(1)(M) for special rules for a corporation with an excess interest loss if the corporation had an equity reduction interest loss for any loss limitation year ending after August 2, 1989.

After applying the net operating loss to the first tax year to which it may be carried, the portion of the loss the corporation may carry to each of the remaining tax years is the excess, if any, of the loss over the sum of the modified taxable income for each of the prior tax years to which the corporation may carry the loss. See section 172(b).

If there is a carryback of a net operating loss, net capital loss, or an unused 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.

Caution: Do **not** attach Form 1139 to the corporation's income tax return. Mail it in a separate envelope and file it with the same service center the corporation files its income tax return.

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers. Also see **Pub. 536,** Net Operating Losses.

See section 382 for the limitation on the amount of taxable income of a loss corporation for any tax year ending after a post-1986 ownership change that may be offset by pre-change net operating loss carryovers. Also see Temporary Regulations section 1.382-2T(a)(2)(ii), which requires that a loss corporation file an information statement with its income tax return for each tax year that it is a loss corporation.

See section 384 for the limitation on the use of preacquisition losses of one corporation to offset recognized built-in gains of another corporation.

Line 29b, Form 1120, and Line 25b, Form 1120-A

Special deductions

Form 1120 filers.—See the Instructions for Schedule C below.

Form 1120-A filers.—Generally, enter 70% of line 4, page 1, on line 25b. However, this deduction may not be more than 70% of line 24, page 1. For this purpose, compute line 24 without regard to any adjustment under section 1059 and 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 70% limitation does not apply, even if the loss is created by the dividends-received deduction. See sections 172(d) and 246(b).

Line 32g, Form 1120, and Line 28g, Form 1120-A

Include on line 32g (line 28g, Form 1120-A) any credit the corporation is claiming for ozone depleting chemicals used in the manufacture of rigid foam insulation under section 4681(a)(1). To the left of the entry space, write **"ODC."**

Schedule C Form 1120 Only

Dividends and Special Deductions

For purposes of the 20% ownership test on lines 1 through 7, the percentage of stock owned by the corporation is based on voting power and value of the stock. Preferred stock described in section 1504(a)(4) is not taken into account. Corporations filing a consolidated return should see Regulations sections 1.1502-14, 1.1502-26, and 1.1502-27 before completing Schedule C.

Line 1, Column (a)

Enter dividends (except those received on debt-financed stock acquired after July 18, 1984—see section 246A) that are received from less-than-20%-owned domestic corporations subject to income tax and that are subject to the 70% deduction under section 243(a)(1). Include on this line taxable distributions from an IC-DISC or former DISC that are designated as being eligible for the 70% deduction and certain dividends of Federal Home Loan Banks. See section 246(a)(2).

For dividends received from a regulated investment company, see section 854 for the amount subject to the 70% 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 (except those received on debt-financed stock acquired after July 18, 1984) that are received from 20%-or-more-owned domestic corporations subject to income tax and that are subject to the 80% deduction under section 243(c). Include on this line taxable distributions from an IC-DISC or former DISC that are designated as being eligible for the 80% deduction.

Line 3, Column (a)

Enter dividends on debt-financed stock acquired after July 18, 1984, that are received from domestic and foreign corporations subject to income tax and that would otherwise be subject to the dividends-received deduction under section 243(a)(1), 243(c), or 245(a). Generally, debt-financed stock is stock that the corporation acquired by incurring a debt (for example, it borrowed money to buy the stock).

Line 3, Columns (b) and (c)

Dividends received on debt-financed stock acquired after July 18, 1984, are not entitled to the full 70% or 80% dividends-received deduction. The 70% or

80% deduction is reduced by a percentage that is related to the amount of debt incurred to acquire the stock. See section 246A. Also see section 245(a) before making this computation for an additional limitation that applies to dividends received from foreign corporations. A schedule showing how the amount on line 3, column (c), was figured must be attached to Form 1120.

Line 4, Column (a)

Enter dividends received on the preferred stock of a less-than-20%-owned public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

Line 5, Column (a)

Enter dividends received on preferred stock of a 20%-or-more-owned public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

Line 6, Column (a)

Enter the U.S.-source portion of dividends that are received from less-than-20%-owned foreign corporations and that qualify for the 70% deduction under section 245(a). To qualify for the 70% deduction, the corporation must own at least 10% of the stock of the foreign corporation by vote and value. Also include on line 6, column (a), dividends received from a less-than-20%-owned FSC that are attributable to income treated as effectively connected with the conduct of a trade or business within the U.S. (excluding foreign trade income) and that qualify for the 70% deduction provided in section 245(c)(1)(B).

Line 7, Column (a)

Enter the U.S.-source portion of dividends that are received from 20%-or-more-owned foreign corporations and that qualify for the 80% deduction under section 245(a). Also include on line 7, column (a), dividends received from a 20%-or-more-owned FSC that are attributable to income treated as effectively connected with the conduct of a trade or business within the U.S. (excluding foreign trade income) and that qualify for the 80% deduction provided in section 245(c)(1)(B).

Line 8, 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, the deduction under section 245(b) 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.

Line 9, Column (c)

Limitation on dividends-received deduction.

Generally, line 9 of column (c) may not exceed the amount from the worksheet below. However, in a year in which a net operating loss occurs, this limitation does not apply even if the loss is created by the dividends-received deduction. See sections 172(d) and 246(b). Certain financial institutions to which section 593(a) applies should see section 596 for the special limitation on the dividends-received deduction.

1.	Refigure line 28, page 1, Form 1120, without regard to any adjustment under section 1059 and without regard to any capital loss carryback to the tax year under section 1212(a)(1). . . .	
2.	Complete lines 10, 11, and 12 of column (c) and enter the sum of those lines .	
3.	Subtract line 2 from line 1 . . .	
4.	Multiply the amount on line 3 by 80%	
5.	Enter the sum of the amounts on lines 2, 5, 7, and 8 of column (c) and the portion of the deduction on line 3 of column (c) that is attributable to dividends received from 20%-or-more-owned corporations	
6.	Enter the lesser of line 4 or line 5. (Do not complete the rest of this worksheet if line 5 is greater than line 4. Instead, enter the amount from line 6 on line 9 of column (c).)	
7.	Enter the total amount of dividends received from 20%-or-more-owned corporations and included on lines 2, 3, 5, 7, and 8 of column (a) . . .	
8.	Subtract line 7 from line 3 . .	
9.	Multiply the amount on line 8 by 70%	
10.	Subtract line 5 above from line 9 of column (c)	
11.	Enter the lesser of line 9 or line 10 .	
12.	Dividends-received deduction after limitation (sec. 246(b)). Add the amounts on lines 6 and 11 and enter on line 9 of column (c)	

Line 10, Columns (a) and (c)

Small business investment companies operating under the Small Business Investment Act of 1958 (15 U.S.C. 661 and following) must enter dividends that are received from domestic corporations subject to income tax even though a deduction is allowed for the entire amount of such dividends. To claim the 100% deduction on line 10, column (c), the company must file with its return a statement that it was a Federal licensee under the Small Business Investment Act of 1958 at the time of receipt of the dividends.

Line 11, Column (a)

Enter dividends from FSCs that are attributable to foreign trade income and that are eligible for the 100% deduction provided in section 245(c)(1)(A).

Line 12, 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 13, Column (a)

Enter foreign dividends not reportable on lines 3, 6, 7, 8, or 11 of column (a). Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F (sections 951 through 964).

Line 14, Column (a)

Include income constructively received from controlled foreign corporations under subpart F. This amount should equal the total of amounts reported on Schedule J, if using the November 1987 revision of Form 5471 (Schedule I if using the October, 1990 revision of Form 5471).

Line 15, Column (a)

Include gross-up for taxes deemed paid under sections 902 and 960.

Line 16, Column (a)

Enter taxable distributions from an IC-DISC or former DISC that are designated as not being eligible for a dividends-received deduction.

No deduction is allowed under section 243 for a dividend from an IC-DISC or former DISC (as defined in section 992(a)) to the extent the dividend:

1. Is paid out of the corporation's accumulated IC-DISC income or previously taxed income, or

2. Is a deemed distribution under section 995(b)(1).

Line 17, Column (a)

Include the following:

1. Dividends (other than capital gain dividends and exempt-interest dividends) that are received from regulated investment companies and that are not subject to the 70% deduction.

2. Dividends from tax-exempt organizations.

3. 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.

4. 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.

Two situations in which the dividends-received deduction will not be allowed on any share of stock are:

(1) If the corporation held it 45 days or less (see section 246(c)(1)(A)), or

(2) To the extent the corporation is under an obligation to make related payments for substantially similar or related property.

5. Any other taxable dividend income not properly reported above (including distributions under section 936(h)(4)). If patronage dividends or per-unit retain allocations are included in Schedule C, line 17, column (a), identify the total of these amounts in a schedule attached to Form 1120.

Line 18, Column (c)

Deduction for dividends paid on certain preferred stock of public utilities. Section 247 allows public utilities a deduction of 41.176% of the lesser of:

1. Dividends paid on their preferred stock during the tax year, or

2. Taxable income computed without regard to this deduction.

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).

Tax Computation

Line 3, Schedule J, Form 1120
Line 1, Part I, Form 1120-A

A corporation that files Form 1120 or 1120-A must compute tax on taxable income as follows:

(1) Corporations other than qualified personal service corporations (defined below) (Members of a controlled group should see the instructions below for lines 1 and 2 under heading B.):

If taxable income (line 30, Form 1120, or line 26, Form 1120-A) on page 1 is:

Over—	*But not over—*	*tax is:*	*Of the amount over—*
$0	$50,000	15%	$0
50,000	75,000	$7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	- - - - -	34%	0

(2) Qualified personal service corporations:

Caution: If the corporation is a qualified personal service corporation, be sure to check the box on line 3, Schedule J, Form 1120 (line 1, page 2 of Form 1120-A).

A qualified personal service corporation is taxed at a flat rate of 34% on taxable income. For this purpose, a qualified personal service corporation is any corporation: **(a)** substantially all of the activities of which involve the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting, and **(b)** at least 95% of the stock of which is owned by employees performing the services, retired employees who had performed the services listed above, any estate of an employee or retiree described above, or any person who acquired the stock of the corporation as a result of the death of an employee or retiree described above, if the acquisition occurred within 2 years of death. See Temporary Regulations section 1.448-1T(e) for details.

A. Form 1120-A, Part I, Page 2

Line 2a

General business credit. This credit is made up of the sum of the following credits:

Investment credit. The investment credit was generally repealed for property placed in service after 1985. See **Form 3468,** Investment Credit, for exceptions.

Jobs credit. The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. See **Form 5884,** Jobs Credit, for definitions, special rules, and limitations.

Do not take an expense deduction for the part of the wages or salaries paid or incurred that is equal to the amount of the jobs credit (determined without regard to the limitation based on the tax (section 38(c))).

Alcohol fuel credit. A corporation may be able to take a credit for alcohol used as fuel. Use **Form 6478,** Credit for Alcohol Used as Fuel, to figure the credit.

Credit for increasing research activities. See **Form 6765,** Credit for Increasing Research Activities, and section 41.

Low-income housing credit. See **Form 8586,** Low-Income Housing Credit, and section 42.

Disabled access credit. A corporation may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See "Important Change" on page 1 for more information on this credit.

Form 3800, *General Business Credit.* Complete Form 3800, General Business Credit, if the corporation has:

(1) more than one of the above credits; OR

(2) a credit carryforward or carryback (including one from an ESOP credit); OR

(3) a passive activity credit.

Enter the amount of the general business credit on the appropriate line and check the Form 3800 box on that line.

Form 3800 is not required if the corporation has only one of the general business credits (and items **(2)** and **(3)** do not apply). Instead, attach the applicable credit form to the return and check the appropriate box for that form. If the corporation's only general business credit is the disabled access credit, attach Form 8826 to the return and write "From Form 8826" in the space to the left of line 2a, Form 1120-A, Part I, page 2.

Line 2b

Credit for prior year minimum tax. Use Form 8801 to figure the minimum tax credit and any carryforward of that credit.

Line 5

Recapture Taxes

Recapture of investment credit. If property is disposed of or ceases to be qualified property before the end of the life-years used in computing the regular or energy investment credit, there may be a recapture of the credit. See **Form 4255,** Recapture of Investment Credit.

Recapture of low-income housing credit. If you must recapture part of the low-income housing credit because there has been a decrease in the qualified basis of a building from the prior year or if you disposed of the building or an ownership interest in it, see **Form 8611,** Recapture of Low-Income Housing Credit, and section 42(j).

Line 6

Alternative minimum tax. File Form 4626 if taxable income or (loss) before the net operating loss deduction when combined with adjustment and tax preference items (including the adjusted current earnings adjustment) totals more than the lesser of: (a) $40,000, or (b) the corporation's allowable exemption amount. See Form 4626 for details.

Reduce alternative minimum tax by any credit allowed under section 38(c)(2) on line 19 of Schedule A, Form 3800. Write on the dotted line to the left of line 6 (line 9a, Form 1120), "Sec. 38(c)(2)— $(amount)."

B. Form 1120, Schedule J

Lines 1 and 2

Members of a controlled group, as defined in section 1563, are entitled to one $50,000 and one $25,000 taxable income bracket amount (in that order) on line 2a.

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 amount in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulations section 1.1561-3(b) for the requirements 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 amount 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 apportionment plan. Therefore, both Corporation A and Corporation B are entitled to $25,000 (one-half of $50,000) in the $50,000 taxable income bracket on line 2a(i) and to $12,500 (one-half of $25,000) in the $25,000 taxable income bracket on line 2a(ii).

Unequal Apportionment Plan. Members of a controlled group may elect an unequal apportionment plan and divide the taxable income brackets 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 taxable income bracket. However, the total amount for all members of the controlled group cannot be more than the total amount in each taxable income bracket.

Each member of a controlled group must compute the tax as follows (except qualified personal service corporations):

1. Enter taxable income (line 30, page 1, Form 1120) . . . . . _____
2. Enter line 1 or the corporation's share of the $50,000 taxable income bracket, whichever is less . . . . . _____
3. Subtract line 2 from line 1 . . . . . _____
4. Enter line 3 or the corporation's share of the $25,000 taxable income bracket, whichever is less . . . . . _____
5. Subtract line 4 from line 3 . . . . . _____
6. Enter 15% of line 2 . . . . . _____
7. Enter 25% of line 4 . . . . . _____
8. Enter 34% of line 5 . . . . . _____
9. If the taxable income of the controlled group exceeds $100,000, enter this member's share of the **lesser** of: (a) 5% of the excess over $100,000, or (b) $11,750. (See instructions for additional 5% tax, below.) . . . . . _____
10. Total of lines 6 through 9. Enter this amount on line 3, Schedule J, Form 1120. . . . . _____

Additional 5% tax. Members of a controlled group are treated as one corporation for purposes of figuring the applicability of the additional 5% tax that must be paid by corporations with taxable income in excess of $100,000. If the additional tax applies, each member of the controlled group will pay that tax based on the part of the amount that is used in each taxable income bracket to reduce that member's tax. See section 1561(a). Each member of the group must enter its share of the additional 5% tax on line 2b and attach to its tax return a schedule that shows the taxable income of the entire group as well as how its share of the additional tax was figured.

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. Section 6158 has been repealed effective November 5, 1990.

Mutual savings bank 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.

Deferred tax amount under section 1291. If the corporation was a shareholder in a passive foreign investment company (PFIC) that received an excess distribution or disposed of its investment in the PFIC during the year, it must include the aggregate increases in taxes due under section 1291(c)(2) in the amount to be entered on line 3, Schedule J, Form 1120. Write on the dotted line to the left of line 3, Schedule J, "Sec. 1291–$(amount)." Do not include on line 3 the interest charge due under section 1291(c)(3). Instead, write "Sec. 1291 interest" and the amount owed in the bottom margin of page 1, Form 1120. See Form 8621 for details.

Line 4a

Foreign tax credit. See **Form 1118,** Computation of Foreign Tax Credit—Corporations, for an explanation of when a corporation can take this credit for payment of income tax to a foreign country or U.S. possession.

Line 4b

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 4c

Orphan drug credit. See section 28 and **Form 6765,** Credit for Increasing Research Activities (or for claiming the orphan drug credit), for an explanation of when a corporation can take this credit, as well as how it is figured. Generally, the corporation must reduce its deduction for qualified research or basic research expenses by the amount of any research credit determined under section 41(a). However, this rule does not apply if the corporation elects to take the reduced credit under section 280C(c). See that section for more information.

Line 4d

Credit for fuel produced from a nonconventional source. A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 29 contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to the return showing the computation of the credit. Also see Form 8801 if any of the 1989 credit is disallowed solely because of the tentative minimum tax limitation. See section 53(d).

Line 4e

Disabled access credit. If the corporation's only general business credit is the disabled access credit, attach Form 8826 to the return and write "From Form 8826" on the dotted line to the left of the entry space for line 4e.

General business credit. See the earlier instructions for Form 1120-A, line 2a, under **Tax Computation.**

Line 4f

Credit for prior year minimum tax. See the earlier instructions for Form 1120-A, line 2b, under **Tax Computation.**

Line 7

Personal holding company tax. A corporation is taxed as a personal holding company under section 542 if:

- At least 60% of its adjusted ordinary gross income for the tax year is personal holding company income, and
- At any time during the last half of the tax year more than 50% in value of its outstanding stock is owned, directly or indirectly, by not more than 5 individuals.

See section 543(a) for the definition of personal holding company income and section 543(b)(2) for the definition of adjusted ordinary gross income.

Use **Schedule PH (Form 1120),** U.S. Personal Holding Company Tax, to figure this tax.

Line 8

Recapture taxes. See the earlier instructions for Form 1120-A, line 5, under **Tax Computation.**

Line 9a

Alternative minimum tax. See the earlier instructions for Form 1120-A, line 6, under **Tax Computation.**

Line 9b

Environmental tax. The corporation may be liable for the environmental tax if the modified alternative minimum taxable income of the corporation exceeds $2,000,000. See Form 4626 for details.

Line 10

Interest on tax attributable to payments received on installment sales of certain timeshares and residential lots. If the corporation elected to pay interest on the amount of tax attributable to payments received on installment obligations arising from the disposition of certain timeshares and residential lots under section 453(l)(3), it must include the interest due in the amount to be entered on line 10, Schedule J, Form 1120. Write on the dotted line to the left of line 10, Schedule J, "Sec. 453(l)(3) interest–$(amount)." Attach a schedule showing the computation.

Interest on tax deferred under the installment method for certain nondealer installment obligations. If an obligation arising from the disposition of property to which section 453A applies is outstanding at the close of the year, the corporation must include the interest due under section 453A(c) in the amount to be entered on line 10, Schedule J, Form 1120. Write on the dotted line to the left of line 10, Schedule J, "Sec. 453A(c) interest–$(amount)." Attach a schedule showing the computation.

Interest under the look-back method for completed long-term contracts. Include the interest due under the look-back method of section 460(b)(2) on line 10 of Schedule J. Write on the dotted line to the left of the entry space, "From Form 8697" and the amount of interest due.

Deferred tax and interest on undistributed earnings of a qualified electing fund under section 1294. Complete Form 8621 and follow the

instructions for that form to determine the tax attributable to the undistributed earnings of a "qualified electing fund" or the deferred tax due, if any, as a result of the termination of the section 1294 election.

Include the deferred tax owed in the total of line 10, Schedule J, Form 1120. To the left of line 10, write the amount of the deferred tax and label it as "Sec. 1294 deferral tax." Do not include any interest owed on the deferred tax in the total of line 10. Instead, write the amount of the section 1294 interest at the bottom right margin of page 1, Form 1120 and label it as "Sec. 1294 interest."

Enter any tax attributable to the undistributed earnings of a qualified electing fund in brackets to the right of line 10, Schedule J, Form 1120 and label it as "Sec. 1294 election." Subtract the amount in brackets from the total of lines 6 through 9b of Schedule J and enter the result on line 10.

Installment payment of tax attributable to LIFO recapture by corporations making an S corporation election. A corporation making an S corporation election using the LIFO inventory pricing method for its last tax year as a C corporation must include a "LIFO recapture amount" in income for its last year as a C corporation. The corporation's LIFO recapture amount is equal to the excess of the inventory amount using the FIFO method over the inventory amount using the LIFO method at the close of the corporation's last tax year as a C corporation.

The additional tax resulting from inclusion of the LIFO recapture amount in income is payable in 4 equal installments. The first installment is due with the return for the electing corporation's last tax year as a C corporation and must be paid by the due date (excluding extensions of time to file).

To determine the additional tax due to LIFO recapture, the corporation must complete lines 1 through 9b of Schedule J based on income that includes the LIFO recapture amount. On a separate worksheet, using the Schedule J format, the corporation must then complete the entire worksheet (lines 1 though 10) based on taxable income not including the LIFO recapture amount. The total of lines 1 through 9b must then be compared to line 10 of the worksheet. The difference is the additional tax due to LIFO recapture.

Since the total of lines 1 through 9b of Schedule J will include all the additional tax due to LIFO recapture, the amount that may be deferred (¾ of the additional tax) must first be subtracted to arrive at line 10 total tax. Write this deferral amount in brackets on the dotted line to the left of line 10, Schedule J, as "Sec. 1363(d) deferral–$(amount)." Attach a schedule showing the computation.

Note: *The remaining 3 installments of deferred tax must be paid by the due date of Form 1120S for the next 3 tax years. No interest is payable on the deferred tax if paid on time.*

Schedule L, Form 1120, and Part II, Form 1120-A

Balance Sheets

Line 5

Tax-exempt securities. Include on this line:

(1) State and local government obligations, the interest on which is excludible from gross income under section 103(a), and

(2) Stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the corporation.

Schedule M-1 (Form 1120 Only)

Reconciliation of Income per Books With Income per Return

Line 5c

Travel and entertainment. Include on this line: 20% of meals and entertainment not allowed under section 274(n); expenses for the use of an entertainment facility; the part of business gifts in excess of $25; expenses of an individual allocable to conventions on cruise ships in excess of $2,000; employee achievement awards in excess of $400; the cost of entertainment tickets in excess of face value (also subject to 20% disallowance); the cost of skyboxes in excess of the face value of non-luxury box seat tickets; the part of the cost of luxury water travel not allowed under section 274(m); expenses for travel as a form of education; and other travel and entertainment expenses not allowed as a deduction.

Schedule M-2 (Form 1120 Only)

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.

Codes for Principal Business Activity

These codes for the Principal Business Activity are designed to classify enterprises by the type of activity in which they are engaged to facilitate the administration of the Internal Revenue Code. Though similar in format and structure to the Standard Industrial Classification (SIC) codes, they should not be used as SIC codes.

Using the list below, enter on page 3, under H(1), Form 1120, or on page 2, under G(1), Form 1120-A, 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 3, under H(2) and H(3), Form 1120, or on page 2, under G(2) and G(3), Form 1120-A, 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."

If, as its principal business activity, the corporation: (1) purchases raw materials, (2) subcontracts out for labor to make a finished product from the raw materials, and (3) retains title to the goods, the corporation is considered to be a manufacturer and must enter one of the codes (2010-3998) under "Manufacturing."

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
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
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 confectionary 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

Code

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
Chemicals and allied products
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
Primary metal industries
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 machines
3598 Other machinery except electrical

Code

Electrical and electronic equipment
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
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

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 and supplies
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, garden supplies, and mobile home dealers
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

Code

5800 Eating and drinking places
Misc. retail stores
5912 Drug stores and proprietary stores
5921 Liquor stores
5995 Other retail stores

Finance, Insurance, and Real Estate

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 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 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 and other real 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
6744 Small business investment companies
6749 Other holding and 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; misc. 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
8099 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)

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SCHEDULE D (Form 1120)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

To be filed with Forms 1120, 1120-A, 1120-DF, 1120-IC-DISC, 1120F, 1120-FSC, 1120-H, 1120L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 990-C, and certain Forms 990-T

OMB No. 1545-0123

1990

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	(e) Cost or other basis, plus expense of sale	(f) Gain (or loss) ((d) less (e))
1					

2	Short-term capital gain from installment sales from Form 6252, line 22 or 30	2	
3	Unused capital loss carryover (attach computation)	3	( )
4	Net short-term capital gain or (loss). (Combine lines 1 through 3.)	4	

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

5					

6	Enter gain from Form 4797, line 7 or 9	6	
7	Long-term capital gain from installment sales from Form 6252, line 22 or 30	7	
8	Net long-term capital gain or (loss). (Combine lines 5 through 7.)	8	

Part III Summary of Parts I and II

9	Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)	9	
10	Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)	10	
11	Total of lines 9 and 10. Enter here and on Form 1120, line 8, page 1; or the proper line on other returns *Note: If losses exceed gains, see instructions on capital losses for explanation of capital loss carrybacks.*	11	

Instructions

(Section references are to the Internal Revenue Code unless otherwise noted.)

Important Tax Law Changes

New rules apply if the corporation exchanges property with a related party (as defined in section 267(b)) and within 2 years of the date of transfer, either the related party or the corporation disposes of the property. Gain or loss may have to be recognized as of the date of the original exchange. The new rules are effective for transactions after July 10, 1989. See section 1031 for further details and exceptions.

Section 1031(h) provides that real property located in the U.S. and real property located outside the U.S. are not property of like-kind for purposes of section 1031.

Purpose of Schedule

Schedule D is used to report sales and exchanges of capital assets for tax years beginning in 1990 if one of the following forms is being filed: Forms 1120, 1120-A, 1120-DF, 1120-IC-DISC, 1120F, 1120-FSC, 1120-H, 1120L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 990-C, or certain Forms 990-T.

Sales or exchanges of property other than capital assets are reported on **Form 4797,** Sales of Business Property. Sales or exchanges of property includes property used in a trade or business, involuntary conversions (other than casualties or thefts), gain from the disposition of oil, gas, or geothermal property, and the section 291 adjustment to section 1250 gains. 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, a corporation must report sales and exchanges, including "like-kind" exchanges, even though there is no gain or loss. No loss is allowed for a wash sale of stock or securities (including contracts or options to acquire or sell stock or securities) or from a transaction between related persons. See sections 1091 and 267 for details and exceptions.

Use Part I to report the sale or exchange of capital assets held one year or less. Use Part II to report the sale or exchange of capital assets held more than one year.

What Are Capital Assets?—Each item of property the corporation held (whether or not connected with its trade or business) is a capital asset except:

1. Assets that can be inventoried or property held mainly for sale to customers.

2. Depreciable or real property used in the trade or business.

3. Certain copyrights; literary, musical, or artistic compositions; letters or memorandums; or similar property.

4. 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.

5. A U.S. Government publication (including the Congressional Record) received from the Government or any of its agencies in a manner other than by buying it at the price offered for public sale, which is 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.—A "like kind exchange" occurs when the corporation exchanges business or investment property for like-kind. Report on Schedule D or Form 4797 the exchange of like-kind property, even if no gain or loss is recognized. Also, complete and attach to the tax return new **Form 8824,** Like-Kind Exchanges, for each exchange.

On Schedule D, write "From Form 8824" in column (a). Then, skip columns (b) through (e) and enter the gain or loss, if any, from Form 8824 in column (f). Also write in the top margin of Schedule D "Like-Kind Exchange." Or, if one or more of the exchanges involved a related party, write "Related Party Like-Kind Exchange." See Form 8824 and its instructions for details.

Special Rules for the Treatment of Certain Gains and Losses

Note: *For more information, get* **Pub. 544,** *Sales and Other Dispositions of Assets, and* **Pub. 542,** *Tax Information on Corporations.*

- **At-risk limitations (section 465).**—If the corporation sold or exchanged a capital 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 result is a net loss, complete **Form 6198,** At-Risk Limitations. Report any gain from the capital asset on Schedule D and on Form 6198.

- **Gains and losses from passive activities.**—A closely held or personal service corporation that has a gain or loss which relates to a passive activity (section 469) may be required to complete **Form 8810,** Corporate Passive Activity Loss and Credit Limitations, before completing Schedule D. A Schedule D loss may be limited under the passive activity rules. See Form 8810 for more detailed information.

- **Gain on distributions of appreciated property.**—Generally, gain (but not loss) is recognized on a nonliquidating distribution of appreciated property to the extent that the property's fair market value exceeds its adjusted basis. See section 311 for more information.

- **Gain or loss on distribution of property in complete liquidation.**—Generally, gain or loss is recognized on property distributed in a complete liquidation. Treat the property as if it had been sold at its fair market value. An exception to this rule applies for liquidations of certain subsidiaries. See sections 336 and 337 for more information and other exceptions to the general rules.

- **Gains and losses on section 1256 contracts and straddles.**—Use **Form 6781,** Gains and Losses From Section 1256 Contracts and Straddles, to report gains and losses from section 1256 contracts and straddles.

- **Gain or loss on certain short-term Federal, state, and municipal obligations.**—Such obligations are treated as capital assets in determining gain or loss. On any gain realized, a portion is treated as ordinary income and the balance as a short-term capital gain. See section 1271.

- **Gain from installment sales.**—Use **Form 6252,** Installment Sale Income, to report a gain from the casual sale of real or personal property (other than inventory) if payments will be received in more than one tax year. See the instructions below for how to elect out of the installment method. Also use Form 6252 if a payment is received this year from a sale made in an earlier year on the installment method.

To elect out of the installment method, report the following on a timely filed return (including extensions):

1. Include the full amount of the sale on Schedule D.

2. If the corporation received a note or other obligation and is reporting it at less than face value (including all contingent obligations), state that fact in the margin and give the percentage of valuation.

The installment method may not be used for sales of stock or securities (or certain other property described in the regulations) traded on an established securities market. See section 453(k).

- **Gain or loss on an option to buy or sell property.**—See sections 1032 and 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.

- **Gains and losses of foreign corporations from the disposition of investment in United States real property.**—Foreign corporations are required to report gains and losses from the disposition of U.S. real property interests. See section 897 for details.

- **Gains on certain insurance property.**—Form 1120L filers with gains on property held on December 31, 1958, and certain substituted property acquired after 1958 should see section 818(c).

- **Gain or loss from shares purchased in a regulated investment company (RIC).**—In some cases, the load charge (advance charge for sales fees) incurred to purchase shares in a RIC may not be allowed when figuring the basis for gain or loss on the disposition of the shares. See section 852(f) if the RIC was disposed of within 90 days of its purchase and the load charge was reduced when the stock was acquired in that RIC (or another RIC) because of a reinvestment right.

- **Loss from the sale or exchange of capital assets of an insurance company taxable under section 831.**—Under the provisions of section 834(c)(6), capital losses of a casualty insurance company are deductible to the extent that the assets were sold to meet abnormal insurance losses or to provide for the payment of dividend and similar distributions to policyholders.

- **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 582 for the rules on the treatment of securities held by a bank.)

- **Nonrecognition of gain on sale of stock to an ESOP.**—See section 1042 for the holding period and rules under which a taxpayer may elect not to recognize gain from the sale of certain stock to an ESOP.

- **Disposition of market discount bonds.**—See section 1276 for rules on the disposition of any market discount bonds that were issued after July 18, 1984.

- **Capital gain distributions.**—Report capital gain distributions paid by mutual funds as long-term capital gains on line 5 regardless of how long the corporation owned stock in the fund.

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). Exceptions to the general rule are provided in sections in subchapters C, K, O, and P of the Code. For example, if the corporation acquired the property by dividend, liquidation of a corporation, transfer from a shareholder, reorganization, contribution or gift, bequest, bankruptcy, tax-free exchange, involuntary conversion, certain asset acquisitions, or wash sale of stock, see sections 301 (or 1059), 334, 362 (or 358), 1014, 1015, 372 (or 374), 1031, 1033, 1060, and 1091, respectively. Attach an explanation if the corporation uses a basis other than actual cash cost of the property.

If the corporation is allowed a charitable contribution deduction because it 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. A net capital loss may be carried back 3 years and forward 5 years as a short-term capital loss. Carry back a capital loss to the extent it does not increase or produce a net operating loss in the tax year to which it is carried. Foreign expropriation capital losses may not be carried back, but may be carried forward 10 years. A net capital loss for a regulated investment company may be carried forward 8 years.

☆U.S.GPO: 1990 265-277 E.I 43-1410168

Form **1120F**
Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return of a Foreign Corporation

▶ See separate instructions.

For calendar year 1990 or other tax year beginning ____, 1990 and ending ____, 19____

OMB No 1545-0126

1990

Please type or print

Name | Employer identification number

Number, street, and room or suite no (see instructions)

City or town, state and ZIP code, or country

Check all applicable boxes: ☐ initial return ☐ amended return ☐ final return ☐ change of address

A Country of incorporation

B Foreign country under whose laws the income reported on this return is subject to tax

C Date incorporated

D Your books and records are maintained by.
Name
Address

E Were you, at any time during the tax year, engaged in a trade or business in the U.S.? ☐ Yes ☐ No

F Did you, at any time during the tax year, have a permanent establishment in the U.S. for purposes of applying section 894(b) and any applicable tax treaty between the U.S. and a foreign country? ☐ Yes ☐ No

If "Yes," enter name of foreign country

G (1) Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a U.S. corporation? (For rules of attribution, see section 267(c).) ☐ Yes ☐ No

If "Yes," attach a schedule showing: (a) name, address, and identifying number of such U.S. corporation; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such U.S. corporation for the tax year ending with or within your tax year.

G (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

H Have you filed a U.S. income tax return for the preceding tax year? ☐ Yes ☐ No

I If you had an agent in the U.S. at any time during the tax year, enter
Kind of agent
Name
Address

J Are you a foreign personal holding company? (See section 552 for definition.) ☐ Yes ☐ No
If "Yes," has Form 5471 been filed? (Sec 6035) ☐ Yes ☐ No

K Are you a personal holding company? (See section 542 for definition.) ☐ Yes ☐ No

L Are you a controlled foreign corporation? (See section 957 for definition.) ☐ Yes ☐ No

M Are you a personal service corporation? (See Temporary Regulations section 1.441-4T for definition.) ☐ Yes ☐ No

Note: *Additional information is required at the bottom of page 5*

Computation of Tax Due or Overpayment

1	Tax from Section I (line 11, page 2)		1
2	Tax from Section II (line 9, Schedule J, page 4)		2
3	Tax from Section III (add line 6, Part I, page 5 and line 4, Part II, page 5)		3
4	Personal holding company tax (attach Schedule PH (Form 1120))		4
5	**Total tax**—Add lines 1 through 4		5
6	**Payments:**		
a	1989 overpayment credited to 1990	6a	
b	1990 estimated tax payments	6b	
c	Less 1990 refund applied for on Form 4466	6c ( ) Bal ▶	6d
e	Tax deposited with Form 7004		6e
f	Credit from regulated investment companies (attach Form 2439)		6f
g	Credit for Federal tax on fuels (attach Form 4136)		6g
h	U.S. income tax paid or withheld at source (add line 12, page 2, and amounts from Forms 8288-A and 8805 (attach Forms 8288-A and 8805))		6h
i	Total payments—Add lines 6d through 6h		6i
7	Enter any penalty for underpayment of estimated tax—Check ▶ ☐ if Form 2220 is attached		7
8	**Tax due**—If the total of lines 5 and 7 is larger than line 6i, enter amount owed		8
9	**Overpayment**—If line 6i is larger than the total of lines 5 and 7, enter amount overpaid		9
10	Enter amount of line 9 you want: **Credited to 1991 estimated tax** ▶ **Refunded** ▶		10

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

Paid Preparer's Use Only

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. Form **1120F** (1990)

Schedule A Cost of Goods Sold (see instructions)

Reflect ACTUAL purchases from a related supplier at the transfer price determined under the intercompany pricing rules of section 994, if used. See separate Schedule P (Form 1120-IC-DISC).

1	Inventory at the beginning of the year		1
2	Purchases		2
3	Cost of labor		3
4a	Additional section 263A costs (see instructions—attach schedule)		4a
b	Other costs (attach schedule)		4b
5	Total (add lines 1 through 4b)		5
6	Inventory at the end of the year		6
7	Cost of goods sold (subtract line 6 from line 5)—Enter here and on line 2, page 1		7

8a 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 adopted 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 — 8c

d Was there any change in determining quantities, costs, or valuations between the opening and closing inventory? (If "Yes," attach explanation.) ☐ Yes ☐ No

e Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

Schedule B Gross Income (see instructions)

(a) Type of receipts	Commission sales (b) Gross receipts	Commission sales (c) Commission	(d) Other receipts	(e) Total (add columns (c) and (d))
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 IC-DISC)				
(iv) To an unrelated IC-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 15, 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 Other (see instructions—attach schedule)				
k **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 IC-DISCs in the same controlled group				
e Nonqualified dividends (line 16, 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)

		(a) Dividends received	(b) %	(c) Special deductions: (multiply (a) × (b))
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		41.176	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		47.059	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8	Dividends from wholly owned foreign subsidiaries subject to 100% deduction (section 245(b))		100	
9	**Total**—Add lines 1 through 8. See instructions for limitation			
10	Other dividends from foreign corporations not included on lines 3, 6, 7, and 8			
11	Income from controlled foreign corporations under subpart F (attach Form 5471)			
12	IC-DISC or former DISC dividends not included on line 1, 2, and/or 3 (section 246(d))			
13	Other dividends			
14	Total dividends (add lines 1 through 13, column (a))			
15	Qualified dividends—Enter here and on line 2e, column (d), Schedule B (see instr.)			
16	Nonqualified dividends (subtract line 15 from line 14)—Enter here and on line 3e, column (d), Schedule B			

Schedule E **Deductions** (see instructions for Limitations on Deductions before completing Schedule E)

1	Export promotion expenses:	
a	Market studies	
b	Advertising	
c	Depreciation (attach Form 4562)	
d	Salaries and wages	
e	Rents	
f	Sales commissions	
g	Warehousing	
h	Freight (excluding insurance— see instructions)	
i	Compensation of officers	
j	Repairs (see instructions)	
k	Pension, profit-sharing, etc., plans (see instructions)	
l	Employee benefit programs	
m	Other (list):	
n	**Total** (add lines 1a through 1m)	
2	Other expenses not deducted on line 1:	
a	Bad debts (see instructions)	
b	Taxes	
c	Interest	
d	Contributions (not over 10% of line 7, page 1, adjusted per instructions)	
e	Freight (see instructions)	
f	Freight insurance	
g	Other (list):	
h	**Total** (add lines 2a through 2g)	
3	**Total deductions** (add lines 1n and 2h)—Enter here and on line 4, page 1	

SECTION II (continued)

Schedule C **Dividends and Special Deductions** (see instructions)

		(a) Dividends received	(b) %	(c) Special deductions: (a) × (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities		41.176	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities		47.059	
6	Dividends from less-than-20%-owned foreign corporations that are subject to the 70% deduction		70	
7	Dividends from 20%-or-more-owned foreign corporations that are subject to the 80% deduction		80	
8	**Total**—Add lines 1 through 7. See instructions for limitation			
9	Other dividends from foreign corporations not included on lines 3, 6, and 7			
10	Foreign dividend gross-up (section 78)			
11	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
12	Other dividends			
13	Deduction for dividends paid on certain preferred stock of a public utility			
14	Total dividends—Add lines 1 through 12. Enter here and on line 4, page 3			
15	Total deductions—Add lines 8 and 13. Enter here and on line 30b, page 3			

Schedule E **Compensation of Officers** (See instructions for line 12, page 3.)

Complete Schedule E only if your total receipts (line 1a plus lines 4 through 10 of Section II, page 3) are $500,000 or more.

	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned (d) Common	Percent of corporation stock owned (e) Preferred	(f) Amount of compensation
1			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers					
3	Less: Compensation of officers claimed on Schedule A and elsewhere on this return					( )
4	Compensation of officers deducted on line 12, page 3					

Schedule J **Tax Computation** (see instructions)

1	Check if you are a member of a controlled group (see sections 1561 and 1563) ▶ ☐		
2	If the box on line 1 is checked:		
a	Enter your share of the $50,000 and $25,000 taxable income bracket amounts (in that order): (i) $ (ii) $		
b	Enter your share of the additional 5% tax (not to exceed $11,750) $		
3	Income tax (see instructions to figure the tax). Check this box if the corporation is a qualified personal service corporation (see page 11 of the instructions) ▶ ☐		3
4a	Foreign tax credit (attach Form 1118)	4a	
b	Credit for fuel produced from a nonconventional source (see instructions)	4b	
c	Orphan drug credit (attach Form 6765)	4c	
d	General business credit. Enter here and check which forms are attached: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586	4d	
e	Credit for prior year minimum tax (attach Form 8801)	4e	
5	Total—Add lines 4a through 4e		5
6	Subtract line 5 from line 3		6
7	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611		7
8a	Alternative minimum tax (attach Form 4626). See instructions		8a
b	Environmental tax (attach Form 4626)		8b
9	Total tax under section 882(a)—Add lines 6 through 8b. Enter here and on line 2, page 1		9

*U.S. Government Printing Office: 1990 — 265-256

Form 1120-IC-DISC (1990) Page 5

Schedule L Balance Sheets

		(a) Beginning of the tax year	(b) End of the tax year
Assets	1 **Qualified assets:**		
	a Working capital (cash and necessary temporary investments)		
	b Funds awaiting investment (cash in U.S. banks in excess of working capital needs to acquire other qualified export assets)		
	c Export-Import Bank obligations		
	d Trade receivables (accounts and notes receivable)		
	Less: allowance for bad debts	( )	( )
	e Export property (net) (including inventory and qualified property held for lease)		
	f Producer's loans		
	g Investment in related foreign export corporations		
	h Depreciable assets		
	Less: accumulated depreciation	( )	( )
	i Other (attach schedule)		
	2 Nonqualified assets (net) (list):		
	3 Total assets—Combine lines 1a through 2		
Liabilities and Stockholders' Equity	4 Accounts payable		
	5 Other current liabilities (attach schedule)		
	6 Mortgages, notes, bonds payable in 1 year or more		
	7 Other liabilities (attach schedule)		
	8 Capital stock		
	9 Paid-in or capital surplus		
	10 Other earnings and profits		
	11 Previously taxed income (section 996(f)(2))		
	12 Accumulated pre-1985 DISC income (see instructions)		
	13 Accumulated IC-DISC income (see instructions)		
	14 Less: cost of treasury stock	( )	( )
	15 Total liabilities and stockholders' equity		

Schedule M-1 Reconciliation of Income per Books With Income per Return

1	Net income on books	6	Income recorded on books this year and not included in this return (itemize)
2	Excess of capital losses over capital gains		
3	Taxable income not recorded on books this year (itemize)	7	Deductions in this return not charged against book income this year (itemize)
4	Expenses recorded on books this year and not deducted in this return (itemize)	8	Add lines 6 and 7
5	Add lines 1 through 4	9	Income (line 5, page 1) (line 5 less line 8)

Schedule M-2 Analysis of Other Earnings and Profits (Line 10 above)

1	Balance at the beginning of the year	5	Distributions to qualify under section 992(c)
2	Increases (itemize)	6	Other decreases (itemize)
3	Add lines 1 and 2	7	Add lines 4, 5, and 6
4	Deficit in earnings and profits	8	Balance at end of year (line 3 less line 7)

Schedule M-3 Analysis of Previously Taxed Income (Line 11 above)

1	Balance at the beginning of the year	5	Deficit in earnings and profits
2	Deemed distributions under section 995(b)	6	Distributions to qualify under section 992(c)
3	Other increases (itemize)	7	Other decreases (itemize)
4	Add lines 1, 2, and 3	8	Add lines 5, 6, and 7
		9	Balance at end of year (line 4 less line 8)

Schedule M-4 Analysis of Accumulated IC-DISC Income (Line 13 above)

1	Balance at the beginning of the year	6	Distributions to qualify under section 992(c)
2	Increases (itemize)	7	Distributions upon disqualification (sec. 995(b)(2))
3	Add lines 1 and 2	8	Other decreases (itemize)
4	Deficit in earnings and profits	9	Add lines 4 through 8
5	Redemptions under section 996(d)	10	Balance at end of year (line 3 less line 9)

Form 1120F (1990) Page 6

Additional schedules to be completed with respect to Section II or Section III (see instructions)

Schedule L Balance Sheets

ASSETS	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule)				
7 Loans to stockholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other fixed depreciable assets				
b Less accumulated depreciation	( )		( )	
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach schedule)				
15 Total assets				
LIABILITIES AND STOCKHOLDERS' EQUITY				
16 Accounts payable				
17 Mtges., notes, bonds payable in less than 1 year				
18 Other current liabilities (attach schedule)				
19 Loans from stockholders				
20 Mtges., notes, bonds payable in 1 year or more				
21 Other liabilities (attach schedule)				
22 Capital stock: a Preferred stock				
b Common stock				
23 Paid-in or capital surplus				
24 Retained earnings—Appropriated (attach schedule)				
25 Retained earnings—Unappropriated				
26 Less cost of treasury stock		( )		( )
27 Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of Income per Books With Income per Return (You are not required to complete this schedule if your total assets (line 15, column (d), above) are less than $25,000.)

1	Net income per books	7	Income recorded on books this year not included on this return (itemize):
2	Federal income tax		a Tax-exempt interest . . $
3	Excess of capital losses over capital gains		
4	Income subject to tax not recorded on books this year (itemize):	8	Deductions on this return not charged against book income this year (itemize):
5	Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation . . . . $
	a Depreciation . . . $		b Contributions carryover $
	b Contributions carryover $	9	Total of lines 7 and 8
	c Travel and entertainment $	10	Income (line 29, page 3)—line 6 less line 9
6	Total of lines 1 through 5		

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 25 above) (You are not required to complete this schedule if your total assets (line 15, column (d), above) are less than $25,000.)

1	Balance at beginning of year	5	Distributions: a Cash
2	Net income per books		b Stock
3	Other increases (itemize):		c Property
		6	Other decreases (itemize):
4	Total of lines 1, 2, and 3	7	Total of lines 5 and 6
		8	Balance at end of year (line 4 less line 7)

1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 1120F

U.S. Income Tax Return of a Foreign Corporation

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	102 hrs., 22 min.
Learning about the law or the form	36 hrs., 47 min.
Preparing the form	64 hrs., 28 min.
Copying, assembling, and sending the form to IRS	6 hrs., 58 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget,** Paperwork Reduction Project (1545-0126), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see General Instruction B4 for information on where to file it.

Important Changes

(1) New Form 8826, Disabled Access Credit, has been developed as a result of the addition of section 44 by the Revenue Reconciliation Act of 1990. This allows eligible small businesses to claim a new nonrefundable income tax credit equal to 50% of eligible expenses that are over $250 and not more than $10,250. These expenses must be paid or incurred after November 5, 1990, to enable a small business to comply with the requirements of the Americans With Disabilities Act of 1990. An eligible small business is one with gross receipts of $1 million or less in the previous tax year or one that had not more than 30 full-time employees in the previous tax year. Examples of expenses eligible for the credit include amounts paid or incurred: **(a)** to remove barriers that prevent a business from being accessible to, or usable by, individuals with disabilities; **(b)** to provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals; **(c)** to provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or **(d)** to acquire or modify equipment or devices for individuals with disabilities.

(2) The Revenue Reconciliation Act of 1989 added new section 898 to the Code. This new section specifies that, for tax years beginning after July 10, 1989, the tax year of certain controlled foreign corporations and certain foreign personal holding companies is generally required to be the tax year of their "majority U.S. shareholder." See the "change in accounting period" rules under General Instruction C1 and new section 898 for details.

General Instructions

A. Purpose of Form

Form 1120F is used to report a foreign corporation's income, gains, losses, deductions, and credits, and to figure its income tax liability. If a refund is due, Form 1120F may be used to claim it.

B. Filing Form 1120F

1. Who Must File.—Except for corporations described in General Instruction B2, every foreign corporation must file this form if, during the tax year, it:

- Had income from any U.S. source (even if its income is tax-exempt under an income tax treaty or code section).
- Engaged in a trade or business in the U.S., whether or not it had income from that trade or business.
- Had income, gains, or losses treated as if they were effectively connected with a U.S. trade or business.
- Overpaid income tax that it wants refunded.

A 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.

A receiver, assignee, or trustee in dissolution or bankruptcy must file Form 1120F if that person has or holds title to virtually all of a foreign corporation's property or business. Form 1120F 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.—A foreign corporation cannot belong to an affiliated group of corporations that files a consolidated return unless it is a Canadian or Mexican corporation maintained solely for the purpose of complying with the laws of Canada or Mexico as to title and operation of property.

2. Who Does Not File Form 1120F.—A foreign corporation does not need to file Form 1120F in any of the following cases:

- Its only income is of a type that is not subject to U.S. taxation under section 881(d).
- It is a beneficiary of an estate or trust engaged in a trade or business in the U.S., but would itself otherwise not need to file.
- It files **Form 1120L,** U.S. Life Insurance Company Income Tax Return, as a foreign life insurance company or **Form 1120-PC,** U.S. Property and Casualty Insurance Company Income Tax Return, as a foreign property and casualty insurance company.
- 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 source.
- It has filed **Form 8279,** Election To Be Treated as a FSC or as a Small FSC. These corporations must file **Form 1120-FSC,** U.S. Income Tax Return of a Foreign Sales Corporation.

3. When To File.—A foreign corporation's filing requirements depend on whether it has an office or place of business in the U.S.

a. A foreign corporation that **does not** maintain an office or place of business in the U.S. has until the 15th day of the 6th month after the end of its tax year to file Form 1120F. The corporation may use **Form 7004,** Application for Automatic Extension of Time To File Corporation Income Tax Return, to request an automatic 6-month extension of time to file. However, this extension does not extend the time for payment of the tax. Therefore, if the tax is paid after the 15th day of the 6th month after the end of its tax year, the corporation must pay interest on the late payment and **is subject to** the late payment penalty described in General Instruction D3.

b. A foreign corporation that **does** maintain an office or place of business in the U.S. has until the 15th day of the 3rd month after the end of its tax year to file Form 1120F. However, the corporation may get an extension of time to file Form 1120F in one of two ways:

(1) It may utilize the 3-month extension of time to file described in Regulations section 1.6081-5 by attaching to Form 1120F the statement described in those regulations. If this option is chosen, the corporation is not required to file Form 7004. The corporation is still required to pay the tax due by the 15th day of the 3rd month after the end of its tax year; however, if it does not, the corporation must pay the interest on the late payment but **is not subject to** the late payment penalty described in General Instruction D3.

(2) It may file Form 7004 by the 15th day of the 3rd month after the end of its tax year to obtain a 6-month extension of time to file. However, the 6-month extension that is granted by the timely filing of Form 7004 does not extend the time for payment of the tax. Therefore, if the tax is paid after the 15th day of the 3rd month following the close of the corporation's tax year, the corporation must pay interest on the late payment and **is subject to** the late payment penalty described in General Instruction D3.

Period covered.—File the 1990 return for calendar year 1990 and fiscal years that begin in 1990 and end in 1991. For a fiscal year, fill in the tax year space at the top of the form.

Note: *The 1990 Form 1120F may also be used if: (1) the corporation has a tax year of less than 12 months that begins and ends in 1991; and (2) the 1991 Form 1120F is not available by the time the corporation is required to file its return. However, the corporation must show its 1991 tax year on the 1990 Form 1120F and incorporate any tax law changes that are effective for tax years beginning after December 31, 1990.*

Change in address.—Form 8822, Change of Address, may be filed to notify the IRS of a change of address that occurs after the return is filed.

4. Where To File.—File Form 1120F with the Internal Revenue Service Center, Philadelphia, PA 19255.

5. 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 a corporate officer filled in Form 1120F, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares Form 1120F and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120F should not sign the return. For example, a regular, full-time employee of the corporation, such as a clerk, secretary, etc., should not sign.

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.

C. Figuring and Paying the Tax

1. Accounting

a. 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.

Generally, corporations engaged in farming operations must use the accrual method of accounting. See section 447 for exceptions.

Generally, corporations (other than qualified personal service corporations) are required to use the accrual method of accounting if their average annual gross receipts are more than $5,000,000. See section 448(c). A corporation changing to the accrual method because of this provision must complete **Form 3115,** Application for Change in Accounting Method, and attach it to Form 1120F for the year of change. The corporation must also show on a statement accompanying Form 3115 the period over which the section 481(a) adjustment will be taken into account and the basis for that conclusion. See section 448 and Temporary

Regulations sections 1.448-1T(g) and (h) for more information. Include the amount reportable as income in 1990 under section 481(a) on line 10, page 3.

Unless the law specifically permits otherwise, a 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. Also see **Pub. 538,** Accounting Periods and Methods.

The percentage of completion method, including the look-back method under section 460(b), is generally the only permissible method of accounting for long-term contracts entered into on or after July 11, 1989.

Certain contracts, including real property construction contracts, may continue to be accounted for under the permissible methods of accounting for long-term contracts under prior law. However, an election can be made not to recognize income under a long-term contract and not to take into account any costs allocable to the long-term contract if less than 10% of the estimated total contract costs have been incurred as of the end of the tax year. See section 460(b)(5) for more details. An election to use the 10% method will apply to all long-term contracts entered into during the tax year the election is made and to any later tax year.

See section 460; Notice 87-61, 1987-2 C.B. 370; Notice 88-66, 1988-1 C.B. 552; and Notice 89-15, 1989-1 C.B. 634 for more information.

b. Change in Accounting Period.—Generally, before changing an accounting period, the Commissioner's approval must be obtained (Regulations section 1.442-1) by filing **Form 1128,** Application to Adopt, Change, or Retain a Tax Year. Also see Pub. 538.

(1) Certain Controlled Foreign Corporations and Certain Foreign Personal Holding Companies

For tax years beginning after July 10, 1989, the tax year of a "specified foreign corporation" (defined below) is generally required to be the tax year of its "majority U.S. shareholder" (see section 898(c) for details).

A "specified foreign corporation" is any foreign corporation: (i) that is treated as a controlled foreign corporation for any purpose under subpart F (sections 951 through 964) **or** that is a foreign personal holding company (as defined in section 552); and (ii) with respect to which the 50% U.S. ownership requirements of section 898(b)(2) are met.

See section 7401(d)(2) of the Revenue Reconciliation Act of 1989 for special rules with respect to a change in tax year of a specified foreign corporation for its first tax year beginning after July 10, 1989.

(2) Foreign Corporations that are Personal Service Corporations

Personal service corporations as defined in Temporary Regulations section 1.441-4T (see the instructions for Item M on page 5) must adopt a calendar year unless: (i) the corporation can establish to the satisfaction of the Commissioner that there is a business purpose for having a different tax year, or (ii) the corporation elects under section 444 to have a tax year other than a calendar year.

Personal service corporations that wish to establish a business purpose for having a different tax year should see Rev. Rul. 87-57, 1987-2 C.B. 117, for more information. Also see Rev. Proc. 87-32, 1987-2 C.B. 396, for procedures to use in adopting, retaining, or changing the corporation's tax year. Personal service corporations that wish to adopt or retain a non-calendar tax year must file requests to do so on Form 1128 in accordance with the procedures outlined in Rev. Proc. 87-32.

Personal service corporations that wish to elect under section 444 to have a tax year other than a calendar year must file **Form 8716,** Election To Have a Tax Year Other Than a Required Tax Year. Generally, Form 8716 must be filed by the earlier of: **(1)** the 15th day of the 5th month following the month that includes the 1st day of the tax year for which the election will be effective, or (2) the due date (not including extensions) of the income tax return resulting from the section 444 election. Electing corporations are subject to minimum distribution requirements under section 280H(c) for each year the election is in effect. If the corporation fails to make the required minimum distributions, the deduction allowable for certain amounts paid to employee-owners is limited to a maximum deductible amount under section 280H(d).

Amounts not allowed as a deduction for the tax year are carried over to the following tax year. Complete **Schedule H (Form 8716),** Section 280H Limitations for a Personal Service Corporation (PSC), to figure the required minimum distributions and the maximum deductible amount, if applicable.

2. Rounding Off to Whole-Dollar Amounts

The corporation 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. Payment of Tax Due

The requirements for payment of tax depend on whether the foreign corporation has an office or place of business in the U.S.

a. Foreign corporations that **do not** maintain an office or place of business in the U.S. must pay the tax due in full when they file their tax return, but not later than the 15th day of the 6th month after the end of the tax year.

The tax must be paid directly to the IRS (i.e., do not use the depositary method of tax payment described in 3b below). The tax may be paid by check or money order, payable to the Internal Revenue Service. To help ensure proper crediting to your account, write your employer identification number, "Form 1120F," and the tax period to which the payment applies on your check or money order. Enclose the payment when you file Form 1120F with the Internal Revenue Service Center, Philadelphia, PA 19255.

b. Foreign corporations that **do** maintain an office or place of business in the U.S. must pay the tax due in full when they file their tax return, but not later than the 15th day of the 3rd month after the end of the tax year.

The tax must be paid using the depositary method of tax payment. Under this method, the corporation deposits its income tax

payments (and estimated tax payments) with a Federal Tax Deposit Coupon **(Form 8109).** In doing so, be sure to darken the "1120" box on the coupon. Make these deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve bank or branch servicing the geographic area where the corporation's office or place of business in the U.S. is located. Do not submit deposits directly to an IRS office; otherwise, the corporation may be subject to a failure to deposit penalty. Records of deposits will be sent to the IRS for crediting to the corporation's account. See the instructions contained in the coupon book (Form 8109) for more information.

To help ensure proper crediting to your account, write your employer identification number, "Form 1120F," and the tax period to which the deposit applies on your check or money order.

To get more deposit coupons, use the reorder form **(Form 8109A)** provided in the coupon book.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656.

For more information concerning deposits, see **Pub. 583,** Taxpayers Starting a Business.

4. Backup Withholding

If the corporation has had income tax withheld from any payments it received because, for example, it failed to give the payer its correct employer identification number, it may claim a credit on Form 1120F for the total amount withheld. This type of withholding is called "backup withholding." Show the amount withheld in the blank space in the righthand column between lines 5 and 6i, page 1, and label the amount as "backup withholding." Also include the amount in the total for line 6i. **Note:** *"Backup withholding" does not include amounts reportable on line 6h for taxes paid or withheld at source.*

5. Estimated Tax

Generally, a foreign corporation must make estimated tax payments if it can expect its "estimated tax" (as defined in Regulations section 1.882-1(e)) to be $500 or more. Use **Form 1120-W,** Corporation Estimated Tax, as a worksheet to compute estimated tax. Foreign corporations that maintain an office or place of business in the U.S. must use the deposit coupons (Forms 8109) in making deposits of estimated tax.

If the corporation overpaid estimated tax, it 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, file Form 4466 after the end of the tax year, but before the 16th day of the 3rd month thereafter, and before Form 1120F is filed.

6. Timing Change in Deducting Accrued Expenses

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that all events have occurred that determine the liability, and the amount of the liability can be figured with reasonable accuracy. However, generally all the events that establish liability for the amount are treated as occurring only when economic performance takes place. There are exceptions for recurring items. See section 461(h).

D. Interest and Penalties

A corporation may be subject to interest and penalty charges if the corporation files a late return or fails to pay tax when due unless it can show that the failure to file or pay was due to reasonable cause and not willful neglect.

1. Interest.—Interest is charged on taxes not paid by the due date, even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

2. Late Filing of Return.—A corporation that fails to file its return when due (including any extensions of time for filing) may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is more than 60 days late is the smaller of the tax due or $100.

3. Late Payment of Tax.—The penalty for late payment of taxes is usually ½ of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the amount due. This penalty may also apply to any additional tax not paid within 10 days of the date of the notice and demand for payment.

4. Underpayment of Estimated Tax.—A corporation that fails to make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. In general, to avoid the estimated tax penalty, the corporation must make estimated tax payments of at least the smaller of 90% of the tax shown on the return or 100% of its prior year's tax. See section 6655 for details and exceptions.

Form 2220, Underpayment of Estimated Tax by Corporations, is used to see if the corporation owes a penalty and to figure the amount of the penalty. Generally, the corporation does not have to file this form because IRS can figure the amount of any penalty and bill the corporation for it. However, you must complete and attach Form 2220 even if the corporation does not owe the penalty if: **(a)** the annualized income or adjusted seasonal installment method is used, or **(b)** the corporation is a "large corporation" computing its first required installment based on the prior year's tax. If you attach Form 2220, be sure to check the box on line 7 of page 1 and enter the amount of any penalty on that line.

5. Other Penalties.—There are also penalties that can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

E. Other Forms, Returns, Schedules, and Statements That May Be Required

1. Forms, Returns, and Schedules

Form 5471.—Information Return of U.S. Persons With Respect To Certain Foreign Corporations. This form is filed by certain officers, directors, or U.S. shareholders of foreign corporations

Form 5472.—Information Return of a Foreign or Foreign-Owned Corporation Engaged in a U.S. Trade or Business. This form is filed by a foreign corporation engaged in a U.S. trade or business that had certain reportable transactions with a related party. See section 6038A and the related regulations, section 6038C, and the instructions for Form 5472 for additional information.

Form 720.—Quarterly Federal Excise Tax Return. This form is used to report a new 10% excise tax that applies to the first retail sale of the following items sold after December 31, 1990, to the extent the sales price exceeds the amounts shown: **(1)** passenger vehicles, $30,000; **(2)** boats and yachts, $100,000; **(3)** aircraft, $250,000; and **(4)** jewelry and furs, $10,000. Form 720 is also used to report environmental excise taxes, communications and air transportation taxes, fuel taxes, manufacturers taxes, ship passenger tax, and certain other excise taxes.

Forms 1042 and **1042S.**—Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding. These forms are used to report and transmit withheld tax on payments or distributions made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent such payments or distributions constitute gross income from sources within the U.S. (see sections 861 through 865). For more information, see sections 1441 and 1442, and **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1096.—Annual Summary and Transmittal of U.S. Information Returns.

Form 1098.—Mortgage Interest Statement. This form is used to report the receipt from any individual of $600 or more of mortgage interest in the course of the corporation's trade or business for any calendar year.

Forms 1099-A, B, DIV, INT, MISC, R, and **S.**—These are some of the information returns that must be filed to report certain payments, such as dividends and interest. For more information, see the **Instructions for Forms 1099, 1098, 5498, and W-2G.**

Form 5713.—International Boycott Report. This form is filed by 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, DISC benefits and FSC benefits.

Form 8264.—Application for Registration of a Tax Shelter. This form is used by tax shelter organizers to register tax shelters with the IRS for the purpose of receiving a tax shelter registration number.

Form 8271.—Investor Reporting of Tax Shelter Registration Number. This form is used by taxpayers who have acquired an interest in a tax shelter, which is required to be registered, to report the tax shelter's registration number. Form 8271 must be attached to any tax return (including an application for tentative refund (Form 1139)

Page 3

and an amended return) on which a deduction, credit, loss, or other tax benefit attributable to a tax shelter is taken or any income attributable to a tax shelter is reported.

Form 8300.—Report of Cash Payments Over $10,000 Received in a Trade or Business. Generally, this form is used to report the receipt of more than $10,000 in cash or foreign currency in one transaction (or a series of related transactions).

Form 8594.—Asset Acquisition Statement. This form is filed by both the purchaser and seller of a group of assets constituting a trade or business if goodwill or a going concern value attaches, or could attach, to such assets and if the purchaser's basis in the assets is determined only by the amount paid for the assets.

Form 8621.—Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. This form is used by a corporation that was a shareholder in a passive foreign investment company (as defined in section 1296) at any time during the tax year.

Form 8697.—Interest Computation Under the Look-Back Method for Completed Long-Term Contracts. This form is used to figure the interest due or to be refunded under the look-back method of section 460(b)(3) on certain long-term contracts entered into after February 28, 1986, that are accounted for under either the percentage of completion-capitalized cost method or the percentage of completion method.

The look-back method also applies to the new 10% method for long-term contracts entered into after July 10, 1989, and accounted for under the percentage of completion method. Attach Form 8697 to the tax return if the corporation owes interest but not if interest is to be refunded. See the instructions for Form 8697.

Form 8810.—Corporate Passive Activity Loss and Credit Limitations. Closely held corporations and personal service corporations, which are subject to the passive activity limitations of section 469, use this form to compute their allowable passive activity loss and credit.

Schedule PH (Form 1120).— U.S. Personal Holding Company Tax. See General Instruction H.

2. Statements

Transfers to a corporation controlled by the transferor.—If a person receives stock 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 to their respective tax returns the information required by Regulations section 1.351-3.

Statements in lieu 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 the types and amounts of income excluded from gross income.

3. Attachments

Attach **Form 4136,** Credit for Federal Tax on Fuels, after page 6, Form 1120F. Attach schedules in alphabetical order and other forms in numerical order after Form 4136.

Page 4

Please complete every applicable entry space on Form 1120F. **Do not** attach statements and write "See attached" in lieu of completing the entry spaces on Form 1120F.

If more space is needed on the forms or schedules, attach separate sheets indicating at the top of each attachment the form number or schedule letter of the form or schedule being completed. Also, show the same information called for on the form in the same order as on the printed forms. **Be sure to show totals on the printed forms.** Please use sheets that are the same size as the forms and schedules. Attach these separate sheets after all the schedules and forms. Also, put the corporation's name and employer identification number **(EIN)** on each sheet.

F. Claim for Refund

If a foreign corporation has only income that is not effectively connected with the conduct of a 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 tax that was withheld 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.

G. Special Rules for Foreign Corporations

1. Source Rules

a. Source Rules for Personal Property

Income from sales of personal property by a foreign corporation will generally be foreign source income. However, see sections 865(b), (c), and (d) for exceptions for inventory, depreciable personal property, and intangibles. If the foreign corporation has an office or fixed place of business in the U.S., see section 865(e) for special rules for sales of personal property attributable to such office or fixed place of business. See section 988 for rules for determining the source of income from certain foreign currency transactions.

b. Source Rules for Interest Income and Dividend Income Received From Certain Domestic Persons

Interest income received by a foreign corporation from a domestic corporation or a resident alien individual will be considered to be foreign source income if it is shown to the satisfaction of the Commissioner that 80% or more of the domestic corporation's (or resident alien individual's) income is "active foreign business income" (defined below) during the "testing period" (also defined below).

Active foreign business income is income that is derived from sources outside the U.S. and that is attributable to the active conduct of a trade or business in a foreign country or U.S. possession.

The testing period is the 3-year period ending with the close of the tax year of the domestic corporation or resident alien individual preceding the payment. If the domestic corporation or resident alien individual had no gross income during the 3-year period, the testing period is the tax year during which payment is made.

Dividend income received by a foreign corporation from a domestic corporation will be considered to be foreign source income if it is shown to the satisfaction of the Commissioner that 80% or more of the domestic corporation's income is active foreign business income during the 3-year testing period described above.

2. Special Rules for Determining Whether Certain Types of Income are Effectively Connected With the Conduct of a Trade or Business in the U.S.

a. Treatment of Certain Deferred Payments, Etc.

Any current year income or gain of a foreign corporation that is attributable to a sale or exchange of property or the performance of services (or any other transaction) in any other tax year, is treated as income effectively connected with the conduct of a trade or business in the U.S. for the current tax year if the current year income or gain would have been income effectively connected with the conduct of a trade or business in the U.S. in that other tax year. (See section 864(c)(6).)

b. Income or Gain From Certain Property Transactions

Any current year income or gain of a foreign corporation from the disposition of property that had ceased to be used or held for use in connection with the conduct of a trade or business in the U.S. within the 10-year period before the disposition of property is treated as income effectively connected with the conduct of a trade or business in the U.S. for the current tax year (regardless of whether the corporation is engaged in a trade or business in the U.S. during the current tax year) if the current year income or gain would have been income effectively connected with the conduct of a trade or business in the U.S. immediately before such property ceased to be used or held for use in connection with the conduct of a trade or business in the U.S. (See section 864(c)(7).)

c. Election to Treat Real Property Income as Income Effectively Connected With the Conduct of a Trade or Business in the U.S.

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 this election includes:

- Gains from the sale or exchange of real property or an interest therein;
- Rents or royalties from mines, wells, or other natural deposits; and
- Gain described in sections 631(b) or (c).

The election may be made whether or not the corporation is engaged in a trade or business in the U.S. during the tax year for which the election is made or whether or not the corporation has income from real property that, for the tax year, is effectively connected with the conduct of a trade or business in the U.S.

To make the election, attach a statement that includes the information required in Regulations section 1.871-10(d)(1)(ii) to Form 1120F for the first tax year for which the election is to apply. Use Section II to figure the tax on this income.

d. Disposition of U.S. Real Property Interest by a Foreign Corporation

A foreign corporation that disposes of a "U.S. real property interest" (see section 897(c) for definition) must treat the gain or loss from the disposition as income that is effectively connected with the conduct of a trade or business in the U.S., 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)**, Capital Gains and Losses.

Example

Foreign corporation X disposes of a U.S. real property interest on May 15, 1990, and receives $50,000 for it. X purchased the real property interest on June 20, 1986. X's basis in the property is $20,000 and the cost of selling the property is $3,000.

Foreign corporation X would report the sale of its real property interest as follows:

a. It would enter a description of the property in column (a), Part II, Schedule D (Form 1120);

b. It would enter "6/20/86" (date property was acquired) in column (b);

c. It would enter "5/15/90" (date property was sold) in column (c);

d. It would enter "$50,000" (gross amount received from the sale) in column (d);

e. It would enter "$23,000" (sum of its basis in the property and the cost of sale) in column (e);

f. It would enter "$27,000" (gross sales price for the property of $50,000 minus its basis in the property of $20,000 and its costs of sale of $3,000) in column (f);

g. It would then carry the $27,000 gain to line 8, page 3, Form 1120F.

See Temporary Regulations section 1.897-5T for the applicability of section 897 to reorganizations and liquidations.

If the corporation had income tax withheld on **Form 8288-A**, Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests, include the amount withheld as part of line 6h, page 1.

3. Other Special Rules

a. Basis of Property and Inventory Costs for Property Imported by a Related Person

If property is imported into the U.S. by a related person in a transaction and the property has a customs value, the basis or inventory cost to the importer cannot exceed the customs value. For more information, see section 1059A.

b. Income of Foreign Governments and International Organizations

Income of foreign governments and international organizations from the following sources is generally not subject to taxation: **(1)** investments in the U.S. in stocks, bonds, or other domestic securities owned by such foreign government or international organization; **(2)** interest on deposits in banks in the U.S. of monies belonging to such foreign government or international organization; or **(3)** financial instruments held (by a foreign government) in the execution of governmental financial or monetary policy. However, the types of income described in section 892(a)(2) that are "received" directly or indirectly from commercial activities **are** subject to tax. (They are also subject to withholding.)

H. Filing Requirements of Foreign Personal Holding Companies and Personal Holding Companies

If the corporation is a "foreign personal holding company" (as defined in section 552), Regulations section 1.551-4 requires certain shareholders of the corporation to attach a statement to their returns (i.e., the shareholders' personal returns) containing the information required by section 551(c). Furthermore, section 6035 (and the related regulations) requires certain officers, directors, and shareholders of a foreign personal holding company to file **Schedule N (Form 5471)** and the appropriate schedules of Form 5471 (see the **Instructions for Form 5471** for additional information).

If the corporation is a "personal holding company" (as defined in section 542) but **not** a foreign personal holding company, it must file Schedule PH (Form 1120) with Form 1120F and it must report the personal holding company tax on line 4, page 1, Form 1120F. See section 542 and Schedule PH (Form 1120) for details.

Specific Instructions

Address.—Enter the location of the books and records used in the preparation of the return. For foreign corporations engaged in a trade or business in the U.S., this will generally be a U.S. address. Include the suite, room, or other unit number after the street address.

If the Post Office does not deliver mail to the street address and the corporation has a P.O. box, show the P.O. box number instead of the street address.

If the corporation's address has changed from the last time Form 1120F was filed, check the box at the top of page 1.

Item M. Personal service corporation.—A "personal service corporation" is a corporation whose principal activity during the testing period for the tax year is the performance of personal services that are substantially performed by employee-owners who own more than 10% of the fair market value of the corporation's outstanding stock as of the last day of the testing period for the tax year.

The testing period for a tax year is the tax year preceding such tax year, except for a new corporation. The testing period for a new corporation (one in its first tax year) is the period beginning on the first day of its first tax year and ending on the earlier of the last day of its first tax year or the last day of the calendar year in which the first tax year began.

Activities of the taxpayer that are treated as the performance of personal services are limited to activities of the taxpayer that involve the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting (as such fields are defined in Temporary Regulations section 1.448-1T(e)).

Personal services are substantially performed by employee-owners if more than 20% of the corporation's compensation cost for the testing period attributable to the performance of personal services is attributable to personal services performed by employee-owners.

A person is considered to be an employee-owner if the person is an employee of the corporation on any day of the testing period and the person owns any outstanding stock of the corporation on any day of the testing period. Stock ownership is determined under the attribution rules of section 318 (except that "any" is substituted for "50%" in section 318(a)(2)(C)).

For more information, see Temporary Regulations section 1.441-4T.

Section I.—Certain Gains, Profits, and Income From U.S. Sources That Are NOT Effectively Connected With the Conduct of a Trade or Business in the U.S.

Include in Section I the following types of U.S. source **gross** income (i.e., no deductions are allowed), but only to the extent such income received is **not** effectively connected with the conduct of a trade or business in the U.S. (see the first "note" under the specific instructions for Section II):

1. Interest (other than original issue discount **(OID)** as defined in section 1273), dividends, rents, royalties, salaries, wages, premiums, annuities, compensation, and other fixed or determinable annual or periodic gains, profits, and income. Certain portfolio interest is not taxable for obligations issued after July 18, 1984. See section 881(c) for more details.

2. Gains described in section 631(b) or (c), relating to disposal of timber, coal, or domestic iron ore with a retained economic interest.

3. On a sale or exchange of an OID obligation, the amount of OID accruing while the obligation was held by the foreign corporation, unless the amount was taken into account on a payment.

4. On a payment received on an OID obligation, the amount of OID accruing while the obligation was held by the foreign corporation, to the extent such OID was not previously taken into account and to the extent that the tax imposed on the OID does not exceed the payment received less the tax imposed on any interest included in the payment received. This rule applies to payments received with respect to OID obligations issued after March 31, 1972.

Certain OID is not taxable for OID obligations issued after July 18, 1984. See section 881(c) for more details.

For rules that apply to other OID obligations, see Pub. 515.

5. Gains from the sale or exchange of patents, copyrights, and other intangible property to the extent the gains are from payments that are contingent on the productivity, use, or disposition of the property or interest sold or exchanged.

For more information, see section 881(a).

***Note:** A corporation created or organized in Guam, American Samoa, the Northern Mariana Islands, or the Virgin Islands will not be treated as a foreign corporation (for purposes of determining whether its income is taxable under section 881(a)) if it meets the rules of section 881(b).*

Line 9. Gross Transportation Tax.—A tax of 4% is imposed on a foreign corporation's "U.S. source gross transportation income" for the tax year. "U.S. source gross transportation income" is generally any gross income that is "transportation income" (defined below) to the extent such income is treated as from sources in the U.S. (as explained below). However, the term U.S. source gross transportation income does not include income that is effectively connected with the conduct of a trade or business in the U.S. (as explained below) **or** income that is taxable in a possession of the United States under the provisions of the Internal Revenue Code as applied to that possession.

"Transportation income" is any income derived from, or in connection with: (a) the use (or hiring or leasing for use) of a vessel or aircraft, or (b) the performance of services directly related to the use of a vessel or aircraft. For purposes of the preceding sentence, the term "vessel or aircraft" includes any container used in connection with a vessel or aircraft.

Generally, 50% of all transportation income that is attributable to transportation that either begins **or** ends in the U.S. is treated as from sources in the U.S. However, see section 863(c)(2)(B) for a special rule for personal service income.

Transportation income of the corporation will not be treated as income that is effectively connected with the conduct of a trade or business in the U.S. unless: (a) the corporation has a fixed place of business in the U.S. involved in the earning of transportation income, and (b) substantially all of the corporation's U.S. source gross transportation income (determined without regard to the rule that such income does not include income that is effectively connected with the conduct of a U.S. trade or business) is attributable to regularly scheduled transportation (or, in the case of income from the leasing of a vessel or aircraft, is attributable to a fixed place of business in the U.S.). For more information, see section 887.

Enter the foreign corporation's U.S. source gross transportation income on line 9, column (b). Also, attach a statement to Form 1120F showing the dates the vessels or aircraft entered or left the U.S. and the amount of gross income for each trip.

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 of the following income:

1. Income, gain, or loss from U.S. sources derived in the conduct of the trade or business.

2. The types of foreign source income described in sections 864(c)(4)(B) and (C) subject to the exceptions described in section 864(c)(4)(D).

3. The types of U.S. source income listed in the specific instructions for Section I **or** gain or loss from U.S. sources from the sale or exchange of capital assets — to the extent one or both of the following tests are met:

a. Asset-use test.—The income, gain, or loss is derived from assets used in, or held for use in, the conduct of the U.S. trade or business; or

b. Business-activities test.—The activities of the trade or business conducted in the U.S. were a material factor in the realization of the income, gain, or loss.

Note: *If neither the asset-use test nor the business-activities test is met, the income is to be reported in Section I (and as such, no deductions are allowed against it). If either test is met, the income is to be reported in Section II, net of allowable deductions.*

For more information, see section 864(c)(2) and Regulations section 1.864-4(c), and the examples therein.

Gains on disposition of stock in a DISC or former DISC and distributions from accumulated DISC income, including deemed distributions, are treated as derived 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:

- Has current year income or gain that is attributable to a sale or exchange of property or the performance of services (or any other transaction) in any other tax year and that would have been income effectively connected with the conduct of a trade or business in the U.S. in that other tax year (see General Instruction G2a);
- Has current year income or gain from the disposition of property that had ceased to be used or held for use in connection with the conduct of a trade or business in the U.S. within the 10-year period before the disposition of property and that would have been income effectively connected with the conduct of a trade or business in the U.S. immediately before such cessation (see General Instruction G2b);
- Elects to treat real property income as effectively connected income (see General Instruction G2c);
- Was created or organized and is carrying on a banking business in a U.S. possession, and receives interest on U.S. obligations (in which case, the interest is treated as effectively connected income); or
- Has gain or loss from the disposition of a U.S. real property interest (see General Instruction G2d).

Income

Line 1

Enter gross income that is effectively connected with the conduct of a trade or business in the U.S. except those income items that must be reported on lines 4 through 10. For reporting advance payments, see Regulations section 1.451-5. To report income from long-term contracts, see section 460.

Generally, the installment method cannot be used for dealer dispositions of property. See section 453(l) for details and exceptions. For dealer dispositions of property before March 1, 1986, dispositions of property used or produced in the trade or business of farming, and certain dispositions of timeshares and residential lots reported under the installment method, 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. For sales of timeshares and residential lots reported under the installment method, the corporation's income tax is increased by the interest payable under section 453(l)(3). To report this addition to the tax, see the instructions for line 9, Schedule J.

Accrual basis taxpayers need not accrue certain amounts to be received from the performance of services, which, on the basis of their experience, will not be collected (section 448(d)(5)). This provision does not apply to any amount if interest is required to be paid on that amount or if there is any penalty for failure to timely pay that amount. Corporations to which this provision applies should attach a schedule showing total gross receipts, amount not accrued as a result of the application of section 448(d)(5), and the net amount accrued. The net amount should be entered on line 1a. For more information and guidelines on this "non-accrual experience method," see Temporary Regulations section 1.448-2T.

Line 2. Cost of goods sold.—See instructions for Schedule A.

Line 4. Dividends.—See instructions for Schedule C.

Line 5. Interest.—Enter taxable interest on U.S. obligations and loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest expense against interest income.

Line 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. A rental activity held by a closely-held corporation or a personal service corporation may be subject to the passive activity loss rules. See Form 8810 and the related instructions.

Line 8. Capital gain net income.—Every sale or exchange of a capital asset must be reported in detail on **Schedule D (Form 1120)**, Capital Gains and Losses, even though no gain or loss is indicated. For purposes of computing the adjustments to the accumulated earnings tax under section 535(b)(6), foreign corporations must only include capital gains and losses that are effectively connected with a trade or business in the U.S.

Line 9. Net gain or (loss).—Enter the net gain or (loss) from line 18, Part II, **Form 4797**, Sales of Business Property.

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 any adjustment under section 481(a) required to be included in income during the current tax year due to a change in a method of

accounting; 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 to the extent they reduced income subject to tax in the year deducted (see section 111). Do not offset current year taxes with tax refunds.

If "other income" consists of only one item, describe it in parentheses on line 10.

Deductions

In computing the taxable income of a foreign corporation engaged in a trade or business in the U.S., deductions are allowed only to the extent they are connected with income that is effectively connected with the conduct of a trade or business in the U.S. Charitable contributions, however, may be deducted whether or not they are so connected. See section 882(c) and Regulations section 1.882-4(c) for more information.

Apportionment of Expenses

Expenses that are directly related to a class of gross income (including tax-exempt income) must be allocated to that class of gross income. Expenses, not directly related to a class of gross income, should be allocated to all classes of income on the basis of gross income in each class of income to total gross income, or some other ratio that clearly relates to the classes of income.

Attach a schedule to Form 1120F showing classes of gross income and expenses directly allocable to each class of gross income. For expenses that are not directly allocable to a class of gross income, show the computation of the expense to each class of gross income.

Limitations on Deductions

1. Section 263A Uniform Capitalization Rules.—The uniform capitalization rules of section 263A require corporations to capitalize or include in inventory certain costs incurred in connection with the production of real and personal tangible property held in inventory or held for sale in the ordinary course of business. Tangible personal property produced by a taxpayer includes a film, sound recording, video tape, book, or similar property. The rules also apply to personal property (tangible and intangible) acquired for resale. Taxpayers subject to these rules are required to capitalize not only direct costs but an allocable portion of most indirect costs (including taxes) that relate to the assets produced or acquired for resale. Interest expense paid or incurred during the production period must be capitalized and is governed by special rules. For more information, see Notice 88-99, 1988-2 C.B. 422. The uniform capitalization rules also apply to the production of property constructed or improved by a taxpayer for use in its trade or business or in an activity engaged in for profit.

Section 263A does not apply to personal property acquired for resale if the taxpayer's annual average gross receipts are $10,000,000 or less. It does not apply to timber or to most property produced under a long-term contract. Special rules apply for farmers. The rules do not apply to property that is produced for use by the taxpayer if substantial construction has occurred before March 1, 1986.

In the case of inventory, some of the indirect costs that must be capitalized are: administration expenses; taxes; depreciation; insurance; compensation paid to officers attributable to services; rework labor; and contributions to pension, stock bonus, and certain profit-sharing, annuity, or deferred compensation plans.

The costs required to be capitalized under section 263A are not deductible until the property to which the costs relate is sold, used, or otherwise disposed of by the corporation.

Current deductions may still be claimed for reasonable research and experimental costs under section 174, intangible drilling costs for oil and gas and geothermal property, and mining and exploration and development costs incurred in the conduct of a trade or business in the U.S. Temporary Regulations section 1.263A-1T specifies other indirect costs that may be currently deducted and those that must be capitalized with respect to production or resale activities. For more information, see Temporary Regulations section 1.263A-1T.

2. Transactions between related taxpayers.—Generally, an accrual basis taxpayer may only deduct business expenses and interest owed to a related party in the year the payment is included in the income of the related party. See sections 163(j) and 267 for limitation on deductions for unpaid expenses and interest.

3. Section 291 limitations.—Corporations may be required to adjust deductions for depletion of iron ore and coal, intangible drilling and exploration and development costs, bad debt deductions for financial institutions, and the amortizable basis of pollution control facilities. See section 291 to determine the amount of adjustment.

4. Golden parachute payments.—A portion of the payments made by a corporation to key personnel that exceeds their usual compensation may not be deductible. This occurs when the corporation has an agreement (golden parachute) with these key employees to pay them these excessive amounts if control of the corporation changes. See section 280G.

5. Business startup expenses.— Business startup expenses are required to be capitalized unless an election is made to amortize them over a period of 60 months. See section 195.

6. Passive activity limitations.—Limitations on passive activity losses and credits under section 469 apply to closely held corporations (defined below) and personal service corporations as defined in Temporary Regulations section 1.441-4T (see the instructions for Item M on page 5). A corporation is a closely held corporation for this purpose if at any time during the last half of the tax year more than 50% in value of its outstanding stock is owned, directly or indirectly, by or for not more than 5 individuals, and the corporation is not a personal service corporation. Certain organizations are treated as individuals for purposes of this test. (See section 542(a)(2).) For rules of determining stock ownership, see section 544 (as modified by section 465(a)(3)).

There are two kinds of passive activities: trade or business activities in which the corporation did not materially participate for the tax year, and rental activities regardless of its participation. An activity is a trade or business activity if the activity involves the conduct of a trade or business (i.e., deductions from the activity would be allowable under section 162 if other limitations, such as the passive loss rules, did not apply), or research or experimental expenditures in the activity are deductible under section 174 (or would be deductible if the corporation chose to deduct rather than capitalize them), and the activity is not a rental activity. Temporary Regulations section 1.469-1T(g)(3) defines material participation of corporations.

Corporations subject to the passive activity limitations must complete **Form 8810,** Corporate Passive Activity Loss and Credit Limitations, to compute their allowable passive activity loss and credit. Before completing Form 8810, see Temporary Regulations section 1.163-8T, which provides rules for allocating interest expense among activities. If a passive activity is also subject to the at-risk rules of section 465, the at-risk rules apply before the passive loss rules. For more information, see section 469, the temporary regulations thereunder, and **Pub. 925,** Passive Activity and At-Risk Rules.

Line 12. Compensation of officers.—Besides entering officers' compensation deductible on line 12, complete Schedule E on page 4 if total receipts (line 1a, plus lines 4 through 10, of page 3, Form 1120F) are $500,000 or more. Do not include compensation claimed elsewhere on the return, such as amounts included in cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement.

Complete Schedule E, line 1, columns (a) through (f), for all officers. The corporation determines who is an officer under the laws where incorporated.

In a consolidated return, each member of an affiliated group must furnish this information.

Line 13. Salaries and wages.—Enter on line 13a the amount of total salaries and wages paid or incurred for the tax year. Do not include salaries and wages deductible elsewhere on the return, such as amounts included in cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement.

Caution: *If the corporation provided taxable fringe benefits to its employees, such as personal use of a car, do not deduct as wages the amount allocated for depreciation and other expenses claimed on lines 20 and 27.*

Enter on line 13b the amount of jobs credit from **Form 5884,** Jobs Credit.

Line 14. Repairs.—Enter the cost of incidental repairs not claimed elsewhere on the return, such as labor and supplies, that do not add to the value of the property or appreciably prolong its life.

Line 15. Bad debts.—Enter the total debts that became worthless in whole or in part during the tax year. A small bank or thrift institution using the reserve method should attach a schedule showing how it arrived at the current year's provision.

Line 16. Rents.—If the corporation rented or leased a vehicle, enter the total annual rent or lease expense paid or incurred during the year. Also complete Part V of **Form 4562,** Depreciation and Amortization. If the corporation leased a vehicle for a term of 30 days or more, the deduction for vehicle lease expense may have to be reduced by the "inclusion amount." You may have an inclusion amount if:

The lease term began:	And the vehicle's fair market value on the first day of the lease exceeded:
After 12/31/86	$12,800
After 4/2/85 but before 1/1/87	$23,000
After 6/18/84 but before 4/3/85	$34,500

Note: *If the corporation leased a vehicle during 1986, and the tax year beginning in 1990 is the first tax year the vehicle was used 50% or less for business, you will need to figure an additional inclusion amount. You must figure this additional amount even if the corporation had no inclusion amount.*

See **Pub. 917,** Business Use of a Car, for instructions on how to figure the inclusion amount and the additional inclusion amount.

Line 17. Taxes.—Enter taxes paid or accrued during the tax year, but do not include the following:

1. Federal income taxes (except the environmental tax under section 59A);
2. Foreign or U.S. possession income taxes if a tax credit is claimed;
3. Taxes not imposed on the corporation; or
4. Taxes, including state or local sales taxes, that are paid or incurred in connection with an acquisition or disposition of property (such taxes must be treated as a part of the cost of the acquired property or, in the case of a disposition, as a reduction in the amount realized on the disposition).

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

If the corporation is liable for the environmental tax under section 59A, see **Form 4626,** Alternative Minimum Tax—Corporations, for computation of the environmental tax deduction.

See section 906(b)(1) for rules concerning certain foreign taxes imposed on income from U.S. sources that may not be deducted or credited.

Line 18. Interest.—See section 882(c) and Regulations section 1.882-5 for rules for interest deductions allowed to foreign corporations.

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 exceed 10% of taxable income (line 31, Section II) computed without regard to the following:

1. Any deduction for contributions;
2. The special deductions on line 30b;
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.

Taxable income is modified in order to determine the amount of a net operating loss used in an intervening year (i.e., a year to which a net operating loss is carried but not fully absorbed). For this purpose, taxable income is computed by determining the net operating loss deduction for the year without regard to the net operating loss for the loss year or later year. See section 172(b)(2). To the extent charitable contributions are used to reduce taxable income for this purpose and increase a net operating loss carryover, a contributions carryover is not allowed. 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 3rd 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 and the total claimed deduction of all property contributed exceeds $500, corporations (other than closely held and personal service corporations) must attach a schedule describing the kind of property contributed and the method used in determining its fair market value. Closely held corporations and personal service corporations must complete **Form 8283,** Noncash Charitable Contributions, and attach it to Form 1120F. All other corporations must generally complete and attach Form 8283 to Form 1120F for contributions of property other than money if the total claimed deduction for all property contributed was more than $5,000.

Also, a corporation must keep records, as required by the regulations for section 170, for all of its charitable contributions.

If the corporation made a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the donation, as well as 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, reduce the contribution by the sum of:

1. The ordinary income, short-term capital gain that would have resulted if the property were sold at its fair market value; and
2. For certain contributions, all of the long-term capital gain that would have resulted if the property were sold at its fair market value.

The reduction for 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 (except stock for which market quotations are readily available—see section 170(e)(5)) 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 property to certain organizations, see section 170(e)(3) and Regulations section 1.170A-4A.

Charitable contributions of scientific property used for research. 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. See section 170(e).

Line 20. Depreciation.—Besides depreciation, include on line 20 the part of the cost (up to $10,000) that the corporation elected to expense for certain tangible property placed in service during tax year 1990, or carried over from 1989. See the instructions for **Form 4562,** Depreciation and Amortization.

Line 23. Depletion.—See sections 613 and 613A for percentage depletion rates applicable to natural deposits. Also, see section 291 for the limitation on the depletion deduction for iron ore and coal (including lignite).

Foreign intangible drilling costs and foreign exploration and development costs must either be added to the corporation's basis for cost depletion purposes or be deducted ratably over a 10-year period. See sections 263(i), 616, and 617 for more information.

Attach **Form T (Timber),** Forest Industries Schedules, if a deduction for depletion of timber is claimed.

Line 25. 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. There are penalties for failure to timely file these forms and for overstating the pension plan deduction. For more information, see sections 6652(e) and 6662(f).

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C/R.—Complete this form for each plan with fewer than 100 participants.

Form 5500EZ.—Complete this form for a one-participant plan.

Line 26. Employee benefit programs.—Enter the amount of contributions to employee benefit programs not claimed elsewhere on the return (for example, insurance, health, and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 25.

Line 27. Other deductions.—Attach a separate sheet listing all allowable deductions that are not deductible elsewhere on Form 1120F.

Include on this line the deduction taken for amortization of pollution control facilities, organization expenses, etc. See Form 4562.

A corporation may deduct dividends it pays in cash on stock held by an employee stock ownership plan. However, a deduction may only be taken if, according to the plan, the dividends are:

1. Paid in cash directly to the plan participants or beneficiaries;

2. Paid to the plan, which distributes them in cash to the plan participants or their beneficiaries, no later than 90 days after the end of the plan year in which the dividends are paid; or

3. Used to make payments on a loan described in section 404(a)(9).

See section 404(k) for more information and the limitation on certain dividends.

Generally, a deduction may not be taken for the amount of any item or part thereof allocable to a class of exempt income. See section 265(b) for exceptions.

Generally, the corporation can deduct only 80% of the amount otherwise allowable for meals and entertainment expenses paid or incurred in its trade or business. In addition, meals must not be lavish or extravagant; a bona fide business discussion must occur during, immediately before, or immediately after the meal; and your employee must be present at the meal. See section 274(k)(2) for exceptions. If the corporation claims a deduction for unallowable meals expenses, it may have to pay a penalty.

Additional limitations apply to deductions for gifts, skybox rentals, luxury water travel, convention expenses, and entertainment tickets. See section 274 and **Pub. 463,** Travel, Entertainment, and Gift Expenses, for details.

Generally, a corporation can deduct all other ordinary and necessary travel and entertainment expenses paid or incurred in its trade or business. It cannot, however, 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 amusement, entertainment, or recreation. **Note:** *The corporation may be able to deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099-MISC for an independent contractor.*

Note: *Do not deduct penalties imposed on corporations such as those included in General Instruction D.*

Line 29. Taxable income before NOL deduction and special deductions.—

"At-risk" rules.—Special "at-risk" rules under section 465 generally apply to closely held corporations (defined under "passive activity limitations" on page 7) 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. However, the at-risk rules do not apply to: **(1)** holding real property placed in service by the taxpayer before 1987; **(2)** equipment leasing under sections 465(c)(4), (5), and (6); and **(3)** any qualifying business of a qualified corporation described in section 465(c)(7). However, the at-risk rules do apply to the holding of mineral property.

If the at-risk rules apply, adjust the amount on line 29 for section 465(d) losses. These losses are limited to the amount for which such corporation is at risk for each separate activity at the close of the tax year. If the corporation is involved in one or more activities, one or more of which incurs a loss for the year, report the loss for each activity separately. Attach **Form 6198,** At-Risk Limitations, showing the amount at risk and gross income and deductions for the activities with losses.

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.

Line 30a. Net operating loss deduction.—The "net operating loss deduction" is the amount of the net operating loss carryovers and carrybacks that can be deducted in the tax year. See section 172(a). If this deduction is taken, explain its computation on an attached schedule.

Generally, a corporation 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. Personal service corporations are not permitted to carry back a net operating loss to or from any tax year to which a section 444 election applies.

A corporation may carry back 10 years that part of the net operating loss attributable to a product liability loss. See section 172(b)(1)(I). See Regulations section 1.172-13(c) for the required statement that must be attached to Form 1120F when claiming the 10-year carryback on product liability losses.

There is also an available election to carry a net operating loss over to just each of the 15 years following the year of loss. The election may be made by attaching a statement to a return that is filed on time (including extensions). The election is irrevocable. Section 172(b)(1) describes types of losses for which the 15-year carryforward period does not apply.

After applying the net operating loss to the first tax year to which it may be carried, the portion of the loss the corporation may carry to each of the remaining tax years is the excess, if any, of the loss over the sum of the modified taxable income for each of the prior tax years to which the corporation may carry the loss. See section 172(b).

If there is a carryback of a net operating loss, net capital loss, or an unused 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.

Caution: *Do not attach Form 1139 to Form 1120F. Mail it in a separate envelope and file it with the Internal Revenue Service Center, Philadelphia, PA 19255.*

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers. Also see **Pub. 536,** Net Operating Losses.

See section 382 for the limitation on the amount of taxable income of a loss corporation for any tax year ending after a post-1986 ownership change that may be offset by pre-change net operating loss carryovers. Also see Temporary Regulations section 1.382-2T(a)(2)(ii), which requires that a loss corporation file an information statement with its income tax return for each tax year that it is a loss corporation.

See section 384 for the limitation on the use of preacquisition losses of one corporation to offset recognized built-in gains of another corporation.

Line 30b. Special deductions.—See instructions for Schedule C below.

Schedule A—Cost of Goods Sold

Inventory valuation methods.—Inventories can be valued at: **(1)** cost; **(2)** cost or market value (whichever is lower), or **(3)** any other method approved by the Commissioner, 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 a change should be made by filing Form 3115. For more information about the change, see Regulations section 1.446-1(e)(3) and Rev. Proc. 84-74, 1984-2 C.B. 736, as modified by Rev. Proc. 88-15, 1988-1 C.B. 683.

Section 263A Uniform Capitalization Rules. These rules are discussed in the instructions for **Limitations on Deductions** on page 7. See those instructions before proceeding.

Line 4a.—An entry is required on this line only for corporations that have elected a simplified method of accounting. In the case of a corporation that has elected the simplified production method, additional section 263A costs are generally those costs, other than interest, that were not capitalized or included in inventory costs under the corporation's method of accounting immediately prior to the effective date in Temporary Regulations section 1.263A-1T, but that are now required to be capitalized under section 263A. In the case of corporations that have elected a simplified resale method, additional section 263A costs are generally those costs incurred with respect to the following categories: off-site storage or warehousing; purchasing; handling, processing, assembly, and repackaging; and general and administrative costs (mixed service costs). Enter on line 4a the balance of section 263A costs paid or incurred during the tax year not included on lines 2 and 3. See Temporary Regulations section 1.263A-1T for more information.

Line 4b.—Enter on line 4b any costs paid or incurred during the tax year not entered on lines 2 through 4a.

Line 6.— See Temporary Regulations section 1.263A-1T for more information on computing the amount of additional section 263A costs to be capitalized and added to ending inventory.

Line 8a. Inventory valuation methods.—Check the method(s) used for valuing inventories. Under "lower of cost or market," the term *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. 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" (i.e., 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 such a price can be established. 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 Method, or a statement with the information required by Form 970. Also check the LIFO box on line 8b. Enter the amount or percent of total closing inventories covered under section 472 on line 8c. Estimates are acceptable.

If the corporation changed or extended its inventory method to LIFO and had to "write-up" its opening inventory to cost in the year of election, report the effect of this write-up as income (in Section II, line 10, page 3) proportionately over a 3-year period that begins in the tax year the election was made (section 472(d)).

Schedule C—Dividends and Special Deductions

For purposes of the 20% ownership test on lines 1 through 7, the percentage of stock owned by the corporation is based on voting power and value of the stock. Preferred stock described in section 1504(a)(4) is not taken into account.

Line 1, Column (a)

Enter dividends (except those received on debt-financed stock acquired after July 18, 1984—see section 246A) that are received from less-than-20%-owned domestic corporations subject to income tax and that are subject to the 70% deduction under section 243(a)(1). Include on this line taxable distributions from an IC-DISC or former DISC that are designated as being eligible for the 70% deduction and certain dividends of Federal Home Loan Banks. See section 246(a)(2).

For dividends received from a regulated investment company, see section 854 for the amount subject to the 70% 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 (except those received on debt-financed stock acquired after July 18, 1984) that are received from 20%-or-more-owned domestic corporations subject to income tax and that are subject to the 80% deduction under section 243(c). Include on this line taxable distributions from an IC-DISC or former DISC that are designated as being eligible for the 80% deduction.

Line 3, Column (a)

Enter dividends on debt-financed stock acquired after July 18, 1984, that are received from domestic and foreign corporations subject to income tax and that would otherwise be subject to the dividends-received deduction under section 243(a)(1), 243(c), or 245(a). Generally, debt-financed stock is stock that the corporation acquired by incurring a debt (for example, it borrowed money to buy the stock).

Line 3, Columns (b) and (c)

Dividends received on debt-financed stock acquired after July 18, 1984, are not entitled to the full 70% or 80% dividends-received deduction. The 70% or 80% deduction is reduced by a percentage that is related to the amount of debt incurred to acquire the stock. See section 246A. Also see section 245(a) before making this computation for an additional limitation that applies to dividends received from foreign corporations. Attach a schedule that shows how the amount on line 3, column (c) was figured.

Line 4, Column (a)

Enter dividends received on the preferred stock of a less-than-20%-owned public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

Line 5, Column (a)

Enter dividends received on preferred stock of a 20%-or-more-owned public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

Line 6, Column (a)

Enter the U.S.-source portion of dividends that are received from less-than-20%-owned foreign corporations and that qualify for the 70% deduction under section 245(a). To qualify for the 70% deduction, the corporation must own at least 10% of the stock of the foreign corporation by vote and value.

Line 7, Column (a)

Enter the U.S.-source portion of dividends that are received from 20%-or-more-owned foreign corporations and that qualify for the 80% deduction under section 245(a).

Line 8, Column (c)

Limitation on dividends-received deduction. Generally, line 8 of column (c) may not exceed the amount from the worksheet below. However, in a year in which a net operating loss occurs, this limitation does not apply even if the loss is created by the dividends-received deduction. See sections 172(d) and 246(b). Certain financial institutions to which section 593(a) applies should see section 596 for the special limitation on the dividends-received deduction.

1. Refigure line 29, Section II without regard to any adjustment under section 1059 and without regard to any capital loss carryback to the tax year under section 1212(a)(1) . . . _____
2. Multiply the amount on line 1 by 80% . . . . . _____
3. Enter the sum of the amounts on lines 2, 5, and 7 of column (c) and the portion of the deduction on line 3 of column (c) that is attributable to dividends received from 20%-or-more-owned corporations . . . . . _____
4. Enter the lesser of line 2 or line 3. (Do not complete the rest of this worksheet if line 3 is greater than line 2. Instead, enter the amount from this line (line 4 of this worksheet) on line 8, column (c).) . _____
5. Enter the total amount of dividends received from 20%-or-more-owned corporations and included on lines 2, 3, 5, and 7 of column (a) . _____
6. Subtract line 5 from line 1 _____
7. Multiply the amount on line 6 by 70% . . . . . _____
8. Subtract line 3 of this worksheet from line 8, column (c) . . . . . _____
9. Enter the lesser of line 7 or line 8 . . . . . _____
10. Dividends-received deduction after limitation (sec. 246(b)). Add the amounts on lines 4 and 9 and enter the result on line 8 of column (c) . . _____

Line 9, Column (a)

Enter all other dividends received from foreign corporations that are not reportable on lines 3, 6, or 7 of column (a). Exclude distributions of amounts constructively taxed in the current year or in prior years under subpart F (sections 951 through 964).

Line 10, Column (a)

If the corporation claims the foreign tax credit, enter the tax that is deemed paid under sections 902 and 960. See sections 78 and 906(b)(4).

Line 11, Column (a)

Enter taxable distributions from an IC-DISC or former DISC that are designated as not being eligible for a dividends-received deduction.

No deduction is allowed under section 243 for a dividend from an IC-DISC or former DISC (as defined in section 992(a)) to the extent the dividend:

1. Is paid out of the corporation's accumulated IC-DISC income or previously taxed income, or
2. Is a deemed distribution under section 995(b)(1).

Line 12, Column (a)

Include the following:

1. Dividends (other than capital gain dividends and exempt-interest dividends) that are received from regulated investment companies and that are not subject to the 70% deduction.
2. Dividends from tax-exempt organizations.
3. Dividends (other than capital gain dividends) received from a real estate investment trust that qualifies, for the tax year of the trust in which the dividends are paid, under sections 856 through 860.
4. 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.

Two situations in which the dividends-received deduction will not be allowed on any share of stock are:

(a) If the corporation held it 45 days or less (see section 246(c)(1)(A)), or

(b) To the extent the corporation is under an obligation to make related payments for substantially similar or related property.

5. Any other taxable dividend income not properly reported above (including distributions under section 936(h)(4)). If patronage dividends or per-unit retain allocations are included in Schedule C, line 12, column (a), identify the total of these amounts in a schedule and attach it to Form 1120F.

Line 13, Column (c)

Deduction for dividends paid on certain preferred stock of public utilities. Section 247 allows public utilities a deduction of 41.176% of the lesser of:

1. Dividends paid on their preferred stock during the tax year, or
2. Taxable income computed without regard to this deduction.

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

Lines 1 and 2

Members of a controlled group, as defined in section 1563, are entitled to one $50,000 and one $25,000 taxable income bracket amount (in that order) on line 2a.

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 amount in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulations section 1.1561-3(b) for the requirements 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 amount 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 apportionment plan. Therefore, both corporation A and corporation B are entitled to $25,000 (one-half of $50,000) in the $50,000 taxable income bracket on line 2a(i) and to $12,500 (one-half of $25,000) in the $25,000 taxable income bracket on line 2a(ii).

Unequal Apportionment Plan. Members of a controlled group may elect an unequal apportionment plan and divide the taxable income bracket amounts 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 taxable income bracket. However, the total amount for all members of the controlled group cannot be more than the total amount in each taxable income bracket.

Each member of a controlled group must compute its tax as follows (except qualified personal service corporations):

1. Taxable income from line 31, Section II . . . . _____
2. Enter line 1 or the corporation's share of the $50,000 taxable income bracket, whichever is less . _____
3. Subtract line 2 from line 1 . _____
4. Enter line 3 or the corporation's share of the $25,000 taxable income bracket, whichever is less . _____
5. Subtract line 4 from line 3 . _____
6. Enter 15% of line 2 . . . . _____
7. Enter 25% of line 4 . . . . _____
8. Enter 34% of line 5 . . . . _____
9. If the taxable income of the controlled group exceeds $100,000, enter this member's share of the **lesser** of: **(a)** 5% of the excess over $100,000, or **(b)** $11,750. (See instructions for "additional 5% tax" below.) . . . . _____
10. Total of lines 6 through 9. Enter this amount on line 3, Schedule J . . . . _____

Additional 5% tax. Members of a controlled group are treated as one corporation for purposes of figuring the applicability of the additional 5% tax that must be paid by corporations with taxable income in excess of $100,000. If the additional tax applies, each member of the controlled group will pay that tax based on the part of the amount that is used in each taxable income bracket to reduce that member's tax. See section 1561(a). Each member of the group must enter its share of the additional 5% tax on line 2b and attach to its tax return a schedule that shows the taxable income of the entire group as well as how its share of the additional tax was figured.

Line 3

A corporation (that is not a member of a controlled group) must compute its tax on its taxable income as follows:

(1) Corporations other than qualified personal service corporations (defined below):

If its taxable income (line 31, Section II) is: Over—	But not over—	Its tax is:	Of the amount over—
$0	$50,000	15%	$0
50,000	75,000	$7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	.....	34%	0

(2) Qualified personal service corporations:

Caution: *If the corporation is a qualified personal service corporation, be sure to check the box on line 3, Schedule J.*

A qualified personal service corporation is taxed at a flat rate of 34% on its taxable income. For this purpose, a qualified personal service corporation is any corporation: **(a)** substantially all of the activities of which involve the performance of services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting, and **(b)** at least 95% of the stock of which is owned by employees performing the services, retired employees who had performed the services listed above, any estate of an employee or retiree described above, or any person who acquired the stock of the corporation as a result of the death of an employee or retiree described above, if the acquisition occurred within 2 years of death. See Temporary Regulations section 1.448-1T(e) for details.

Line 4a. Foreign tax credit.—A foreign corporation engaged in a trade or business in the U.S. during the tax year 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 with respect to income effectively connected with the conduct of a trade or business in the U.S. See section 906 and **Form 1118,** Computation of Foreign Tax Credit—Corporations, for additional information.

Line 4b. Credit for fuel produced from a nonconventional source.—A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 29 contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to the return showing the computation of the credit. Also see Form 8801 if any of the 1989 credit is disallowed soley because of the tentative minimum tax limitation. See section 53(d).

Line 4c. Orphan drug credit.—See section 28 and **Form 6765,** Credit for Increasing Research Activities (or for claiming the orphan drug credit), for an explanation of when a corporation can take this credit, as well as how it is figured. Generally, the corporation must reduce its deduction for qualified research or basic research expenses by the amount of any research credit determined under section 41(a).

However, this rule does not apply if the corporation elects to take the reduced credit under section 280(c). See that section for more information.

Line 4d. General business credit.— This credit is composed of the sum of the following credits:

Investment credit. The investment credit was generally repealed for property placed in service after 1985. See **Form 3468,** Investment Credit, for exceptions.

Jobs credit. The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. See **Form 5884,** Jobs Credit, for definitions, special rules, and limitations.

Do not take an expense deduction for the part of the wages or salaries paid or incurred that is equal to the amount of the jobs credit (determined without regard to the limitation based on the tax (section 38(c))).

Alcohol fuel credit. A corporation may be able to take a credit for alcohol used as fuel. Use **Form 6478,** Credit for Alcohol Used As Fuel, to figure the credit.

Credit for increasing research activities. See Form 6765 and section 41.

Low-income housing credit. See **Form 8586,** Low-Income Housing Credit, and section 42.

Disabled access credit. A corporation may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See the first "Important Change" on page 1 for more information on this credit.

Form 3800, *General Business Credit.* Complete Form 3800, General Business Credit, if the corporation has:

(1) more than one of the above credits;

(2) a credit carryforward or carryback (including one from an ESOP credit); OR

(3) a passive activity credit.

Enter the amount of the general business credit on the appropriate line and check the Form 3800 box on that line.

Form 3800 is not required if the corporation has only one of the general business credits and items (2) and (3) above do not apply. Instead, attach the applicable credit form to the return and check the appropriate box for that form. If the corporation's only general business credit is the disabled access credit, enter the amount of the credit on line 4d, attach Form 8826 to the return and write "From Form 8826" in the margin to the left of line 4d, Schedule J.

Line 4e. Credit for prior year minimum tax.—Use Form 8801 to figure the minimum tax credit and any carryforward of that credit.

Line 7. Recapture taxes.—*Recapture of investment credit.* If property is disposed of or ceases to be qualified property before the end of the life-years used in computing the regular or energy investment credit, there may be a recapture of the credit. See **Form 4255,** Recapture of Investment Credit.

Recapture of low-income housing credit. If you must recapture part of the low-income housing credit because there has been a decrease in the qualified basis of a building from the prior year or if you disposed of the building or an ownership interest in it, see **Form 8611,** Recapture of Low-Income Housing Credit, and section 42(j).

Line 8a. Alternative minimum tax.— Attach **Form 4626,** Alternative Minimum Tax—Corporations, if the corporation's taxable income or loss before the NOL deduction (line 29, Section II less line 30b, Section II) when combined with its adjustments and tax preference items (including the adjusted current earnings adjustment) totals more than the lesser of: **(a)** $40,000, or **(b)** the corporation's allowable exemption amount. See Form 4626 for details.

Reduce alternative minimum tax by any credit allowed under section 38(c)(2) on line 19 of Schedule A, Form 3800. Write on the dotted line to the left of the entry space on line 8a, Schedule J, "Sec. 38(c)(2) – $(amount)."

Line 8b. Environmental tax.—The corporation may be liable for the environmental tax if its modified alternative minimum taxable income exceeds $2,000,000. See Form 4626 for details.

Line 9. Interest on tax attributable to payments received on installment sales of certain timeshares and residential lots. If the corporation elected to pay interest on the amount of tax attributable to payments received on installment obligations arising from the disposition of certain timeshares and residential lots under section 453(l)(3), it must include the interest due in the amount to be entered on line 9, Schedule J. Write on the dotted line to the left of line 9, Schedule J, "Sec. 453(l)(3) interest – $(amount)." Attach a schedule showing the computation.

Interest on tax deferred under the installment method for certain nondealer installment obligations. If an obligation arising from the disposition of property to which section 453A applies is outstanding at the close of the year, the corporation must include the interest due under section 453A(c) in the amount to be entered on line 9, Schedule J. Write on the dotted line to the left of line 9, Schedule J, "Sec. 453A(c) interest – $(amount)." Attach a schedule showing the computation.

Interest under the look-back method for completed long-term contracts. Include the interest due under the look-back method of section 460(b)(2) on line 9, Schedule J. Write on the dotted line to the left of the entry space, "From Form 8697" and the amount of interest due.

Section III—Branch Profits Tax and Tax on Excess Interest

Part I—Computation of Branch Profits Tax

In general, section 884(a) imposes a 30% branch profits tax on the after-tax earnings of a foreign corporation's U.S. trade or business ("effectively connected earnings and profits") that are not reinvested in a U.S. trade or business by the close of the tax year, or are disinvested in a later tax year. Changes in the value of the equity of the foreign corporation's U.S. trade or business ("U.S. net equity") are used as a measure of whether earnings have been reinvested in, or disinvested from, a U.S. trade or business. An increase in U.S. net equity during the tax year is generally treated as a reinvestment of earnings for the current tax year, and a decrease in U.S. net equity is generally treated as a disinvestment of prior year's earnings that have not previously been subject to the branch profits tax. The amount subject to the branch profits tax for the tax year is the dividend equivalent amount.

Line 2.—The following types of adjustments (which are based on the principles of section 312) must be made to effectively connected taxable income (before the NOL deduction and special deductions) to arrive at effectively connected earnings and profits:

a. Positive adjustments for certain income items (that are effectively connected with a trade or business in the U.S.) that are excluded from your line 1 effectively connected taxable income but that must be included in computing earnings and profits (such as tax-exempt interest income);

b. Positive adjustments for certain items deducted in computing your line 1 effectively connected taxable income but that cannot be deducted in computing earnings and profits. Include adjustments for certain deductions claimed in computing your line 1 effectively connected taxable income, such as: **(1)** excess of percentage depletion over cost depletion, **(2)** excess of accelerated depreciation over straight line depreciation (but only if 20% or more of the foreign corporation's gross income from all sources is U.S. source), and **(3)** capital loss carrybacks and carryovers;

c. Negative adjustments for certain deductible items (that are allocable to income that is effectively connected with a trade or business in the U.S.) that cannot be deducted in computing taxable income but that must be deducted in computing earnings and profits (such as Federal income taxes, capital losses in excess of capital gains, and interest and expenses that are not deductible under section 265).

Note: *Do not reduce effectively connected earnings and profits by any dividends or other distributions made by the foreign corporation to its shareholders during the year.*

See Temporary Regulations section 1.884-2T for any adjustments to effectively connected earnings and profits due to a reorganization, liquidation, or incorporation.

Exceptions: Do not include the following types of income when computing effectively connected earnings and profits:

1. Income from the operation of ships or aircraft that is exempt from taxation under section 883(a)(1) or (2);
2. FSC income and distributions treated as effectively connected with the conduct of a trade or business in the U.S. under section 921(d) or section 926(b) that are not otherwise effectively connected with a trade or business in the U.S.;
3. Gain on the disposition of an interest in a domestic corporation that is a U.S. real property interest under section 897(c)(1)(A)(ii) if the gain is not otherwise effectively connected with a trade or business in the U.S.;
4. Related person insurance company income that a taxpayer elects to treat as effectively connected with a trade or business in the U.S. under section

953(c)(3)(C) if the income is not otherwise effectively connected with a trade or business in the U.S.;

5. Income that is exempt from tax under section 892; and

6. Interest income derived by a possession bank from U.S. obligations if the interest is treated as effectively connected with the conduct of a trade or business in the U.S. under section 882(e) and is not otherwise effectively connected with the conduct of a trade or business in the U.S.

Note: *Deductions and other adjustments attributable (under the principles of Regulations section 1.861-8) to the types of income not includible in effectively connected earnings and profits listed above do not reduce effectively connected earnings and profits.*

Line 3. Reporting requirements for historical summary.— Attach a historical summary of effectively connected earnings and profits for each tax year beginning after 1986. The summary should indicate whether the corporation was a qualified resident for each of the tax years.

Lines 4a and 4b. U.S. net equity.—"U.S. net equity" is "U.S. assets" reduced by "U.S. liabilities." U.S. net equity may be less than zero. See Temporary Regulations section 1.884-2T for specific rules regarding the computation of the foreign corporation's U.S. net equity in the event of a reorganization, liquidation, or incorporation.

The term "U.S. assets" is defined in Temporary Regulations section 1.884-1T(d). In general, property is a U.S. asset if all the income from its use and all gain from its disposition (if used or sold on the last day of the tax year) are or would be effectively connected with the conduct of a trade or business in the U.S. Special rules exist for specific types of property, such as depreciable property, inventory, marketable securities, and U.S. real property interests. Under certain circumstances, a foreign corporation may elect to treat a limited amount of marketable securities as U.S. assets. The amount of property taken into account as a U.S. asset is the adjusted basis (for purposes of computing earnings and profits) of the property.

The term "U.S. liabilities" is defined in Temporary Regulations section 1.884-1T(e). In general, the term means: (1) the foreign corporation's U.S. assets as of the close of the tax year, times (2) the ratio of the foreign corporation's worldwide liabilities as of the close of the tax year to its worldwide assets as of the close of the tax year OR if the foreign corporation computes its interest deduction using a fixed ratio of liabilities to assets (as determined under Regulations section 1.882-5(b)(2)(i)), such fixed ratio. For these purposes, the foreign corporation must use the same asset valuation method it uses for determining the amount of its interest deduction that is apportioned to effectively connected income under Regulations section 1.882-5.

Reporting requirements for supporting schedules for lines 4a and 4b.—Report U.S. assets in a manner that conforms to the categories of U.S. assets set forth in Temporary Regulations section 1.884-1T(d), including a line for expansion capital, if the election described in Temporary Regulations section 1.884-1T(d)(11) was made. **Note:** *U.S. assets must be reported at their adjusted bases (as computed for purposes of determining earnings and profits).* For U.S. liabilities, show either the foreign corporation's worldwide assets and worldwide liabilities or the fixed ratio used to compute U.S. liabilities.

Line 5. Reporting requirements for historical summary.—Attach a historical summary of dividend equivalent amounts for each tax year beginning after 1986.

Line 6. Branch profits tax.

Qualification for treaty benefits.—In general, a foreign corporation must be a qualified resident (as defined below) in the tax year in which it has a dividend equivalent amount in order to obtain treaty benefits with respect to the branch profits tax. It must also meet the requirements of any limitation on benefits article in the treaty. However, a foreign corporation is not required to be a qualified resident if it meets the requirements of a limitation on benefits article that entered into force after December 31, 1986. Treaties other than income tax treaties do not exempt a foreign corporation from the branch profits tax.

Note: *If a foreign corporation claims to be a "qualified resident" based on the "two-part stock ownership and base erosion test" (see definitions below), a special rule governs when a foreign corporation must be a qualified resident.*

Rate of tax.—If treaty benefits apply, the rate of tax is the rate on branch profits specified in the treaty. If the treaty does not specify a rate for branch profits, the rate of tax is the rate specified in the treaty for dividends paid by a wholly-owned domestic corporation to the foreign corporation. See Temporary Regulations section 1.884-1T(h) for applicable rates of tax. Benefits other than a rate reduction may be available under certain treaties, such as the Canadian income tax treaty.

Definition of qualified resident.—A foreign corporation is a qualified resident of a country if it meets one of the following three tests: **(a)** a two-part ownership and base erosion test; **(b)** a publicly-traded test; or **(c)** an active trade or business test. The regulations under section 884 give detailed rules for these tests. Those regulations also describe certain circumstances under which a foreign corporation that does not meet these tests may obtain a ruling that it will be treated as a qualified resident.

(a) A foreign corporation meets the two-part ownership and base erosion test if: **(1)** more than 50% of its stock (by value) is owned (directly or indirectly) during at least half the number of days in the tax year by individuals who are residents of such country or who are U.S. citizens or residents; and **(2)** less than 50% of its income is used (directly or indirectly) to meet liabilities to persons who are not residents of such foreign country or U.S. citizens or residents. For purposes of this test, governments of foreign countries and foreign corporations that meet the publicly-traded test described in (b) below are treated as individuals.

In general, stock owned by a corporation, partnership, trust, or estate is treated as proportionately owned by the individual owners of such entities.

In order to satisfy the 50% stock ownership test described in (a)(1) above, a foreign corporation must, before filing Form 1120F for the tax year, obtain certain written documentation from the requisite number of its direct and indirect shareholders to show that it meets the test, including a certificate of residency from each foreign individual resident signed by the Competent Authority of the individual's country of residence.

If a foreign corporation is a qualified resident under this test and a portion of its dividend equivalent amount for the tax year is attributable to effectively connected earnings and profits earned in prior tax years, the foreign corporation will be entitled to treaty benefits with respect to the entire dividend equivalent amount only if: **(1)** the foreign corporation was a qualified resident for all tax years within the 36-month period that includes the tax year of the dividend equivalent amount, or **(2)** the foreign corporation was a qualified resident for the tax year of the dividend equivalent amount and for the years in which the effectively connected earnings and profits that are included in the dividend equivalent amount were earned. If the foreign corporation fails the 36-month test but is a qualified resident for the tax year, the portion of the dividend equivalent amount attributable to effectively connected earnings and profits from any prior tax year will not be entitled to treaty benefits if the foreign corporation was not a qualified resident for the tax year in which the effectively connected earnings and profits were earned. Thus, in some instances, more than one rate of tax may apply to the dividend equivalent amount reported on line 5.

(b) A foreign corporation meets the publicly-traded test if: **(1)** its stock is primarily and regularly traded on one or more established securities markets in its country of residence or the U.S., or **(2)** 90% or more of its stock is owned (directly or indirectly) by another corporation that meets the requirements of (1) and is a resident of the same country or is a domestic corporation.

(c) In general, a foreign corporation meets the active trade or business test if it has a substantial presence in its country of residence and its U.S. trade or business is an integral part of an active trade or business conducted by the foreign corporation in its country of residence.

Effect of complete termination.—If the foreign corporation has completely terminated its U.S. trade or business (within the meaning of Temporary Regulations section 1.884-2T(a)) during the tax year, enter zero on line 6, and complete Item S. In general, a foreign corporation has terminated its U.S. trade or business if it no longer has any U.S. assets, except those retained to pay off liabilities. The foreign corporation (or a related corporation) may not use assets from the terminated U.S. trade or business or the proceeds from their sale in a U.S. trade or business within 3 years after the complete termination.

Coordination With Withholding Tax

In general, if a foreign corporation is subject to the branch profits tax for a tax year, it will not be subject to withholding at source

(sections 871(a), 881(a), 1441, or 1442) on dividends paid out of earnings and profits for the tax year.

Part II—Computation of Tax on Excess Interest

If a foreign corporation is engaged in a trade or business in the U.S. or has gross income that is treated as effectively connected with the conduct of a trade or business in the U.S., or has U.S. assets, it is subject to the tax on excess interest. Excess interest is defined as the amount of interest allowable to the foreign corporation as a deduction in computing its effectively connected taxable income under Regulations section 1.882-5 less the amount of interest paid by the U.S. trade or business of the foreign corporation (other than nondeductible interest).

Line 2. Interest paid.

Banks.—In general, interest paid by a U.S. branch of a foreign bank is limited to: **(a)** interest paid with respect to branch liabilities that are reported to bank regulatory authorities; **(b)** interest paid with respect to offshore shell branches, if the U.S. branch performs substantially all the activities required to incur the liability; and **(c)** interest on liabilities that are secured predominantly by U.S. assets or that give rise to certain nondeductible interest (such as capitalized interest) related to U.S. assets.

All other foreign corporations.—In general, interest paid by other foreign corporations includes: **(a)** interest on liabilities shown on the books and records of the U.S. trade or business for purposes of Regulations section 1.882-5; **(b)** interest on liabilities that are secured predominantly by U.S. assets or that give rise to certain nondeductible interest (such as capitalized interest) related to U.S. assets; and **(c)** interest on liabilities identified as liabilities of the U.S. trade or business on or before the earlier of the date on which the first interest payment is made or the due date (including extensions) of the foreign corporation's income tax return for the tax year. However, a liability may not be identified under (c) if the liability is incurred in the ordinary course of the foreign corporation's trade or business, or if the liability is secured predominantly by assets that are not U.S. assets. The amount of interest on liabilities identified in (c) that will be treated as interest paid by the U.S. trade or business is capped at 85% of the amount of interest of the foreign corporation that would be excess interest before taking into account interest on liabilities identified in (c) above. See Notice 89-80; 1989-2 C.B. 394.

Eighty percent rule.—Notwithstanding the above rules for "interest paid," if 80% or more of a foreign corporation's assets are U.S. assets, the interest paid by the foreign corporation's U.S. trade or business will generally equal the amount of interest allowable to it as a deduction under Regulations section 1.882-5 (which is the amount on line 1). If this 80% rule applies, check the box on line 2.

Note: *Interest paid by the U.S. trade or business of a foreign corporation is treated as if it were paid by a domestic corporation. A foreign corporation is thus required to withhold on interest paid by its U.S. trade or business to foreign persons (unless the interest is exempt from withholding under a treaty or the Code) and is required to file Forms 1042 and 1042S with respect to the payments as required under Regulations sections 1.1461-2 and 35a.9999-5.*

Caution: *Special treaty shopping rules apply if the recipient of the interest paid by the U.S. trade or business is a foreign corporation.*

Line 3b.—A foreign bank may treat a percentage of its excess interest as if it were interest on deposits and thus exempt from tax. Multiply the amount on line 3a by the greater of 85% or the ratio of the foreign bank's worldwide interest-bearing deposits to its worldwide interest-bearing liabilities as of the close of the tax year.

Line 4. Tax on excess interest.—See the instructions to line 6, Part I for the requirements that must be met in order to qualify for treaty benefits and the definition of qualified resident. If treaty benefits apply, the rate of tax on excess interest is the same rate that would apply to interest paid to the foreign corporation by a wholly-owned domestic corporation. The tax on excess interest is not prohibited by any provision in any treaty to which the U.S. is a party.

Additional Information Required on Page 5

Item Q

Report any tax-exempt interest received or accrued in the space provided. Include any exempt-interest dividends received as a shareholder in a mutual fund or other regulated investment company.

Item R

Foreign corporations that "adopt a return position" (see Regulations section 301.6114-1(a)(2)) that any treaty of the U.S. (including, but not limited to, an income tax treaty, estate and gift tax treaty, or friendship, commerce and navigation treaty) overrides or modifies any provision of the Internal Revenue Code and thereby effects (or potentially effects) a reduction of any tax incurred at any time generally must disclose such return position on a statement (in the manner required in Regulations section 301.6114-1(d)). Attach such statement to Form 1120F. See section 6114 and Regulations section 301.6114-1 for details.

Failure to attach such statement may result in a penalty of $10,000.

Schedules L, M-1, and M-2

A foreign corporation, other than a corporation subject to the branch profits tax, may limit Schedules L, M-1, and M-2 to:

a. The corporation's assets in the U.S. and its other assets effectively connected with its trade or business in the U.S.; and

b. 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.

Do not complete Schedules M-1 and M-2 if total assets at the end of the tax year (line 15, column (d) of Schedule L) are less than $25,000.

Schedule L—Balance Sheets

Line 5. Tax-exempt securities.—Include on this line:

1. State and local government obligations, the interest on which is excludible from gross income under section 103(a); and

2. Stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the corporation.

Schedule M-1

Reconciliation of Income per Books With Income per Return

Line 5c. Travel and entertainment expenses.— Include on this line: 20% of meals and entertainment not allowed under section 274(n); expenses for the use of an entertainment facility; the part of business gifts in excess of $25; expenses of an individual allocable to conventions on cruise ships in excess of $2,000; employee achievement awards larger than $400; the cost of entertainment tickets in excess of face value (also subject to the 20% disallowance); the cost of skyboxes in excess of the face value of non-luxury box seat tickets; the part of the cost of luxury water travel not allowed under section 274(m); expenses for travel as a form of education; and other travel and entertainment expenses not allowed as a deduction.

Codes for Principal Business Activity

These codes for the Principal Business Activity are designed to classify enterprises by the type of activity in which they are engaged to facilitate the administration of the Internal Revenue Code. Though similar in format and structure to the Standard Industrial Classification (SIC) codes, they should not be used as SIC codes.

Using the list below, enter on page 5, under Question N, 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 3) plus all other income (lines 4 through 10, page 3).

Also, on page 5, under Question N, 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."

If, as its principal business activity, the corporation: (1) purchases raw materials, (2) subcontracts out for labor to make a finished product from the raw materials, and (3) retains title to the goods, the corporation is considered to be a manufacturer and must enter one of the codes (2010–3998) under "Manufacturing."

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:

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
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 confectionary 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

Chemicals and allied products:

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 Miscellaneous 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

Primary metal industries:

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 machines
3598 Other machinery except electrical

Electrical and electronic equipment:

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

3998 Other manufacturing products.

Transportation and Public Utilities

Code

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

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 and supplies
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 Miscellaneous nondurable goods

Retail Trade

Building materials, garden supplies, and mobile home dealers:

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

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 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 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 and other real 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:

6744 Small business investment companies
6749 Other holding and 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; 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
8099 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)

Form **1120L**

Department of the Treasury
Internal Revenue Service

U.S. Life Insurance Company Income Tax Return

▶ See separate instructions.

For calendar 1990, or tax year beginning _____, 1990, and ending _____, 19____

OMB No. 1545-0128

1990

Please type or print

Name

Number, street, and room or suite no. (If a P.O. box, see page 4 of instructions.)

City or town, state, and ZIP code

A Employer identification number

B Date incorporated

C Check box if this is a consolidated return . . . ▶ ☐

D Check box if nonlife insurance companies are included . . . ▶ ☐

E Check applicable boxes: (1) ☐ Final return (2) ☐ Change in address (3) ☐ Amended return

F Check applicable box if an election has been made under section(s) ▶ (1) ☐ 953(c)(3)(C) (2) ☐ 953(d)

Taxable Income

1	Life insurance company taxable income (LICTI)—(Schedule A, line 22)	1	
2	Limitation on noninsurance losses (Schedule P, line 9)	2	
3	Amount subtracted from policyholder surplus account (Schedule N, line 3)	3	
4	Total taxable income—Add lines 1, 2, and 3; however, the total may not be less than line 3	4	
5	Check if you are a member of a controlled group (see sections 1561 and 1563) . . . ▶ ☐		
	a Enter your share of the $50,000 amount and $25,000 amount (in that order) in each tax bracket: (i) $_____ (ii) $_____		
	b Enter your share of the additional 5% tax (not to exceed $11,750): $_____		
6	Income tax (see instructions to figure the tax)	6	

Tax

7a	Foreign tax credit (attach Form 1118)	7a		
b	Other credits (see instructions)	7b		
c	General business credit. Check if from: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586	7c		
d	Credit for prior year minimum tax (attach Form 8801)	7d		
8	Total credits (add lines 7a through 7d)		8	
9	Balance of tax (Line 6 less line 8)		9	
10	Foreign corporations—tax on income not connected with U.S. business		10	
11	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611		11	
12a	Alternative minimum tax (attach Form 4626) (see instructions)		12a	
b	Environmental tax (attach Form 4626)		12b	
13	Total tax (add lines 9 through 12b)		13	
14a	Overpayment from 1989 allowed as a credit	14a		
b	1990 estimated tax payments	14b		
c	Less 1990 refund applied for on Form 4466	14c ( )		
d	Sum of lines 14a and 14b minus line 14c	14d		
e	Tax deposited with Form 7004	14e		
f	Credit from regulated investment companies (attach Form 2439)	14f		
g	Credit for Federal tax on fuels (attach Form 4136)	14g		
h	U.S. income tax paid or withheld at source	14h		
15	Total credits (combine lines 14d through 14h)		15	
16	Enter any **PENALTY** for underpayment of estimated tax—Check ▶ ☐ if Form 2220 is attached		16	
17	**TAX DUE**—If the total of lines 13 and 16 is larger than line 15, enter AMOUNT OWED		17	
18	**OVERPAYMENT**—If line 15 is larger than the total of lines 13 and 16, enter AMOUNT OVERPAID		18	
19	Enter amount of line 18 you want: **Credited to 1991 estimated tax** ▶ $ **Refunded** ▶		19	

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 the preparer has any knowledge.

Signature of officer _____ Date _____ ▶ Title _____

Paid Preparer's Use Only

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. Form **1120L** (1990)

SCHEDULE A Life Insurance Company Taxable Income (LICTI) (Section 801(b)) (See instructions.)

1	Gross premiums, etc., less return premiums, etc. Enter balance			1
2	Decrease in reserves			2
3	10% of any decrease in reserves under section 807(f)(1)(B)(ii)			3
4	3½% of end of year balance of reserves under section 807(e)(7)(B)			4
5	Investment income (Schedule C, line 8)			5
6	Net capital gain (line 10, Schedule D (Form 1120))			6
7	Other amounts (attach schedule)			7
8	Life insurance company gross income (add lines 1 through 7)			8
9	Death benefits, etc.	9		
10	Increase in reserves (Schedule B, line 12)	10		
11	10% of any increase in reserves under section 807(f)(1)(B)(i)	11		
12	Deductible policyholder dividends (Schedule E, line 7)	12		
13	Consideration paid for assumption by another person of liabilities	13		
14	Dividends reimbursable by taxpayer	14		
15a	Interest ▶ _____ b Less tax-exempt _____ c Balance ▶	15c		
16	Other deductions (attach schedule)	16		
17	Dividends-received deduction (Schedule G, column (c), line 15)—enter here and on Schedule M, line 2c	17		
18	Operations loss deduction (attach schedule)	18		
19	Total deductions (add lines 9 through 18)			19
20	Gain or (loss) from operations (Line 8 less line 19), enter here and on Schedule H, line 1			20
21	Small life insurance company deduction (Schedule H, line 10), enter here and on Schedule M, line 2b			21
22	LICTI (line 20 less line 21), enter here and on page 1, line 1			22

SCHEDULE B Increase or (Decrease) in Reserves (Section 807) (See instructions.)

		(a) Beginning of tax year	(b) End of tax year
1	Life insurance reserves	1	
2	Unearned premiums and unpaid losses	2	
3	Supplementary contracts	3	
4	Dividend accumulations and other amounts	4	
5	Advance premiums	5	
6	Special contingency reserves	6	
7	Total (add lines 1 through 6 in both columns)	7	
8	Increase (decrease) in reserves (column (b) less column (a))		8
9	Policyholders' share of tax-exempt interest (Schedule C, line 9 times Schedule K, line 26)		9
10	Line 8 less line 9		10
11	**Less:** Adjustment to reserves of mutual insurance company per section 809(a)(2) (Schedule E, line 8)		11
12	Net increase (decrease) in reserves. (If an increase, enter here and on Schedule A, line 10. If a (decrease), enter here and on Schedule A, line 2.)		12

SCHEDULE C Gross Investment Income (Section 812(d)) (See instructions.)

1	Interest (excluding tax-exempt interest)		1
2	Gross taxable dividends (Schedule G, column (a), line 15)		2
3	Gross rents		3
4	Gross royalties		4
5	Leases, terminations, etc.		5
6	Excess of net short-term capital gain over net long-term capital loss (line 9, Schedule D (Form 1120))		6
7	Gross income from trade or business other than insurance (attach schedule)		7
8	Investment income (add lines 1 through 7), enter here and on Schedule A, line 5		8
9	Tax-exempt interest, enter here and on Schedule K, line 5 and on Schedule M, line 2d		9
10	Add lines 8 and 9		10
11	100% qualifying dividends		11
12	Gross investment income (line 10 less line 11), enter here and on Schedule K, line 1		12

SCHEDULE H **Small Life Insurance Company Deduction (Section 806(a))**—If assets (Schedule O, Part I, line 6, column (b) are $500,000,000 or more, complete lines 1 through 5, line 9, and enter zero on line 10. (See instructions.)

1	Gain or (loss) from operations (Schedule A, line 20)	1	
2a	Less: noninsurance income	2a	
b	Plus: noninsurance deductions	2b	
3a	Gain or (loss) on insurance operations (line 1 less line 2a plus line 2b)	3a	
b	Adjustments (attach schedule)	3b	
c	Tentative LICTI (total of lines 3a and 3b)	3c	
4	Controlled group tentative LICTI (Schedule I, line 8)	4	
5	Combined tentative LICTI (line 3c plus line 4). If $15,000,000 or more, omit lines 6 through 8, enter zero on line 10 below, and on Schedule A, line 21	5	
6	Line 5 times .6, but not more than $1,800,000	6	x .6
7a	Maximum statutory amount	7a	3,000,000
b	Line 5 less line 7a, but not less than zero	7b	
c	Line 7b times .15, but not more than $1,800,000	7c	x .15
8	Tentative small life insurance company deduction (line 6 less line 7c)		8
9	Taxpayer's share (line 3c, but not less than zero, divided by the sum of line 3c and Schedule I, column (a), line 6)		9
10	Allowable small life insurance company deduction (line 9 times line 8). Enter here and on Schedule A, line 21		10

SCHEDULE I **Controlled Group Information (Section 806(c))** (See instructions.)

Company	Tentative LICTI (a) Income	Tentative LICTI (b) (Loss)
1		
2		
3		
4		
5		
6 Total—Add lines 1 through 5 in both columns	( )	
7 Enter amount from line 6, column (b)		
8 Net controlled group tentative LICTI (line 6 less line 7). Enter here and on Schedule H, line 4.		

SCHEDULE K **Part I—Company/Policyholder Share Percentage (Section 812)** (See instructions.)

1	Gross investment income (Schedule C, line 12)		1
2	Policy interest (Schedule L, line 6)		2
3	Line 1 less line 2		3
4	Life insurance company gross income (Schedule A, line 8)	4	
5	Tax-exempt interest (Schedule C, line 9)	5	
6	Add lines 4 and 5		6
7	Increase in reserves (Schedule B, line 8) (If a decrease in reserves, enter "0".)		7
8	Line 6 less line 7		8
9	Investment income ratio (line 3 divided by line 8)		9
10	Deductible policyholder dividends (Schedule E, line 7)		10
11	Deductible excess interest (Schedule L, line 2)	11	
12	Deductible dividends on employee pension funds	12	
13	Deductible dividends on deferred annuities	13	
14	Deductible premium and mortality charges for contracts paying excess interest	14	
15	Add lines 11 through 14		15
16	Line 10 less line 15		16
17	Investment portion of dividends (line 9 times line 16)		17
18	Policy interest (Schedule L, line 6)		18
19	Policyholder share amount (add lines 17 and 18)		19

SCHEDULE K **Part II**

20	Gross investment income (from line 1 above)		20
21	Net investment income (see instructions)		21
22	Policyholder share amount (from line 19 above)		22
23	Company share of net investment income (line 21 less line 22)		23
24	Total share percentage		24 100%
25	Company share percentage (line 23 divided by line 21). Enter here and on Schedule G, line 11		25 %
26	Policyholders' share percentage (line 24 less line 25)		26 %

Form 1120L (1990) Page 4

SCHEDULE H **Small Life Insurance Company Deduction (Section 806(a))**—If assets (Schedule O, Part I, line 6, column (b) are $500,000,000 or more, complete lines 1 through 5, line 9, and enter zero on line 10. (See instructions.)

1	Gain or (loss) from operations (Schedule A, line 20)	1	
2a	Less: noninsurance income	2a	
b	Plus: noninsurance deductions	2b	
3a	Gain or (loss) on insurance operations (line 1 less line 2a plus line 2b)	3a	
b	Adjustments (attach schedule)	3b	
c	Tentative LICTI (total of lines 3a and 3b)	3c	
4	Controlled group tentative LICTI (Schedule I, line 8)	4	
5	Combined tentative LICTI (line 3c plus line 4). If $15,000,000 or more, omit lines 6 through 8, enter zero on line 10 below, and on Schedule A, line 21	5	
6	Line 5 times .6, but not more than $1,800,000	6	x .6
7a	Maximum statutory amount	7a	3,000,000
b	Line 5 less line 7a, but not less than zero	7b	
c	Line 7b times .15, but not more than $1,800,000	7c	x .15
8	Tentative small life insurance company deduction (line 6 less line 7c)		8
9	Taxpayer's share (line 3c, but not less than zero, divided by the sum of line 3c and Schedule I, column (a), line 6)		9
10	Allowable small life insurance company deduction (line 9 times line 8). Enter here and on Schedule A, line 21		10

SCHEDULE I **Controlled Group Information (Section 806(c))** (See instructions.)

Company	Tentative LICTI (a) Income	Tentative LICTI (b) (Loss)
1		
2		
3		
4		
5		
6 Total—Add lines 1 through 5 in both columns	( )	
7 Enter amount from line 6, column (b)		
8 Net controlled group tentative LICTI (line 6 less line 7). Enter here and on Schedule H, line 4.		

SCHEDULE K **Part I—Company/Policyholder Share Percentage (Section 812)** (See instructions.)

1	Gross investment income (Schedule C, line 12)		1
2	Policy interest (Schedule L, line 6)		2
3	Line 1 less line 2		3
4	Life insurance company gross income (Schedule A, line 8)	4	
5	Tax-exempt interest (Schedule C, line 9)	5	
6	Add lines 4 and 5		6
7	Increase in reserves (Schedule B, line 8) (If a decrease in reserves, enter "0".)		7
8	Line 6 less line 7		8
9	Investment income ratio (line 3 divided by line 8)		9
10	Deductible policyholder dividends (Schedule E, line 7)		10
11	Deductible excess interest (Schedule L, line 2)	11	
12	Deductible dividends on employee pension funds	12	
13	Deductible dividends on deferred annuities	13	
14	Deductible premium and mortality charges for contracts paying excess interest	14	
15	Add lines 11 through 14		15
16	Line 10 less line 15		16
17	Investment portion of dividends (line 9 times line 16)		17
18	Policy interest (Schedule L, line 6)		18
19	Policyholder share amount (add lines 17 and 18)		19

SCHEDULE K **Part II**

20	Gross investment income (from line 1 above)		20
21	Net investment income (see instructions)		21
22	Policyholder share amount (from line 19 above)		22
23	Company share of net investment income (line 21 less line 22)		23
24	Total share percentage		24 100%
25	Company share percentage (line 23 divided by line 21). Enter here and on Schedule G, line 11		25 %
26	Policyholders' share percentage (line 24 less line 25)		26 %

SCHEDULE L Policy Interest (Section 812(b)(2))

1 Required interest on reserves under sections 807(c)(1), (3), (4), (5), and (6) (attach schedule)	1	
2 Deductible excess interest (Schedule E, line 2 times Schedule E, line 9). Enter here and on Schedule K, line 11	2	
3 Deductible amounts credited to employee pension funds	3	
4 Deductible amounts credited to deferred annuities	4	
5 Deductible interest on amounts left on deposit	5	
6 Total policy interest (add lines 1 through 5). Enter here and on Schedule K, lines 2 and 18	6	

SCHEDULE M Shareholders' Surplus Account—Stock Companies Only (Section 815(c))

1a Balance at the beginning of tax year	1a	
b Transfers under pre-1984 sections 815(d)(1) and (4) for preceding year	1b	
c Balance at the beginning of tax year (add lines 1a and 1b)	1c	
2a LICTI (page 1, sum of lines 1 and 2, but not less than zero)	2a	
b Small life insurance company deduction (Schedule A, line 21)	2b	
c Dividends-received deduction (Schedule A, line 17)	2c	
d Tax-exempt interest (Schedule C, line 9)	2d	
3 Total (add lines 1c through 2d)	3	
4 Tax liability without regard to section 815 (figure the tax on line 2a as if it were total taxable income)	4	
5 Line 3 less line 4 (do not enter less than zero)	5	
6 Direct or indirect distributions in the tax year (not more than line 5)	6	
7 Balance at the end of tax year (line 5 less line 6)	7	

SCHEDULE N Policyholders' Surplus Account—Stock Companies Only (Section 815(d)) (See instructions.)

1 Balance at the beginning of tax year		1	
2a Direct or indirect distributions in excess of the amount on Schedule M, line 5	2a		
b Tax increase on line 2a	2b		
c Subtractions from account under pre-1984 sections 815(d)(1) and (4)	2c		
d Tax increase on line 2c	2d		
e Subtraction from account under pre-1984 section 815(d)(2)	2e		
3 Total—Add lines 2a through 2e, but not more than line 1 (Also enter on page 1, line 3.)		3	
4 Balance at the end of tax year (line 1 less line 3)		4	

SCHEDULE O Total Assets and Total Insurance Liabilities

Part I—Total Assets (Section 806(a)(3)(C))

		(a) As of Beginning of Tax Year	(b) As of Close of Tax Year
1 Real property	1		
2 Stocks	2		
3 Proportionate share of partnership and trust assets	3		
4 Other assets (attach schedule)	4		
5 Total assets of controlled groups	5		
6 Total assets (add lines 1 through 5)	6		

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SCHEDULE O Part II—Total Assets and Total Insurance Liabilities (Section 842(b)(2))

Line references are to the "Assets" (lines 1 and 2) and "Liabilities, Surplus, and Other Funds" (lines 3 through 15) Sections of the NAIC Annual Statement.

		(a) As of Beginning of Tax Year	(b) As of Close of Tax Year
1 Subtotals for Assets (line 22)	1		
2 Total Assets (line 24)	2		
3 Reserve for life policies and contracts (line 1)	3		
4 Reserve for accident and health policies (line 2)	4		
5 Supplementary contracts without life contingencies (line 3)	5		
6 Life policy and contract claims (line 4.1)	6		
7 Accident and health policy and contract claims (line 4.2)	7		
8 Policyholder's dividend and coupon accumulations (line 5)	8		
9 Premiums and annuity considerations received in advance less discount (line 9)	9		
10 Policyholder premiums (line 10.1)	10		
11 Guaranteed interest contracts (line 10.2)	11		
12 Other contract deposit funds (line 10.3)	12		
13 Surrender values on cancelled policies (line 11.1)	13		
14 Part of other amounts payable on reinsurance assumed (line 11.3)	14		
15 Part of aggregate write-ins for liabilities (line 25). (Only include items or amounts includable in "total insurance liabilities on U.S. business" as defined in section 842(b)(2)(B)(i))	15		
16 Separate accounts statement (line 27)	16		
17 Total insurance liabilities (add lines 3 through 16)	17		

SCHEDULE P Limitation on Noninsurance Losses (Section 806(b)(3)(C))

1 Noninsurance income (attach schedule)	1	
2 Noninsurance deductions (attach schedule)	2	
3 Noninsurance operations loss deductions	3	
4 Add lines 2 and 3	4	
5 Noninsurance loss (line 4 less line 1). If line 1 is greater than line 4, skip lines 5 through 8, and enter zero on line 9	5	
6 Enter 35% of line 5	6	
7 Enter 35% of the excess of Schedule A, line 22, over any noninsurance loss included in Schedule A	7	
8 Enter the lesser of line 6 or line 7	8	
9 Limitation on noninsurance losses (line 5 less line 8)—Enter here and on page 1, line 2	9	

SCHEDULE Q Additional Information (See instructions.)

	Yes	No
G Check if the corporation is 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		
H Enter the percentage that the total of the corporation's life insurance reserves (section 816(b)) plus unearned premiums and unpaid losses (whether or not ascertained) on noncancelable life, health or accident policies not included in life insurance reserves is to the corporation's total reserves (section 816(c)) _____ %. Attach a schedule of the computation.		
I Does the corporation have any variable annuity contracts outstanding?		
J (1) Did the corporation, 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 identification number; *(b)* Percentage owned; and *(c)* Taxable income or (loss) before NOL or special deductions from line 28, page 1, Form 1120 (or line 24, page 1, Form 1120-A) 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 the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: *(a)* Name, address, and identification number; *(b)* Percentage owned; and *(c)* If the owner of that voting stock was a foreign person (see instructions), check "Yes," and show owner's country. ▶ _____		
Note: *If question J(2)(c) is checked "Yes," the corporation may have to file Form 5472.*		
K Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957, and the instructions.) If "Yes," attach Form 5471 for each corporation.		
L At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for Form TD F 90-22.1.) If "Yes," write the name of the foreign country. ▶ _____		
M Was the corporation ever the grantor of or transferor to a foreign trust which existed during the current tax year, whether or not it had any beneficial interest in it? (See instructions.) If "Yes," the corporation may be required to file Form 926, 3520, or 3520-A.		
N During the tax year did the corporation maintain any of its accounting/tax records on a computerized system?		
O Check method of accounting: **(1)** ☐ Accrual **(2)** ☐ Other (specify) _____		
P Enter the amount of tax-exempt interest received or accrued during the tax year $_____		
Q Has the corporation elected to use its own payout pattern for discounting unpaid losses and unpaid loss adjustment expenses?		
R Does the corporation discount any of the loss reserves shown on its annual statement?		
S (1) Enter the total unpaid losses shown on the corporation's annual statement: **(a)** for the current year: $ _____ **(b)** for the previous year: $ _____		
(2) Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement: **(a)** for the current year: $ _____ **(b)** for the previous year: $ _____		

SCHEDULE R Reconciliation (See instructions.)

SCHEDULE S Compensation of Officers (See instructions.)

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1990

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 noted.)

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	75 hrs., 20 min.
Learning about the law or the form	23 hrs., 53 min.
Preparing the form	37 hrs., 20 min.
Copying, assembling, and sending the form to IRS	3 hrs., 13 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0128), Washington, DC 20503.

DO NOT send the tax form to either of these offices. Instead, see the instructions below for information on where to file it.

Important Change

New **Form 8826**, Disabled Access Credit, has been developed as a result of the addition of section 44 by the Revenue Reconciliation Act of 1990. This allows eligible small businesses to claim a new nonrefundable income tax credit equal to 50% of expenses that are over $250 and not more than $10,250. These expenses must be paid or incurred after November 5, 1990, to enable a small business to comply with the requirements of the Americans With Disabilities Act of 1990. An eligible small business is one with gross receipts of $1 million or less in the previous tax year or one that had not more than 30 full-time employees in the previous tax year.

Examples of expenses eligible for the credit include amounts paid or incurred: (1) to remove barriers that prevent a business from being accessible to, or usable by, individuals with disabilities; (2) to provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals; (3) to provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or (4) to acquire or modify equipment or devices for individuals with disabilities.

General Instructions

A. Purpose of Form

Form 1120L, U.S. Life Insurance Company Income Tax Return, is used to report income, gains, losses, deductions, credits, and to figure the income tax liability of life insurance companies.

B. Filing Form 1120L

Who Must File.—Every domestic life insurance company and every foreign corporation carrying on an insurance business within the U.S. that would qualify as a life insurance company if it were a U.S. corporation must file a return on Form 1120L. This includes organizations described in section 501(m)(1) that provide commercial-type life insurance.

To qualify as a life insurance company, a corporation must meet the statutory requirements specified in section 816. The corporation must be an insurance company engaged in the business of issuing life insurance and annuity contracts and must meet the reserves test specified in section 816(a).

The term "insurance company" means any corporation more than half of the business of which during the tax year is the issuing of insurance or annuity contracts or the reinsuring of risks underwritten by insurance companies.

The life insurance business of a corporation includes the issuance of life insurance and annuity contracts either separately or combined with health and accident insurance, or noncancelable contracts of health and accident insurance. Guaranteed renewable life, health, and accident insurance that the corporation cannot cancel but under which the corporation reserves the right to adjust premium rates by classes, according to experience under the kind of policy involved, are treated as noncancelable.

The reserves test requires that the corporation's life insurance reserves, as defined in section 816(b), plus its unearned premiums and unpaid losses (whether or not ascertained) on noncancelable life, health, or accident policies not included in life insurance reserves, must make up more than 50% of its total reserves as defined in section 816(c). In determining whether a corporation meets the reserves test, the following modifications must be made: (1) life insurance reserves and total reserves must each be reduced by an amount equal to the mean of the aggregates, at the beginning and end of the tax year, of the policy loans outstanding with respect to contracts for which life insurance reserves are maintained; (2) amounts set aside and held at interest to satisfy obligations under contracts which do not contain permanent guarantees with respect to life, accident, or health contingencies shall not be included in either life insurance reserves (section 816(c)(1)) or other reserves required by law (section 816(c)(3)); and (3) deficiency reserves shall not be included in either life insurance reserves or total reserves.

Mutual savings bank conducting life insurance business.—Mutual savings banks conducting life insurance business and meeting the requirements of section 594 are subject to an alternative tax consisting of the sum of: (1) a partial tax computed on **Form 1120**, U.S. Corporation Income Tax Return, 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.

Insurance companies other than life insurance companies.—Insurance companies that do not qualify as life insurance companies should file **Form 1120-PC**, U.S. Property and Casualty Insurance Company Income Tax Return. A burial or funeral benefit insurance company that directly manufactures funeral supplies or performs funeral services is taxable under section 831 and should file Form 1120-PC.

When To File.—In general, a corporation must file its income tax return 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 dissolved. A foreign corporation that does not maintain an office or place of business in the U.S. has until the 15th day of the 6th month after the end of its tax year to file.

Extension.—File **Form 7004**, Application for Automatic Extension of Time To File Corporation Income Tax Return, to request an automatic 6-month extension of time to file.

Period Covered.—File the 1990 return for calendar year 1990. Section 843 requires all insurance companies to file on a calendar year basis, unless they join in the filing of a consolidated return. If a consolidated return is filed, the parent return would indicate the period covered.

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 (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
Florida, Georgia, South Carolina	Atlanta, GA 39901
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

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 a corporate officer filled in Form 1120L, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares Form 1120L and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120L should not sign. For example, a regular, full-time employee of the corporation, such as a clerk, secretary, etc., should not 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 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 1120L to the taxpayer in addition to the copy filed with IRS.

C. Figuring and Paying the Tax

1. Accounting Methods.—The return must be filed 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, the corporation 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.

2. Rounding Off to Whole-Dollar Amounts.—Money items may be shown 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. Depositary Method of Tax Payment.—The corporation must pay the tax due in full when the return is filed but no later than the 15th day of the 3rd month after the end of the tax year.

Deposit corporation income tax payments (and estimated tax payments) with a Federal Tax Deposit Coupon (**Form 8109**). Be sure to darken the "1120" box on the coupon. Make these tax deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve bank or branch servicing the geographic area where the corporation is located. Do not submit deposits directly to an IRS office; otherwise, the corporation may be subject to a failure to deposit penalty. Records of deposits will be sent to IRS for crediting to the corporation's account. See the instructions contained in the coupon book (Form 8109) for more information.

To help ensure proper crediting to the corporation's account, please write the corporation's employer identification number (EIN), the type of tax paid, and the tax period to which the deposit applies on the corporation's check.

To get more deposit coupons, use the reorder form (**Form 8109A**) provided in the coupon book. A penalty may be imposed for failure to deposit the required amount of tax. See section 6656.

For more information concerning deposits, see **Pub. 583**, Taxpayers Starting a Business.

4. Estimated Tax.—Generally, a corporation must make estimated tax payments if it can expect its estimated tax (income tax minus credits) to be $500 or more. Use **Form 1120-W**, Corporation Estimated Tax, as a worksheet to compute estimated tax. Use the deposit coupons (Form 8109) in making deposits of estimated tax.

If the corporation overpaid estimated tax, it 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, file Form 4466 after the end of the tax year, but before the 16th day of the 3rd month thereafter, and before the corporation files its tax return.

Caution: *Foreign insurance companies see Notice 90-13, 1990-1, C.B. 321 before computing estimated tax.*

5. Timing Change In Deducting Accrued Expenses.—Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that all events have occurred that determine the liability, and the amount of the liability can be determined with reasonable accuracy.

Generally, however, all the events that establish liability for the amount are treated as occurring only when economic performance takes place. There are exceptions to this general rule. See section 461(h).

D. Interest and Penalties

Interest and penalty charges are described below. If a corporation files late or fails to pay the tax when due, it will be liable for penalties unless it can show that failure to file or pay was due to reasonable cause and not willful neglect.

1. Interest.—Interest is charged on taxes not paid by the due date, even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax, from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

2. Late Filing of Return.—A corporation that fails to file its return when due (including extensions of time for filing) may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is more than 60 days late is the smaller of the tax due or $100.

Since Regulations section 1.6012-2(c) requires that the annual statement approved by the National Association of Insurance Commissioners (NAIC) be filed as part of the return, a late filing penalty may be imposed for not including the annual statement when the return is filed.

3. Late Payment of Tax.—The penalty for late payment of taxes is usually ½ of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the amount due. This penalty may also apply to any additional tax not paid within 10 days of the date of the notice and demand for payment.

4. Underpayment of Estimated Tax.—A corporation that fails to make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. In general, to avoid the estimated tax penalty, the corporation must make estimated tax payments of at least the smaller of 90% of the tax shown on the return or 100% of its prior year's tax. See section 6655 for details and exceptions.

Form 2220, Underpayment of Estimated Tax by Corporations, is used to see if the corporation owes a penalty. Generally, the corporation does not have to file this form because IRS can figure the amount of any penalty and bill the corporation for it. However, you must complete and attach Form 2220 even if the corporation does not owe the penalty if: **(a)** the annualized income or adjusted seasonal installment method is used, or **(b)** the corporation is a "large corporation" computing its first required installment based on the prior year's tax. If you attach Form 2220, be sure to check the box on line 16, and enter the amount of any penalty on that line.

5. Other Penalties.—There are also penalties that can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

E. Other Forms, Returns, Schedules, and Statements That May Be Required

1. Forms.—The corporation may have to file 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 Annuities, Pensions, Retired Pay, or IRA Payments.

Forms 1042 and 1042S. Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding. Use these forms to report and transmit withheld tax on payments or distributions made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent such payments or distributions constitute gross income from sources within the U.S. (see sections 861 through 865). For more information, see sections 1441 and 1442, and **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1096. Annual Summary and Transmittal of U.S. Information Returns.

Form 1098. Mortgage Interest Statement. This form is used to report the receipt from any individual of $600 or more of mortgage interest in the course of the corporation's trade or business for any calendar year.

Forms 1099-A, B, DIV, INT, MISC, OID, PATR, R, and S. Information returns for reporting abandonments, acquisitions through foreclosure, proceeds from brokers and barter exchange transactions, certain dividends and distributions, interest payments, payments for certain fishing boat crew members, medical and dental health care payments, direct sales of consumer goods for resale, miscellaneous income payments, nonemployee compensation, original issue discount, patronage dividends, total distributions from profit-sharing plans, retirement plans, individual retirement arrangements, insurance contracts, etc., and proceeds from real estate transactions. Also use these returns to report amounts that were received as a nominee on behalf of another person.

For more information, see the instructions to Form 1099.

Note: *Every corporation must file information returns if, in the course of its trade or business, it makes payments of rents, commissions, or other fixed or determinable income (see section 6041) totaling $600 or more to any one person during the calendar year.*

Form 5452. Corporate Report of Nondividend Distributions.

Form 5498. Individual Retirement Arrangement Information. Use this form to report contributions (including rollover contributions) to an individual retirement arrangement (IRA) and the value of an IRA or simplified employee pension account.

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, IC-DISC benefits, and FSC benefits.

Form 8264. Application for Registration of a Tax Shelter. This form is used by tax shelter organizers to register tax shelters with the IRS for the purpose of receiving a tax shelter registration number.

Form 8271. Investor Reporting of Tax Shelter Registration Number. This form is used by taxpayers who have acquired an interest in a tax shelter, which is required to be registered, to report the tax shelter's registration number. Form 8271 must be attached to any tax return (including an application for tentative refund (Form 1139) or an amended return) on which a deduction, credit, loss, or other tax benefit attributable to a tax shelter is taken, or any income attributable to a tax shelter is reported.

Form 8281. Information Return for Publicly Offered Original Issue Discount Instruments. This form is generally required to be filed by issuers of public offerings of debt instruments within 30 days of the issuance of the debt instrument.

Form 8300. Report of Cash Payments Over $10,000 Received in a Trade or Business. Generally, this form is used to report the receipt of more than $10,000 in cash or foreign currency in one transaction (or a series of related transactions).

Form 8390. Information Return for Determination of Life Insurance Company Earnings Rate Under Section 809. This form is filed by all mutual life insurance companies and the 50 largest stock life insurance companies, as determined by the Secretary of the Treasury, to gather information to compute the "differential earnings rate."

Form 8594. Asset Acquisition Statement, is to be filed by both the purchaser and seller of a group of assets constituting a trade or business if goodwill or a going concern value attaches, or could attach, to such assets and if the purchaser's basis in the assets is determined only by the amount paid for the assets.

Form 8816. Special Loss Discount Account and Special Estimated Tax Payments for Insurance Companies. This form must be filed by any insurance company that elects to take an additional deduction under section 847. See Form 8816 and section 847 for more information.

2. Consolidated Returns.—If an affiliated group of corporations includes one or more domestic life insurance companies taxed under section 801, the common parent may elect to treat those life insurance companies as includible corporations. The life 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) and Regulations section 1.1502-47(d)(12).

Note: *If an election under section 1504(c)(2) is in effect for an affiliated group for the tax year, all items of members of the group that are not life insurance companies are not to be taken into account in figuring the tentative life insurance company taxable income of members that are life insurance companies.*

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.

Note: *If a nonlife insurance company is a member of an affiliated group, file Form 1120-PC as an attachment to the consolidated return in lieu of filing a supporting statement. Write across the top of page 1 of Form 1120-PC, "Supporting Statement to Consolidated Returns". Attach consolidated balance sheets and a reconciliation of consolidated retained earnings.*

3. 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. There are penalties for failure to file these forms on time and for overstating the pension plan deduction. See sections 6652(e) and 6662(f).

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C/R.—Complete this form for each plan with fewer than 100 participants.

Form 5500EZ.—Complete this form for a one-participant plan.

4. Statements.

NAIC Annual Statement.—Regulations section 1.6012-2(c) requires that the NAIC Annual Statement be filed with Form 1120L.

Stock ownership in foreign corporations.—Attach the required statement to Form 1120L if the corporation owned 5% or more in value of the outstanding stock of a foreign personal holding company and the corporation was required to include in its gross income any undistributed foreign personal holding company income. See section 551(c).

A corporation that controls a foreign corporation, or that is a 10%-or-more shareholder of a controlled foreign corporation, or acquires, disposes of, or owns 5% or more ownership in the outstanding stock of a foreign corporation may have to file **Form 5471,** Information Return of U.S. Persons With Respect to Certain Foreign Corporations.

A domestic corporation or a foreign corporation that is engaged in a trade or business in the United States and is controlled by a foreign person may have to file **Form 5472,** Information Return of a Foreign or Foreign-Owned Corporation Engaged in a U.S.Trade or Business.

Transfers to a corporation controlled by the transferor.—If a person receives stock 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 to their respective tax returns the information required by Regulations section 1.351-3.

5. Attachments.—Please complete every applicable entry space on Form 1120L. Do not attach statements and write "See attached" in lieu of completing the entry spaces on Form 1120L.

If more space is needed on the forms or schedules, attach separate sheets indicating at the top of each attachment the form number or schedule letter of the form or schedule being continued. Show the same information called for on the form in the same order as on the printed forms. Be sure to show totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Attach these separate sheets after all the schedules and forms. Also, put the corporation's name and EIN on each sheet.

Sales and Exchanges of Life Insurance Company Property

Capital Assets Defined.—Except for those assets specifically excluded by section 1221, each asset held by a corporation (whether or not the asset is connected with its business) is a capital asset. Section 1221 provides that the term "capital asset" does not include: **(1)** inventory or property held by the corporation primarily for sale to customers in the ordinary course of the corporation's trade or business; **(2)** depreciable or real property used in the corporation's trade or business; **(3)** certain copyrights, literary, musical or artistic compositions; **(4)** accounts or notes receivable acquired in the ordinary course of a trade or business for services rendered or from the sale of property described in (1) above; and **(5)** certain publications of the U.S. Government.

For life insurance companies, section 818(b) modifies the above definition so that only property used in carrying on an insurance business will be considered as "depreciable or real property used in the corporation's trade or business." Thus, for life insurance companies, gains or losses from the sale or exchange of depreciable assets of any business other than an insurance business will be treated as gains or losses from the sale or exchange of capital assets.

Capital Gains and Losses.—Report capital gains and losses on **Schedule D (Form 1120),** Capital Gains and Losses, according to the instructions for that form. Enter on line 6, Schedule C (Form 1120L), the excess of net short-term capital gain over the net long-term capital loss as shown on line 9, Schedule D (Form 1120). Enter on line 6, Schedule A (Form 1120L), the net capital gain shown on line 10, Schedule D (Form 1120). Attach Schedule D (Form 1120) to Form 1120L.

Special rules for section 818(c) property.—See section 818(c) (relating to property held on December 31, 1958, and certain substituted property acquired after December 31, 1958) and the related regulations for how to limit the gain from the sale or exchange of any section 818(c) 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.

Specific Instructions

Address.—Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the corporation has a P.O. box, show the P.O. box number instead of the street address.

Item A

Employer identification number.—Enter the corporation's EIN. A corporation that does not have an EIN should apply for one on **Form SS-4,** Application for Employer Identification Number. This form may be obtained from most IRS and Social Security Aministration offices. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120L is mailed. If the EIN has not been received by the filing time for the corporation, write "Applied for" in the space provided for the EIN.

Item D

Check the box if this is a consolidated return and nonlife insurance companies are included. See Regulation section 1.1502-47(s) for the filing requirements of a life-nonlife consolidated return.

Item E

Indicate a final return, change of address, or amended return by checking the appropriate box. ***Form 8822.*** Change of Address, can be filed to notify IRS of a change of address that occurs after the return is filed.

Item F

Check the appropriate box if the corporation is a foreign corporation and elects under: **(1)** Section 953(c)(3)(C) to treat its related person insurance income as effectively connected with the conduct of a trade or business in the U. S., or **(2)** Section 953(d) to be treated as a domestic corporation. A foreign corporation making either election should file its return with the Internal Revenue Service Center, Philadelphia, PA 19255. See Notice 89-79, 1989-2, C. B. 392 for the procedural rules to make the section 953(d) election.

Note: *Once either election is made, it shall apply to the tax year for which made and to all subsequent tax years unless revoked with the consent of the Secretary of the Treasury. Also, any loss of a foreign corporation electing to be treated as a domestic insurance company, under section 953(d), will be treated as a dual consolidated loss and will not be allowed to reduce the taxable income of any other member of the affiliated group for the tax year or any other tax year.*

Schedule A — Life Insurance Company Taxable Income (LICTI) (Section 801(b)) Income, Lines 1 through 8

Line 1.—Enter gross premiums and other consideration received on insurance and annuity contracts less return premiums and premiums and other consideration paid for indemnity reinsurance.

"Gross premiums and other consideration" includes advance premiums, deposits, fees, assessments, consideration received for assuming liabilities under contracts not issued by the corporation, and any amount treated as premiums received under section 808(e) (see Schedule E instructions).

Return premiums include amounts rebated or refunded due to policy cancellations or due to incorrectly computed premiums, but do not include amounts returned to policyholders when such amounts are not fixed in the contract but instead depend on the corporation's experience or the management's discretion.

Line 2. Decrease in reserves.—If there is a decrease in reserves, complete line 2 by doing the following: **(1)** pencil in the amount from line 8, Schedule B, on line 2, Schedule A, to tentatively compute life insurance company gross income; **(2)** use this tentative life insurance company gross income figure to complete Schedule K, Company/Policyholder Share Percentage; and **(3)** complete Schedule B. After completing steps 1 through 3, above, erase the numbers penciled in for step 1 and then enter on line 2, Schedule A, the net decrease in reserves shown on line 12, Schedule B.

Line 3. 10% of certain decreases in reserves.—Section 807(f)(1) provides that if the amount of any item referred to in section 807(c) decreases as a result of a change in the basis used to determine such item, 10% of the decrease shall be included in life insurance company gross income for each of the 10 succeeding tax years.

Note: *If a corporation ceases to qualify as a life insurance company, section 807(f)(2) provides that the balance of any adjustments under section 807(f) shall be taken into account in the last tax year the corporation is qualified to file Form 1120L.*

Line 4. 3⅓% of end of year balance of reserves under section 807(e)(7)(B).—For tax years beginning on or after September 30, 1990, and before September 30, 1996, life insurance companies are required to include in gross income an amount equal to 3⅓% of the company's closing balance for unearned premiums and premiums received in advance under insurance contracts not described in section 816(b)(1)(B) for its most recent tax year beginning before September 30, 1990. See section 807(e)(7)(B).

Line 7. Other amounts.—Enter the total of all other income not included on lines 1 through 6, if such items are includible in life insurance company gross income. Attach a schedule of all items included in the entry on line 7.

For mutual life companies, if the recomputed differential earnings amount (determined under section 809(f)(3)) for the preceding tax year exceeds the differential earnings amount (determined under section 809(a)(3)) for such tax year, the excess should be included on line 7 as other income for the current tax year.

Sales of business property and involuntary conversions.—Use **Form 4797,** Sales of Business Property, to report gains and losses from sales or exchanges of assets used in a trade or business and from involuntary conversions.

With regard to life insurance companies, section 818(b)(1) provides that, for purposes of section 1231(a), the term "property used in a trade or business" includes only:

1. Property used in carrying on an insurance business that is either real or depreciable property held for more than 1 year.

2. Timber, coal, and domestic iron ore to which section 631 applies.

For purposes of paragraph 1 above, the term "property used in a trade or business" does not include property includible in inventory, property held primarily for sale to customers, or certain copyrights, literary, musical or artistic compositions, letters, memoranda and similar property.

Report ordinary gains and losses from Form 4797 on line 7, Schedule A (Form 1120L).

Deductions, Lines 9 through 18

Line 9. Death benefits, etc.—Enter all claims and benefits accrued and losses incurred (whether or not ascertained) during the year on insurance and annuity contracts. The term "losses incurred (whether or not ascertained)" means a reasonable estimate both of losses incurred but not reported and of losses that have been reported, where the amount of the losses cannot be determined by the end of the tax year. Losses incurred must be adjusted to take into account any salvage and reinsurance recoveries attributable to those losses together with estimates of salvage and reinsurance that may be recovered on such losses in future years. This estimate includes the estimated value of unaccrued subrogation claims contested by third parties.

Note: *Section 807(c) provides that the amount of the unpaid losses (other than losses on life insurance contracts) shall be the amount of the discounted unpaid losses as defined in section 846. See the instructions for Schedule B, line 2 on page 6 for more information on the discounting provisions.*

Line 11. 10% of certain increases in reserves.—Section 807(f)(1) provides that if the amount of any item referred to in section 807(c) increases as a result of a change in the basis used to determine such item, then 10% of the increase shall be allowed as a deduction in computing LICTI for each of the 10 succeeding tax years.

Note: *If a corporation ceases to qualify as a life insurance company, section 807(f)(2) provides that the balance of any adjustments under section 807(f) shall be taken into account in the last year that the corporation is qualified to file Form 1120L.*

Line 13. Consideration paid for assumption by another person of liabilities under insurance, etc., contracts.—Enter the total consideration paid by the corporation to another person (other than consideration paid for indemnity reinsurance) for the assumption by such person of liabilities under insurance and annuity contracts (including supplementary contracts).

Line 14. Dividends reimbursable by taxpayer.—Enter the amount of policyholder dividends paid or accrued by another insurance company for policies this corporation has reinsured and that are reimbursable by the corporation under the terms of the reinsurance contract.

Line 15a. Interest.—Enter all interest paid or accrued during the tax year.

Line 15b. Less tax-exempt.—Enter interest paid or accrued on indebtedness incurred or continued to purchase or carry obligations, the interest on which is wholly tax exempt.

Line 16. Other deductions.—Enter the total of all other deductions (including the amortization of premiums under section 811(b)) not included on lines 9 through 15c, to the extent that such items are deductible in computing LICTI. Include the total amount of deductions for a noninsurance business (defined in section 806(b)(3)).

For mutual life companies, if the differential earnings amount (determined under section 809(a)(3)) for the preceding tax year exceeds the recomputed differential earnings amount (determined under section 809(f)(3)) for such tax year, the excess should be included on line 16 as a deduction in computing LICTI for the current tax year.

Attach a schedule of all items included in the entry on line 16. Deductions attributable to a noninsurance business should be segregated from all other deductions.

If the corporation claims a deduction for depreciation or amortization, attach **Form 4562,** Depreciation and Amortization.

If the corporation claims a deduction for timber depletion, attach **Form T (Timber),** Forest Industries Schedules.

For tax years ending on or after September 30, 1990, insurance companies are generally required to amortize policy acquisition expenses on a straight-line basis over a period of 120 months beginning with the 1st month in the 2nd half of the tax year. The following percentages of net premiums shall be amortized: Annuities 1.75%, Group life 2.05%, Other life (including noncancelable or guaranteed renewable accident and health) 7.7%. See section 848(a). Section 848(b) provides for an amortization period of 60 months for the first $5 million of amortizable policy acquisition expenses for any tax year. See section 848(b)(2) for phase-out rules. The 60 month amortization period does not apply to any policy acquisition expenses for any tax year that are attributable to premiums or other consideration under any reinsurance contract. See section 848(b)(4). See section 848 for special rules, definitions, and exceptions.

Note: *Revenue Procedure 90-36, 1990-27 I.R.B. 14, must be followed by life insurance companies to change their method of accounting for ceding commissions to comply with Rev. Rul. 82-69, 1982-1 C.B. 102, and Colonial American Life Insurance Co. Vs. Commissioner, for their first tax year ending after June 15, 1989. See Rev. Proc. 90-36 for more details.*

Line 18. Operations loss deduction.— Enter the amount of any operations loss deduction allowable under section 810. To determine the loss from operations for any tax year, subtract line 8, Schedule A, from the total allowable deductions modified as follows: **(1)** No operations loss deduction is allowed; **(2)** The corporation must figure the dividends-received deductions allowed by sections 243, 244, and 245 without regard to section 246(b), (as modified by section 805(a)(4)). This loss from operations then becomes an operations loss deduction to be carried back or over to another tax year.

The operations loss deduction for a given tax year is the total of the operations loss carryovers and carrybacks to that tax year. Generally, a loss from operations may be carried back to each of the 3 years preceding the year of the loss and over to each of the 15 years following the year of the loss. There is also available an election to forego the carryback period and carry the loss over to each of the 15 years following the year of the loss. If the corporation is a new corporation for the loss year, the loss may be carried over to each of the 18 years following the year of the loss.

The amount of the loss that may be carried to each succeeding year in the carryback or carryover period is the amount by which the loss exceeds the sum of the offsets for each of the earlier tax years to which the loss may be carried. The term "offset" means, with respect to any tax year, the increase in the operations loss deduction for the tax year which reduces LICTI (computed without regard to the small life insurance company deduction) for the year to zero.

See section 382 for the limitation on the amount of taxable income of a loss corporation for any tax year ending after a post-1986 ownership change that may be offset by pre-change operations loss carryovers. Also see Temporary Regulations section 1.382-2T (a)(2)(ii), which requires that a loss corporation file an information statement with its income tax return for each tax year that it is a loss corporation.

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.

Note: *Section 810 is treated as a continuation of section 812 (as in effect before the enactment of the Tax Reform Act of 1984).*

Limitations on Deductions

Contributions.—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 deduction allowable in any year may not exceed 10% of LICTI computed without regard to:

1. the deduction for charitable contributions;
2. the deduction for policyholder dividends;
3. the deduction for dividends received;
4. the small life insurance company deduction;
5. any operations loss carryback to the tax year under section 810; and
6. any capital loss carryback to the tax year under section 1212(a)(1).

Charitable contributions over the 10% limitation may not be deducted in the tax year but may be carried over to the next 5 tax years.

A contributions carryover is not allowed, however, to the extent that it increases an operations loss deduction. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid by the 15th day of the 3rd 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 and the total claimed deduction of all property contributed exceeds $500, attach a schedule describing the kind of property contributed and the method used in determining its fair market value. If the corporation includes a contribution carryover, show the amount and how it was determined. Generally, corporations must complete and attach Form 8283, Noncash Charitable Contributions, to their returns for all contributions of property other than money if the total claimed deduction for all property contributed was more than $5,000.

Also, a corporation must keep records, as required by the regulations for section 170, for all of its charitable contributions.

If the corporation made a "qualified conservation contribution" under section 170(h), also include the fair market value of the underlying property before and after the donation, as well as 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, the corporation must reduce the contribution by the sum of:

1. The ordinary income or short-term capital gain that would have resulted if the property had been sold at its fair market value, and
2. For certain contributions, all of the long-term capital gain that would have resulted if the property had been sold at its fair market value.

The reduction for 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 (except stock for which market quotations are readily available—see section 170(e)(5)) 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 property to certain organizations, see section 170(e)(3) and Regulations section 1.170A-4A.

Charitable contributions of scientific property used for research.—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).

Section 263A uniform capitalization rules.—The uniform capitalization rules of Section 263A require corporations to capitalize or include in inventory certain costs incurred in connection with the production of real and personal tangible property held in inventory or held for sale in the ordinary course of business. For more information, see Temporary Regulations section 1.263A-1T.

Meals and entertainment.—Generally, a corporation can deduct only 80% of the amount otherwise allowable for meals and entertainment expenses paid or incurred in its trade or business. In addition, meals must not be lavish or extravagant; a bona fide business discussion must occur during, immediately before, or immediately after the meal; and an employee of the corporation must be present at the meal. See section 274(k)(2) for exceptions. If the corporation claims a deduction for unallowable meal expenses, it may have to pay a penalty.

Additional limitations apply to deductions for gifts, skybox rentals, luxury water travel, convention expenses, and entertainment tickets. See section 274 and **Pub. 463,** Travel, Entertainment, and Gift Expenses, for details.

Generally, a corporation can deduct all other ordinary and necessary travel and entertainment expenses paid or incurred in its 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 for an activity that is usually considered entertainment, amusement, or recreation.

Note: *The corporation may be able to deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099-MISC for an independent contractor.*

Transactions between related taxpayers.—Generally, an accrual basis taxpayer may only deduct business expenses and interest owed to a related party in the year the payment is included in the income of the related party. See section 267 for limitation on deductions for unpaid expenses and interest.

Section 291 limitations.—Corporations may be required to adjust deductions for depletion of iron ore and coal, intangible drilling and exploration and development costs, bad debt deductions for financial institutions, and the amortizable basis of pollution control facilities. See section 291 to determine the amount of the adjustment.

Golden parachute payments.—A portion of the payments made by a corporation to key personnel that exceeds their usual compensation may not be deductible. This occurs when the corporation has an agreement (golden parachute) with these key employees to pay them these excessive amounts if control of the corporation changes. See section 280G.

Nondeductible Items

Certain interest expenses.—No deduction is allowed under section 163 for interest on the items described in section 807(c).

Addition to reserves for bad debts.—No deduction is allowed for an addition to reserves for bad debts. However, a deduction for specific bad debts is allowable if the requirements of section 166 are met.

Business startup expenses.—Business startup expenses are required to be capitalized unless an election is made to amortize them over a period of 60 months. See section 195.

Amortizable bond premiums.—No deduction for an amortizable bond premium is allowed under section 171. However, see section 811(b) for the rules relating to the treatment of amortizable bond premiums by life insurance companies.

Foreign intangible drilling costs and mining and development costs.—Foreign intangible drilling costs and mining and development costs must either be added to the corporation's basis for cost depletion or be deducted ratably over a 10 year period. For more information, see sections 263(i), 616, and 617.

Schedule B—Increase or (Decrease) in Reserves (Section 807)

Section 807 requires life insurance companies to determine whether certain reserves decreased or increased for the tax year. A net decrease will be treated as includible in gross income, while a net increase will be treated as a deduction allowable in computing LICTI.

The net increase or net decrease in reserves is figured by comparing the opening balance for reserves to the closing balance for reserves reduced by: **(1)** the policyholders' share of tax-exempt interest, and **(2)** for mutual life companies, the excess, if any, (shown on line 8, Schedule E) of the differential earnings amount over deductible policyholder dividends determined without regard to section 809. For rules dealing with the method of computing reserves on contracts where interest is guaranteed beyond the end of the tax year, see section 811(d).

Reserve adjustments are not treated as interest expenses for allocation purposes under section 864(c). See section 818(f).

There are special rules for computing reserves of unearned premiums of certain non-life contracts, see Section 807(e)(7)(A).

Line 1. Life insurance reserves.—For rules dealing with the method of computing life insurance reserves, see sections 807(d) and (e). Section 807(d)(2)(B), as amended by the Act of 1987, provides that the interest rate used to compute life insurance reserves is the greater of the applicable Federal interest rate or the prevailing state assumed interest rate. See Rev. Rul. 88-16, 1988-1 C. B. 266.

Line 2. Unearned premiums and unpaid losses.—For purposes of sections 807 and 805(a)(1) the amount of the unpaid losses (other than losses on life insurance contracts) shall be the amount of the discounted unpaid losses determined under section 846.

In general, section 846 provides that the amount of the discounted unpaid losses shall be computed separately by each line of business (except that the multiple peril lines shall be treated as a single line of business) and by each accident year and shall be equal to the present value of such losses determined by using: **(1)** the amount of the undiscounted unpaid losses; **(2)** the applicable interest rate; and **(3)** the applicable loss payment pattern. Special rules apply with respect to unpaid losses related to disability insurance (other than credit disability insurance), noncancelable accident and health insurance, cancelable accident and health insurance, and to the international and reinsurance lines of business. With regard to the special rules for discounting unpaid losses on accident and health insurance (other than disability income insurance), unpaid losses are assumed to be paid in the middle of the year following the accident year.

As a rule, the amount of the undiscounted unpaid losses means the unpaid losses shown in the annual statement. However, unpaid losses must be adjusted to take into account estimated recoveries on account of salvage and reinsurance attributable to those losses. If the amounts shown in the annual statement were determined on a discounted basis and if the extent to which these losses were discounted can be determined on the basis of information disclosed on or with the annual statement, the amount of the undiscounted unpaid losses must be recomputed to eliminate any reduction attributable to such discounting. In no event can the amount of discounted unpaid losses determined under section 846 with respect to any line of business for an accident year exceed the aggregate amount of unpaid losses with respect to any line of business for an accident year as reported on the annual statement.

The applicable interest rate for each calendar year and the applicable loss payment pattern for each accident year for each line of business are determined by the Secretary of the Treasury. The applicable interest rate, 8.37%, and applicable loss payment patterns for 1990 are published in Rev. Rul. 90-26, 1990-13 C.B. 124. Applicable interest rates and payment patterns for prior years are published in Rev. Rul. 89-66A, 1989-1 C.B. 220; Rev. Rul. 88-63, 1988-2 C.B. 130; and Rev. Rul. 87-34, 1987-1 C.B. 168. However, under the provisions of section 846(e), corporations having sufficient historical experience to determine a loss payment pattern may, under certain circumstances, elect to use their own. If such an election is made, the loss payment patterns will be based on the most recent calendar year for which an annual statement was filed before the

beginning of the accident year. No election under section 846(e) shall apply to any international or reinsurance line of business. If the corporation elects to use its own loss payment pattern, be sure to check the "Yes" column for question Q in Schedule Q, Additional Information. For more information regarding this election, see section 846(e) and Notice 88-100, 1988-2 C.B. 439.

Section 807(d)(4)(A)(ii) permits an election to recompute Federal interest rate every 5 years. In general, a life insurance company would apply the greater of the applicable Federal interest rate (AFIR) or the prevailing state assumed interest rate (SAIR) for the calendar year in which the contract is issued and the following 4 calendar years. In the fifth calendar year after the calendar year in which the contract was issued, they would begin using the AFIR in effect for that fifth calendar year or the prevailing SAIR for the calendar year in which the contract was issued, whichever is greater. This rate would then remain in effect for the 4 years after that. For each subsequent 5 year period a similar recomputation would be required. Once made, the election is effective for contracts issued during that calendar year and any subsequent years, and may only be revoked with the consent of the Secretary.

Note: *An insurance company's treatment of salvage in determining its paid and unpaid losses is a method of accounting for Federal income tax purposes. In general, corporations that did not previously treat salvage in accordance with the provisions of Section 832(b)(5)(A) are required to change their method of accounting for the first tax year beginning after December 31, 1989. A change in the method of computing losses incurred is treated as a change in a method of accounting, initiated by the corporation, with the consent of the Secretary.*

In applying section 481 due to a change required by section 832(b)(5)(A), only 13% of the net amount of adjustments (otherwise required by section 481 to be taken into account) shall be taken into account. In addition, the portion of the net adjustments required to be taken into account, shall be taken into acount over a period not to exceed 4 years beginning with the corporations first tax year beginning after December 31, 1989.

If a corporation took salvage recoverable into account in determining losses incurred for its last tax year beginning before January 1, 1990 (and reflected such treatment in its annual statement), 87% of the discounted amount of estimated salvage recoverable as of the close of such last tax year shall be allowed as a deduction ratably over its first 4 tax years beginning after December 31, 1989.

See section 11305(c)(4) and (5) of the Revenue Reconciliation Act of 1990 (Act of 1990) for a special rule for overestimates and effect on earnings and profits.

Note: *Any insurance company required to discount unpaid losses under section 846, may be allowed an additional deduction under section 847. To claim a section 847 deduction, include it on line 16, Schedule A and attach Form 8816. If this deduction is taken, the corporation* **must** make a special *estimated tax payment. See the instructions for line 14b (on page 12 of these instructions) for how to show this payment.*

Line 3. Supplementary contracts.—Enter the amount (discounted at the appropriate rate of interest) necessary to satisfy the obligations under insurance and annuity contracts, but only if such obligations do not involve (at the time with respect to which the computation is made) life, accident, or health contingencies. For purposes of this item, the appropriate rate of interest is the higher of the prevailing SAIR as of the time such obligation first did not involve life, accident, or health contingencies or the rate of interest assumed by the corporation (as of such time) in determining the guaranteed benefit. In no case, however, shall the amount so determined for any contract be less than the net surrender value of such contract.

Line 4. Dividend accumulations and other amounts.—Enter the total dividend accumulations and other amounts held at interest in connection with insurance and annuity contracts.

Line 5. Advance premiums.—Enter the total premiums received in advance and liabilities for premium deposit funds. See section 807(e)(7)(A) for special rules for treatment of certain non-life reserves.

Line 6. Special contingency reserves.—Enter the total reasonable special contingency reserves under contracts of group term life insurance or group accident and health insurance which are established and maintained for the provision of insurance on retired lives, for premium stabilization, or for a combination thereof.

Line 8. Increase (decrease) in reserves.— In figuring the amount shown on line 8, any decrease in reserves must be computed without any reduction of the closing balance of section 807 reserves by the policyholders' share of tax-exempt interest. See the instructions for line 2, Schedule A.

Note: *If the basis for determining the amount of any item referred to in section 807(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, see section 807(f).*

Schedule C—Gross Investment Income (Section 812(d))

Line 1. Interest.—Enter on line 1 the total taxable interest received or accrued during the tax year, less any amortization of premium, plus any accrual of discount required under section 811(b). The appropriate amortization of premium and accrual of discount attributable to the tax year on bonds, notes, debentures, or other evidence of indebtedness held by a life insurance company should be determined: **(a)** in accordance with the method regularly employed by the company, if such method is reasonable, and **(b)** in all other cases, in accordance with regulations prescribed by the Secretary of the Treasury. Market discount is not required to be accrued under the provisions of section 811(b). Attach a statement showing the method and computation used.

Note: *The Technical Corrections and Miscellaneous Revenue Act of 1988 amended section 1011(d) of the Act of 1986 to increase the tax rate from 28% to 31.6% on any gain recognized by any insurance company from the redemption of any market discount bond issued before July 19, 1984, and acquired on or before September 25, 1985.*

Line 3. Gross rents.—Enter the gross rents received or accrued during the tax year. Related expenses, such as repairs, taxes, and depreciation should be reported as "Other deductions" on line 16, Schedule A.

Line 4. Gross royalties.—Enter the gross royalties received or accrued during the tax year. Report the depletion deduction on line 16, Schedule A.

Line 5. Leases, terminations, etc.—Enter the gross income received from entering into, altering, or terminating any lease, mortgage, or other instrument from which the company derives interest, rents, or royalties.

Line 7. Gross income from a trade or business other than insurance .—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 partner. Include on this line section 1245, section 1250, and other ordinary gains on assets used in a noninsurance business from Form 4797. See the instructions under "Sales of business property and involuntary conversions," on page 4. Report expenses related to any business other than an insurance business on line 16, Schedule A.

Line 9. Tax-exempt interest.—Enter the total amount of tax-exempt interest income received or accrued during the tax year. Tax-exempt interest does not include interest received on securities acquisition loans as defined in section 133(b).

Line 11. 100% qualifying dividends.—Enter the total amount of dividends for which the percentage used to determine the deduction allowable under sections 243, 244, and 245(b) is 100%. Do not include dividends to the extent that they are funded with tax-exempt interest or dividends that would not qualify as 100% dividends in the hands of the corporation. See section 812(e).

Note: *Multi-tiered corporate arrangements cannot be used to change the character of the tax-exempt interest and dividends received in an attempt to avoid exclusion.*

Schedule E—Policyholder Dividends (Section 808)

The term "policyholder dividend" is defined as any dividend or similar distribution to policyholders in their capacity as such. Policyholder dividends include all amounts paid or credited (including an increase in benefits) where the amount is not fixed in the contract but depends on the corporation's experience or the management's discretion, plus all excess interest, premium adjustments, and experience-rated refunds. Furthermore, under the provisions of section 808(e), any policyholder dividend which increases either the cash surrender value of the contract or other benefits payable under the contract, or which reduces the premium that otherwise has to be paid, is treated as having been paid to the policyholder and returned by the policyholder to the company as a premium. When this happens, such amounts must be reported as income on line 1, Schedule A.

Generally, a corporation's deduction for policyholder dividends is the amount actually paid or accrued during the tax year. However, mutual life insurance companies must reduce this amount by the differential earnings amount as determined under section 809. If a mutual life insurance company's differential earnings amount exceeds total policyholder dividends for the tax year, the company must reduce its ending reserves by the amount of the excess.

Schedule F — Differential Earnings Amount (Section 809)

Section 809 requires mutual life insurance companies to reduce (but not below zero) their deduction for policyholder dividends by the differential earnings amount (as defined in section 809(a)(3)). If a mutual life insurance company's differential earnings amount exceeds the total policyholder dividends for a tax year, the excess is treated as a reduction to the closing reserves balance for purposes of subsections (a) and (b) of section 807.

The differential earnings rate and the recomputed differential earnings rate for each tax year are determined by the Secretary of the Treasury on the basis of information submitted by the 50 largest stock life insurance companies and all mutual life insurance companies. Neither the differential earnings rate nor the recomputed differential earnings rate can be a negative rate. See Notice 88-106, 1988-2 C.B. 444. The Service publishes both tentative and final differential earnings rates as this information is developed. For 1988, both the tentative and final differential earning rates are zero. See Announcement 89-39, 1989-12, I.R.B. 94 and Rev. Rul. 89-106, 1989-2, C.B. 108. For 1988, the tentative recomputed differential earnings rate is 0.955%. The final recomputed differential earnings rate is 0.945%. For 1989, both the tentative and final differential earnings rates are 4.206%. See Announcement 90-42, 1990-13, I.R.B. 24, and Revenue Ruling 90-73,1990-36, I.R.B. 6.

To compute the differential earnings amount for 1990, multiply the average equity base (line 12, Schedule F) by the differential earnings rate for 1990. Enter the result on line 13, Schedule F. When determining the equity base, no item should be taken into account more than once.

See section 809 for definitions, computational information, transitional rules, and special adjustments that may be required.

Schedule G—Dividend Income and Dividends-Received Deduction

Line 1, column (a).—Enter dividends (except those received on debt-financed stock acquired after July 18, 1984) received from less-than-20%-owned domestic corporations subject to income tax and that qualify for the deduction allowable under section 243(a)(1).

Include on line 1, column (a), taxable distributions from an IC-DISC or former DISC that are designated as being eligible for the 70% deduction and certain dividends of Federal Home Loan Banks (see section 246(a)(2)). For dividends received from a regulated investment company, see section 854 for the amount that qualifies for the deduction.

So-called dividends or earnings received from mutual savings banks, money market certificates, etc., are really interest and should not be treated as dividends.

Line 2, column (a).—Enter dividends (except those received on debt-financed stock acquired after July 18, 1984) received from 20%-or-more-owned domestic corporations subject to income tax and that qualify for the 80% deduction allowable under section 243(c)(1). Include on this line taxable distributions from an IC-DISC or former DISC that are designated as being eligible for the 80% deduction.

Line 3, column (a).—Enter dividends on debt-financed stock (acquired after July 18, 1984) received from domestic and foreign corporations subject to income tax and that would otherwise be subject to the dividends-received deduction under section 243(a)(1) or 245(a). Generally, debt-financed stock is stock that the corporation acquired and in doing so, incurred a debt (for example, it borrowed money to buy the stock).

Line 4, column (a).—Enter dividends received on the preferred stock of a less-than-20%-owned public utility that is subject to income tax and is allowed the deduction provided in section 247 for dividends paid.

Line 5, column (a).—Enter dividends received on the preferred stock of a 20%-or-more-owned-public utility that is subject to income tax and is allowed the deduction provided in section 247.

Line 6, column (a).—Enter the U.S. source portion of dividends received from less-than-20%-owned foreign corporations and that qualify for the 70% deduction under section 245(a). To qualify for the 70% deduction, the corporation must own at least 10% of the foreign corporation's stock by vote and value. Also enter on line 6, column (a), dividends received from a foreign sales corporation (FSC) that are attributable to income treated as effectively connected with the conduct of a trade or business within the U.S. (excluding foreign trade income) and that qualify for the 70% deduction provided in section 245(c)(1)(B).

Line 7, column (a).—Enter the U.S. source portion of dividends received from 20%-or-more-owned foreign corporations and that qualify for the 80% deduction under section 245(a). Also enter on line 7, column (a), dividends received from a 20%-or-more-owned FSC that are attributable to income treated as effectively connected with the conduct of a trade or business within the U.S. (excluding foreign trade income) and that qualify for the 80% deduction provided in section 245(c)(1)(B).

Line 8, column (a).—Enter dividends received from wholly owned foreign subsidiaries that qualify for the 100% deduction under section 245(b), but only to the extent that such dividends are distributed out of tax-exempt interest or out of dividends which do not qualify as 100% dividends. In general, the deduction under section 245(b) 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 dividend, 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. Also include on line 8, column (a), all dividends received from a FSC that are attributable to export sales income and that qualify for the 100% deduction under section 245(c). Do not include dividends received from a life insurance company.

Line 9, column (a).—Enter dividends that qualify for the 100% dividends-received deduction under section 243(a)(3) and that are subject to the elective provisions of section 243(b), but only to the extent that such dividends are distributed out of tax-exempt interest or out of dividends that do not qualify as 100% dividends. Do not include dividends received from a life insurance company.

Line 3, columns (b) and (c).—Dividends received on debt-financed stock are not entitled to the full 70% or 80% dividends-received deduction. Instead, the 70% or 80% deduction is reduced under the provisions of section 246A by a percentage that is related to the amount of debt incurred to acquire the stock. Also see section 245(a) before making this computation for an additional limitation which applies to dividends received from foreign corporations. For more information, see section 246A. Attach a schedule showing how the dividends-received deduction on debt-financed stock was computed.

Line 10, column (c)

Limitation on dividends-received deduction worksheet

Generally, line 10 of column (c) may not exceed the amount from the worksheet below. However, in a year in which a loss from operations occurs, this limitation does not apply even if the loss is created by the dividends-received deduction. (See sections 246(b) and 810).

1. Add line 2, page 1, and line 8, Schedule A, less the total of lines 9 through 16, Schedule A, and without regard to: the small life insurance company deduction, the operations loss deduction, the dividends-received deduction (sections 243(a)(1), 244(a), and 245), any adjustment under section 1059, and any capital loss carryback to the current tax year (section 1212(a)(1)). _____
2. Enter the sum of lines 9 and 13, column (c) . . . . . _____
3. Subtract line 2 from line 1. . _____
4. Multiply the amount on line 3 by 80% . . . . . _____
5. Enter the sum of the amounts on lines 2, 5, 7, and 8 of column (c) and the portion of the deduction on line 3 of column (c) that is attributable to dividends received from 20%-or-more-owned corporations _____
6. Enter the lesser of line 4 or line 5. (Do not complete the rest of this worksheet if line 5 is greater than line 4. Instead, enter the amount from line 6 on line 10 of column (c)) . . _____
7. Enter the total amount of dividends received from 20%-or-more-owned corporations and included on lines 2, 3, 5, 7, and 8 of column (a) . . . . . _____
8. Subtract line 7 from line 3 . _____
9. Multiply the amount on line 8 by 70% . . . . . _____
10. Subtract line 5 from line 10 of column (c) . . . . . _____
11. Enter the lesser of line 9 or line 10 . . . . . _____
12. Dividends-received deduction after limitation (section 246(b)). Add the amounts on lines 6 and 11 and enter on line 10 of column (c) . . . _____

Line 13, column (a).—Enter dividends that qualify for the 100% dividends-received deduction and that are not reported on line 8 or 9 because they were not distributed out of tax-exempt interest or out of dividends that do not qualify as 100% dividends, or because they were paid by a life insurance company.

Note: *Certain dividends received by a foreign corporation are not subject to proration. Attach a schedule showing computations.*

Line 14, column (a).—Enter the total of other dividends received. Attach a schedule showing separately:

- Foreign dividends not reportable on lines 6, 7, 8, or 13. Exclude distributions of amounts constructively taxed under Subpart F (sections 951 through 964) in the current year or in earlier years.
- Income constructively received from controlled foreign corporations under Subpart F. This should equal the total amount reported in Schedule J if using the November 1987 revision of Form 5471 (Schedule I if using the October 1990 revision of Form 5471.)
- 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 dividends-received 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, qualify under sections 856 through 860.
- Dividends not eligible for the dividends-received deduction because of the stock's holding period or because of an obligation to make corresponding payments on similar stock.
- Any other taxable dividend income not properly reported above, including distributions under section 936(h)(4).

Note: *Two situations in which the dividends-received deduction will not be allowed on any share of stock are:* **(1)** *if the corporation held the stock with regard to which the dividends were issued for 45 days or less; or* **(2)** *to the extent that the corporation is under an obligation to make related payments for substantially similar or related property.*

Schedule H—Small Life Insurance Company Deduction (Section 806(a))

Schedule H is used to compute the small life insurance company deduction under section 806(a). To qualify for this deduction, a life insurance company must have both less than $15,000,000 of tentative life insurance company taxable income (tentative LICTI), and less than $500,000,000 in assets.

In computing the deduction, the tentative LICTI for any year must be determined without regard to all items attributable to noninsurance businesses. In general, the term "noninsurance business" means any activity which is not an insurance business. However, under the provisions of section 806(b)(3)(B), any activity which is not an insurance business shall be treated as an insurance business if: **(1)** it is of a type traditionally carried on by life insurance companies for investment purposes, but only if the carrying on of such activity (other than in the case of real estate) does not constitute the active conduct of a trade or business, or **(2)** it involves the performance of administrative services in connection with plans providing life insurance, pension, or accident and health benefits.

For purposes of the assets test, the assets of all members of a controlled group, as defined in section 806(c)(3), must be included, regardless of whether or not they are life insurance companies. For information regarding the valuation of assets, see the instructions for Schedule O, Part I.

The deduction for qualifying small life insurance companies is 60% of the tentative LICTI for the tax year that does not exceed $3,000,000. To the extent that tentative LICTI exceeds $3,000,000, the deduction is phased out. The reduction in the deduction is equal to 15% of the tentative LICTI for the tax year that exceeds $3,000,000.

Note: *In determining the amount of the small life insurance company deduction of a controlled group including an electing mutual company, for tax years beginning after 1986 and before 1992, the taxable income of an electing mutual company must be taken into account in applying the phaseout of the small life insurance company deduction.*

Schedule I—Controlled Group Information (Section 806(c))

In computing the small life insurance company deduction, all life insurance company members of the same controlled group are treated as one life insurance company. Any small life insurance company deduction determined with respect to the group must be allocated among the life insurance companies in the group in proportion to their respective tentative LICTIs.

Schedule K—Company/ Policyholder Share Percentage (Section 812)

Schedule K is used to compute: **(1)** the company's share percentage to be used in determining the company's share of the dividends-received deduction under section 805(a)(4); and **(2)** the policyholders' share percentage to be used in determining the policyholders' share of tax-exempt interest for purposes of determining the increase or decrease in reserves under section 807.

In figuring the policyholders' and company's share percentages, carry out the computations to enough decimal places to ensure substantial accuracy and to eliminate any significant error in the resulting tax.

Lines 1–9.—Lines 1 through 9 are used to compute the investment income ratio. The investment income ratio is the ratio that gross investment income less policy interest bears to life insurance company gross income (including tax-exempt interest) less the amount of any increase in reserves. To compute the investment income ratio, complete lines 1 through 8 and then divide the amount on line 3 by the amount on line 8. Enter the result on line 9.

Note: *In computing the amount entered on line 8, any decrease in reserves must be computed without any reduction of the closing balance of section 807 reserve items by the policyholders' share of tax-exempt interest.*

Lines 10–19.—Lines 10 through 19 are used to compute the policyholders' share amount. First, lines 10 through 17 are completed to compute gross investment income's proportionate share of policyholder dividends on line 16. Line 16 is then multiplied by the investment income ratio. The result is added to the policy interest to compute the policyholders' share amount, which is entered on line 19.

Lines 20–26.—Lines 20 through 26 are used to compute both the company's share percentage and the policyholders' share percentage. First, net investment income (line 21) is computed by multiplying gross investment income (line 20) by 90% or, in the case of gross investment income attributable to assets held in segregated asset accounts under variable contracts, by 95%. The policyholder share amount is subtracted from net investment income to compute the company's share of net investment income on line 23. The company's share percentage is computed on line 25 by dividing the company's share of net investment income (line 23) by net investment income. The policyholders' share percentage is figured by subtracting the company's share of net investment income from 100%.

Schedule L—Policy Interest (Section 812(b)(2))

Schedule L is used to compute the policy interest (as defined in section 812(b)(2)) for the tax year. The policy interest is needed to calculate the corporation and policyholder share percentages in Schedule K.

Schedule M—Shareholders' Surplus Account (Section 815(c))

Section 815(c)(1) provides that each stock life insurance company (whether domestic or foreign) that had a policyholders' surplus account on December 31, 1983, will continue to maintain a shareholders' surplus account. Schedule M is used to calculate both the addition made to the shareholders' surplus account and the account's year-end balance as defined in section 815(c). In determining the tax liability shown on line 4, proper adjustments are to be made for any year in which the alternative minimum tax is imposed or the minimum tax credit has been taken.

Enter on line 6 all amounts treated under section 815 as distributions to shareholders. Any distribution to shareholders is treated as having been made first out of the shareholders' surplus account, to the extent thereof.

Schedule N—Policyholders' Surplus Account (Section 815(d))

Section 815(d)(1) provides that every stock life insurance company (whether domestic or foreign) that had an existing policyholders' surplus account on December 31, 1983, will continue to maintain the account. For tax years beginning after December 31, 1983, no additions can be made to this account; however, the account must be decreased by the amounts specified in section 815(d)(3). Further, section 815(f) provides that, in general, the provisions of subsections (d), (e), (f), and (g) of section 815 as in effect before the enactment of the Tax Reform Act of 1984 ("Act of 1984") continue to be applicable in respect of any policyholders' surplus account for which there was a balance as of December 31, 1983.

Amounts that are subtracted from the policyholders' surplus account for a tax year are added to a corporation's taxable income and are subject to the tax imposed by section 801. Schedule N is used to compute both the ending balance in the policyholders' surplus account and the amount of any increase to taxable income.

Line 1.—Enter the beginning balance in the policyholders' surplus account. If the balance at the end of the preceding tax year is different from the balance at the beginning of the current tax year (for example, due to the provisions of section 815(d)(5) as in effect prior to the enactment of the Act of 1984), attach a schedule showing the adjustments made. Prior to the enactment of the Act of 1984, section 815(d)(5) provided 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 corporation's taxable income, then the loss will reduce the policyholders' surplus account at the time that the addition was made. In such a case, the beginning balance of the policyholders' surplus account must be adjusted before any subtractions for the current tax year are made.

Line 2a.—If the total direct and indirect distributions to shareholders during the tax year exceeds the amount on Schedule M, line 5, enter the excess on line 2a.

Line 2b.—To compute the tax increase due to the amount entered on line 2a: **(1)** subtract the corporation's tax rate from 100%; **(2)** divide the distributions on line 2a by the result of step 1; **(3)** subtract the amount on line 2a from the result of step 2; and **(4)** enter the result of step 3 on line 2b.

Line 2c.—To compute the amount to be entered on line 2c: **(1)** determine the total amount to be subtracted from the policyholders' surplus account under sections 815(d)(1) and 815(d)(4) as they were in effect prior to the enactment of the Act of 1984 (do this only after the amounts on lines 2a and 2b are subtracted from the beginning balance in the policyholders' surplus account); **(2)** add 100% to the corporation's tax rate; **(3)** divide the result of step 1 by the result of step 2; and **(4)** enter the result of step 3 on line 2c. The amount entered on line 2c must be added to the shareholders' surplus account at the beginning of the next tax year.

Line 2d.—Subtract the result of step 3, line 2c, from the result of step 1, line 2c. Enter the result on line 2d.

Line 2e.—Enter the total amount to be subtracted from the policyholders' surplus account under the provisions of section 815(d)(2) as it was in effect prior to the enactment of the Act of 1984. At that time, section 815(d)(2) provided that if, for any tax year, a corporation is not an insurance company, or if for any two successive tax years a corporation is not a life insurance company, then any balance remaining in the policyholders' surplus account as of the end of the last tax year that the corporation was a life insurance company shall be included in taxable income for such tax year.

Schedule O—Total Assets (Section 806(a)(3)(C)) and Total Assets and Total Insurance Liabilities (Section 842(b)(2)(B)(i))

All insurance companies required to file Form 1120L must complete Parts I and II of Schedule O.

Note: *Foreign insurance companies should report assets and insurance liabilities for their U.S. business only.*

Part I—Total Assets

For purposes of Schedule O, the term "assets" means all assets of the corporation. In valuing real property and stocks, use fair market value; for other assets, use the adjusted basis as determined under section 1011, and related sections, without regard to section 818(c). An interest in a partnership or trust is not itself treated as an asset of the corporation. Instead, the corporation is treated as actually owning its proportionate share of the assets held by the partnership or trust; the value of the corporation's share of these assets should be listed on line 3 of Schedule O.

Part II—Total Assets and Total Insurance Liabilities

Foreign insurance companies must maintain a certain surplus of U.S. assets over their U.S. insurance liabilities. The minimum required surplus is determined by multiplying their U.S. insurance liabilities by a percentage determined and proclaimed by the Secretary of the Treasury. The Secretary determines the percentage from data supplied by domestic insurance companies in Schedule O, Part II. For more information, see section 842.

For purposes of Schedule O, the term "total insurance liabilities" means the sum of the following amounts as of the end of the tax year: **(1)** total reserves as defined in section 816(c); plus **(2)** the items referred to in paragraphs (3), (4), (5), and (6) of section 807(c), to the extent such amounts are not included in total reserves.

Foreign insurance companies, see Notice 89-96, 1989-2, C. B. 417, for more information on determining your total insurance liabilities on U.S. business.

Schedule P—Limitation on Noninsurance Losses (Section 806(b)(3)(C))

Section 806(b)(3)(C) provides that, in computing LICTI, any loss from noninsurance business is limited to the lesser of 35% of the loss or 35% of LICTI (computed by excluding any noninsurance loss included in Schedule A). Use Schedule P to compute any excess loss that must be added back to taxable income on page 1, line 2, Form 1120L. For more information on either the computation of the allowable loss deduction or on applicable carryback provisions, see section 1503(c).

Schedule Q—Additional Information

Be sure to answer questions G through S on page 7, Form 1120L. The instructions that follow are keyed to these questions.

1. Question J(2)(c). Foreign person.—The term "Foreign person" means: **(1)** A foreign citizen or nonresident alien; **(2)** A foreign partnership; **(3)** A foreign corporation; or **(4)** Any foreign estate or trust within the meaning of section 7701(a)(31).

"Owner's country" is the country where incorporated, organized, created, or administered.

2. Question L. Foreign financial accounts.—Check the "Yes" box if either **a** or **b**, below, applies to the corporation; otherwise, check the "No" box:

(a) At any time during the year the corporation had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account); AND

- The combined value of the accounts was more than $10,000 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.

(b) The corporation owns more than 50% of the stock in any corporation that would answer "Yes" to item **a**, above.

Get Form **TD F 90-22.1**, Report of Foreign Bank and Financial Accounts, to see if the corporation is considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If "Yes" is checked for this question, file Form TD F 90-22.1 by June 30, 1991, with the Department of the Treasury at the address shown on the form. Form TD F 90-22.1 is not a tax return, so **do not** file it with Form 1120L. Form TD F 90-22.1 may be obtained from IRS Forms Distribution Centers.

Also, if "Yes" is checked for this question, write the name of the foreign country or countries. Attach a separate sheet if more space is needed.

3. Question P.—Report any tax-exempt interest received or accrued in the space provided. Include any exempt-interest dividends received as a shareholder in a mutual fund or other regulated investment company.

Schedule R—Reconciliation

All filers of Form 1120L must attach a schedule which reconciles their NAIC Annual Statement to their Form 1120L.

Schedule S—Compensation of Officers

Attach a schedule for all officers using the following columns:

1. Name of officer.
2. Social security number.
3. Percentage of time devoted to business.
4. Amount of compensation.

This information must be submitted by each member of an affiliated group included in a consolidated return.

Taxable Income and Tax Computation Instructions—Page 1, lines 4–19

Line 4. Total taxable income.—Generally, this is the sum of lines 1, 2, and 3 of page 1. However, if there is an amount entered on line 3, then even if lines 1 and 2 total less than zero, the amount entered on line 4 may not be less than the amount on line 3.

Corporations that are not a member of a controlled group should skip line 5; and use the line 6 instructions to figure their tax, including any additional tax, to enter on line 6. Members of a controlled group of corporations should check the box on line 5 and compute their tax by using the Tax Computation Worksheet. Also, they should see the instructions below for line 5a before computing their tax.

Line 5a.—Members of a controlled group, as defined in section 1563, are entitled to one $50,000 amount and one $25,000 amount (in that order) in each taxable income bracket on line 5a.

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 amount in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulations section 1.1561-3(b) for the requirements 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 amount 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 apportionment plan. Therefore, corporation A is entitled to $25,000 (one-half of $50,000) in the taxable income bracket on line 5a(i) and $12,500 (one-half of $25,000) in the taxable income bracket on line 5a(ii). Corporation B is also entitled to the same amounts in each taxable income bracket.

Unequal Apportionment Plan.—Members of a controlled group may elect an unequal apportionment plan and divide the taxable income brackets 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 taxable income bracket. (But the total amount for all members of the controlled group cannot be more than the total amount in each taxable income bracket.)

Tax Computation Worksheet

(For members of a controlled group)

1. Enter the taxable income (line 4, page 1) . . . . . _____
2. Enter line 1 above or your share of the $50,000 taxable income bracket, whichever is less . . . . . _____
3. Subtract line 2 from line 1 . _____
4. Enter line 3 or your share of the $25,000 taxable income bracket, whichever is less . . . . . _____
5. Subtract line 4 from line 3 . _____
6. 15% of line 2 . . . . . _____
7. 25% of line 4 . . . . . _____
8. 34% of line 5 . . . . . _____
9. If the taxable income of the controlled group exceeds $100,000, enter the portion of the **lesser** of 5% of the excess over $100,000 or $11,750 that this member must pay . . . _____
10. Add lines 6 through 9. Enter here and on line 6, page 1 . . . . . _____

Additional 5% tax. Members of a controlled group are treated as one corporation for purposes of figuring the applicability of the additional 5% tax that must be paid by the corporation with taxable income in excess of $100,000. If the additional tax applies, each member of the controlled group will pay that tax based on the part of the amount that is used in each taxable income bracket to reduce that member's tax. See section 1561(a). Each member of the group must enter its share of the additional 5% tax on line 5b and attach to its tax return a schedule that shows the taxable income of the entire group as well as how its share of the additional tax was figured.

Line 6. Income Tax

If the amount on line 4, Form 1120L is:

Over—	But not over—	Its tax is:	Of the amount over—
0	$50,000	15%	0
$50,000	75,000	$7,500 + 25%	$50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	-------	34%	0

If the corporation was a shareholder in a passive foreign investment company (PFIC) that received an excess distribution or disposed of its investment in the PFIC during the year, it must include the aggregate increases in taxes due under section 1291(c)(2) in the amount to be entered on line 6, page 1, Form 1120L. Write on the dotted line to the left of line 6, "Sec. 1291–$ (amount)." Do not include on line 6 the interest charge due under section 1291(c)(3). Instead, write "Sec.1291 interest" and the amount owed in the bottom margin of page 1, Form 1120L. See Form 8621 for details.

Line 7a. Foreign tax credit.—See Form 1118, Computation of Foreign Tax Credit—Corporations, for an explanation of when a corporation can take this credit for payment of income tax to a foreign country or U.S. possession.

Line 7b. Other credits.—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, and **Form 5735,** Computation of Possessions Corporation Tax Credit Under Section 936, to compute the credit. Include the credit in the amount shown on line 7b. On the line to the left of the entry space, write the amount of the credit and identify it as a section 936 credit.

Credit for fuel produced from a nonconventional source.—A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 29 contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to the return showing the computation of the credit. Also see Form 8801 if any of the credit is disallowed solely because of the tentative minimum tax limitation. Also see section 53(d).

Orphan drug credit.—See section 28 and **Form 6765,** Credit for Increasing Research Activities (or for claiming the orphan drug credit), for an explanation of when a corporation can take this credit as well as how it is figured. Generally, the corporation must reduce its deduction for qualified research or basic research expenses by the amount of any research credit determined under section 41(a). However, this rule does not apply if the corporation elects to take the reduced credit under section 280C(c). See that section for more information. Also, see Form 8801 if any of the section 28 credit is disallowed solely because of the tentative minimum tax limitation. Also see section 53(d).

Line 7c. General business credit.—This credit is made up of the sum of the following credits:

Investment credit.—The investment credit was generally repealed for property placed in service after 1985. See **Form 3468,** Computation of Investment Credit, for exceptions.

Jobs credit.—The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. See **Form 5884,** Jobs Credit, for definitions, special rules, and limitations.

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 38(c)).

Alcohol fuel credit.—A corporation may be able to take a credit for alcohol used as fuel. Use **Form 6478,** Credit for Alcohol Used As Fuel, to figure the credit.

Credit for increasing research activities.—See **Form 6765,** Credit for Increasing Research Activities, and section 41.

Low-income housing credit.—See **Form 8586,** Low-Income Housing Credit, and section 42.

Disabled access credit.—A corporation may be able to a take a credit for certain expenditures paid or incurred to asssist individuals with disabilities. See "Important Change" on page 1 for more information on this credit.

Form 3800, General business credit. Complete Form 3800 if the corporation has: **(1)** more than one of the above credits; OR **(2)** a credit carryforward or carryback (including one from an ESOP credit); OR **(3)** a passive activity credit. Enter the amount of the general business credit on the appropriate line and check the Form 3800 box on that line. Form 3800 is not required if the corporation has only one of the general business credits (and items 2 and 3 do not apply). Instead, attach the applicable credit form to the return and check the appropriate box for that form.

If the corporation's only general business credit is the disabled access credit, attach Form 8826 to the return and write "From Form 8826" in the space to the left of line 7c.

Line 7d. Credit for prior year minimum tax.—See **Form 8801,** Credit for Prior Year Minimum Tax and section 53.

Line 10. Foreign corporations.—A foreign corporation carrying on an insurance business within the U.S. is taxable in the same manner 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, and Notice 89-96, 1989-2 C.B. 417 for more information. See Notice 90-13, for the domestic asset/ liability percentages and domestic investment yields needed by foreign insurance companies to compute their minimum effectively connected net investment income under section 842(b) for tax years beginning after December 31, 1988. 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.

Generally, any other U.S. source income received by a foreign corporation that is not effectively connected with the conduct of a business within the U.S. is taxed at 30% (or at a lower treaty rate). **(Note:** *Interest received from certain portfolio debt investments that were issued after July 18, 1984, is not subject to the tax.)* See section 881. If you have this income, attach a schedule showing the kind and amount of income, the tax rate (30% or a lower treaty rate), and the amount of tax.

Additional taxes resulting from the net investment income adjustment may offset a corporation's 30 percent tax on U.S. source income. The tax reduction is determined by multiplying the 30 percent tax by the ratio of the amount of income adjustment to income subject to the 30 percent tax, computed without the exclusion for interest on state and local bonds or income exempted from taxation by treaty (section 842(c)(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.

Note: *Section 842(c)(1) requires that foreign life insurance companies make the investment income adjustment before claiming a small life insurance company deduction.*

Mutual life insurance companies are required to determine the amount of their policyholder dividends deduction by increasing their year-end equity base (under section 809) by the excess of their required U.S. assets over their mean assets held in the U.S. during that year. See section 842(c)(3).

Note: *Section 953(d) allows a foreign insurance company to elect to be taxed as a domestic corporation. If the corporation makes this election, include the additional tax required to be paid, on line 13. Write on the dotted line to the left of line 13, page 1, "Sec. 953(d)—$(amount)." See section 953(d) for more details.*

Line 11. Recapture taxes.—*Recapture of investment credit.* If property is disposed of or ceases to be qualified property before the end of the life-years used in computing the regular or energy investment credit, there may be a recapture of the credit. See **Form 4255,** Recapture of Investment Credit.

Recapture of low-income housing credit. If the corporation must recapture part of the low-income housing credit because there has been a decrease in the qualified basis of a building from the prior year or if the corporation disposed of the building or an ownership interest in it, see **Form 8611,** Recapture of Low-Income Housing Credit, and section 42(j).

Line 12a. Alternative minimum tax.—Attach **Form 4626,** Alternative Minimum Tax—Corporations, if the taxable income or (loss) before the operation loss deduction when combined with adjustment and tax preference items (including the adjusted current earnings adjustment) exceeds **(a)** $40,000 or **(b)** the allowable exemption amount. See Form 4626 for details. Reduce alternative minimum tax by any credit allowed under section 38(c)(2) on line 21 of Schedule A, Form 3800. Write on the dotted line to the left of line 12a, "Sec. 38(c)(2)— $(amount)."

Note: *See section 56(g)(4)(B)(ii) for special* rules for life insurance companies for the computation of adjusted current earnings.

Caution: *See section 11301 of the "Act of 1990," which generally repealed section 56(g)(4)(F) for tax years beginning after September 30, 1990, for an exception for a "Small Insurance Company" and special rules for a tax year which includes September 30, 1990.*

Line 12b. Environmental tax.—The corporation may be liable for the environmental tax if the modified alternative minimum taxable income of the corporation exceeds $2,000,000. See Form 4626 for details.

Line 13. Total tax.—Include on line 13, page 1, Form 1120L, any interest charge for certain installment sales. See section 453A(c) for details. Write on the dotted line to the left of line 13 "Sec. 453A(c) interest—$(amount)." Attach a schedule showing the computation.

Line 14b. 1990 estimated tax payments.—Include on this line all estimated tax payments for this tax year. If in addition to "regular" estimated payments, the corporation is required to make special estimated tax payments (SETP) under section 847 or apply a SETP from a prior tax year to this tax year, enter on line 14b the corporation's total estimated tax payments and write on the dotted line to the left of the entry space "Includes SETP", and attach a schedule indicating the type of payment and amount. See section 847(2) for more information.

*U.S. Government Printing Office: 1990 — 265-267

Form **1120-PC**

Department of the Treasury
Internal Revenue Service

U.S. Property and Casualty Insurance Company Income Tax Return

► See separate instructions

For calendar year 1990, or tax year beginning ..... , 1990, and ending ..... 19 .....

OMB No. 1545-1027

1990

Please type or print

Name — A Employer identification number

Number and street, and room or suite no. (If a P.O. box, see page 3 of Instructions) — B Date incorporated

City or town, state, and ZIP code — C Check if this is a consolidated return ► ☐

D Check applicable boxes: (1) ☐ Final return (2) ☐ Change in address (3) ☐ Amended return

E Check applicable box if an election has been made under section(s) ► (1) ☐ 953(c)(3)(C) (2) ☐ 953(d)

F Check box for kind of company: (1) ☐ Mutual (2) ☐ Stock

Tax Computation and Payments

1	Taxable income (Schedule A, line 37)			1
2	Taxable investment income for electing small companies (Schedule B, line 21)			2
3	Check if you are a member of a controlled group (see sections 1561 and 1563) ► ☐			
a	Enter your share of the $50,000 amount and $25,000 amount (in that order) in each taxable income bracket: (i) $ _____ (ii) $ _____			
b	Enter your share of the additional tax (not to exceed $11,750) ► $ _____			
4	Income tax—See instructions to figure the tax			4
5	Enter amount of tax that a reciprocal must include			5
6	Total (add lines 4 and 5)			6
7	Tax credits:			
a	Foreign tax credit (attach Form 1118)	7a		
b	Other credits (see instructions)	7b		
c	General business credit. Check if from: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586	7c		
d	Credit for prior year minimum tax (attach Form 8801)	7d		
e	Total credits (add lines 7a through 7d)			7e
8	Balance of tax (line 6 less line 7e)			8
9	Foreign corporations—Tax on income not connected with U.S. business			9
10	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611			10
11a	Alternative minimum tax (attach Form 4626) (See instructions)			11a
b	Environmental tax (attach Form 4626)			11b
12	Personal holding company tax (attach Schedule PH (Form 1120))			12
13	Total tax (add lines 8 through 12)			13
14a	1989 overpayment allowed as a credit	14a		
b	Prior year's special estimated tax payments to be applied	14b		
c	1990 estimated tax payments (See instructions)	14c		
d	1990 special estimated tax payments (See instructions)	14d		
e	1990 refund applied for on Form 4466	14e ( )		
f	Enter the total of lines 14a through 14c less line 14e		14f	
g	Tax deposited with Form 7004		14g	
h	Credit by reciprocal for tax paid by attorney-in-fact under section 835(d)		14h	
i	Other credits and payments		14i	
j	Total credits and payments (add lines 14f through 14i)			14j
15	Enter any **PENALTY** for underpayment of estimated tax—Check ► ☐ if Form 2220 is attached			15
16	**TAX DUE**— If the total of lines 13 and 15 is larger than line 14j, enter AMOUNT OWED			16
17	**OVERPAYMENT**— If line 14j is larger than the total of lines 13 and 15, enter AMOUNT OVERPAID			17
18	Enter amount of line 17 you want: **Credited to 1991 estimated tax** ► $ Refunded ►			18

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

Paid Preparer's Use Only

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. Form **1120-PC** (1990)

Form 1120-PC (1990) Page **2**

Schedule A **Taxable Income—Section 832** (See instructions.)

Income

1	Premiums earned (Schedule E, line 7)				1
2	Dividends (Schedule C, line 14, column (c))				2
		(a) Interest received	(b) Amortization of premium	(c) Balance (Column (a) less column (b))	
3a	Gross interest				
b	Interest exempt under section 103				
c	Taxable interest (line 3a less line 3b)				3c
4	Rents				4
5	Royalties				5
6	Capital gain net income (attach Schedule D (Form 1120))				6
7	Net gain or (loss) from Form 4797, line 18, Part II (attach Form 4797)				7
8	Certain mutual fire or flood insurance companies (section 832(b)(1)(D))				8
9	Income on account of special income and deduction accounts				9
10	Income from protection against loss account (Schedule K, line 2e)				10
11	Mutual interinsurers or reciprocal underwriters—decrease in subscriber accounts				11
12	Income from a special loss discount account (attach Form 8816)				12
13	Other income (attach schedule)				13
14	Gross income (add lines 1 through 13)				14

Deductions (See instructions for limitations on deductions)

15	Compensation of officers (Schedule I)			15
16a	Salaries and wages ► _____ b Less jobs credit ► _____	c Balance ►		16c
17	Worthless agency balances and bills receivable			17
18	Rents			18
19	Taxes			19
20a	Interest ► _____			
b	Less interest expense related to tax-exempt interest ► _____	c Balance ►		20c
21	Contributions **(see instructions for 10% limitations)**			21
22	Depreciation (attach Form 4562)			22
23	Depletion			23
24	Pension, profit-sharing, etc., plans			24
25	Employee benefit programs			25
26	Losses incurred (Schedule F, line 13)			26
27	Additional deduction (attach Form 8816)			27
28	Other capital losses (Schedule G, line 12, column (g))			28
29	Dividends to policyholders			29
30	Mutual interinsurers or reciprocal underwriters—increase in subscriber accounts			30
31	Other deductions (attach schedule)			31
32	Total deductions (add lines 15 through 31)			32
33	Subtotal (line 14 less line 32)			33
34a	Special deduction for section 833 organizations (Schedule H, line 6)	34a		
b	Deduction on account of special income and deduction accounts	34b		
c	Total (add lines 34a and 34b)			34c
35	Subtotal (line 33 less line 34c)			35
36a	Dividends-received deduction (Schedule C, line 27)	36a		
b	Net operating loss deduction	36b		
c	Total (add lines 36a and 36b)			36c
37	Taxable income or (loss) (line 35 less line 36c). Enter here and on page 1, line 1			37

Form 1120-PC (1990) Page 3

Schedule B **Part I—Taxable Investment Income or (Loss) of Electing Small Companies—Section 834** (See instructions.)

		(a) Interest received	(b) Amortization of premium	(c) Balance (Column (a) less column (b))		
Income	1a Gross interest					
	b Interest exempt under section 103					
	c Taxable interest (line 1a less line 1b)				1c	
	2 Dividends (Schedule C, line 14, column (c))				2	
	3 Gross rents				3	
	4 Gross royalties				4	
	5 Gross income from trade or business other than insurance business and from Form 4797				5	
	6 Income from leases described in sections 834(b)(1)(B) and 834(b)(1)(C)				6	
	7 Gain from line 11 of separate Schedule D (Form 1120)				7	
	8 Gross investment income (add lines 1c through 7)				8	
Deductions	9 Real estate taxes				9	
	10 Other real estate expenses				10	
	11 Depreciation (attach Form 4562)				11	
	12 Depletion				12	
	13 Trade or business deductions as provided in section 834(c)(8) (attach schedule)				13	
	14 Interest				14	
	15 Other capital losses (Schedule G, line 12, column (g))				15	
	16 Total (add lines 9 through 15)				16	
	17 Investment expenses (attach schedule)				17	
	18 Total deductions (add lines 16 and 17)				18	
	19 Line 8 less line 18				19	
	20 Dividends-received deduction (Schedule C, line 27)				20	
	21 Taxable investment income or (loss) (line 19 less line 20). Enter here and on page 1, line 2				21	

Part II—Invested Assets Book Values
(Complete only if you claim a deduction for general expenses allocated to investment income.)

		(a) Beginning of tax year	(b) End of tax year
22	Real estate		
23	Mortgage loans		
24	Collateral loans		
25	Policy loans, including premium notes		
26	Bonds of domestic corporations		
27	Stock of domestic corporations		
28	Government obligations, etc.		
29	Bank deposits bearing interest		
30	Other interest-bearing assets (attach schedule)		
31	Total (add lines 22 through 30)		
32	Add columns (a) and (b), line 31		
33	Mean of the invested assets for the tax year (enter one-half of line 32)		
34	¼ of 1% of line 33 (multiply line 33 by .0025)		
35	Income base (Subtract line 16 from the total of line 8, plus line 1b, column (c))		
36	3¾% of line 33 (multiply line 33 by .0375)		
37	Line 35 less line 36 (but do not enter less than zero)		
38	25% of line 37 (multiply line 37 by .25)		
39	Limitation on deduction for investment expenses (add lines 34 and 38)		

Form 1120-PC (1990) Page 4

Schedule C **Dividends and Special Deductions** (See instructions.)

		Dividends Received (a) Not subject to section 832(b)(5)(B)	Dividends Received (b) Subject to section 832(b)(5)(B)	(c) Total dividends-received (column (a) plus column (b))
Income				
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)			
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)			
3	Dividends on debt-financed stock of domestic and foreign corporations			
4	Dividends on certain preferred stock of less-than-20%-owned public utilities			
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities			
6	Dividends on stock of certain less-than-20%-owned foreign corporations and certain FSCs			
7	Dividends on stock of certain 20%-or-more-owned foreign corporations and certain FSCs			
8	Dividends on stock of wholly owned foreign subsidiaries and FSCs			
9	Dividends from affiliated companies			
10	Other dividends from foreign corporations not included on lines 6, 7, and 8			
11	Income from controlled foreign corporations under subpart F (attach Forms 5471)			
12	Foreign dividend gross-up (section 78)			
13	Other dividends (attach schedule)			
14	Total dividends—add lines 1 through 13. Enter the amount from column (c) on Schedule A, line 2, or Schedule B, line 2, whichever applies			

		Dividends-Received Deduction (a) Not subject to section 832(b)(5)(B)	Dividends-Received Deduction (b) Subject to section 832(b)(5)(B)	(c) Total dividends-received deduction (column (a) plus column (b))
Deduction				
15	70% of line 1			
16	80% of line 2			
17	Deduction for line 3 (see instructions)			
18	41.176% of line 4			
19	47.059% of line 5			
20	70% of line 6			
21	80% of line 7			
22	100% of line 8			
23	**Total**—add lines 15 through 22. (See instructions for limitation.)			
24	100% of line 9			
25	Total not subject to section 832(b)(5)(B)—add line 23, column (a), and line 24, column (a)			
26	Total subject to section 832(b)(5)(B)—add line 23, column (b), and line 24, column (b). Enter here and on Schedule F, line 10			
27	Total deduction—add line 23, column (c), and line 24, column (c). Enter here and on Schedule A, line 36a, or Schedule B, line 20, whichever applies			

Schedule E **Premiums Earned—Section 832** (See instructions.)

1	Net premiums written			1
2	Plus: Unearned premiums on outstanding business at the end of the preceding tax year:			
a	100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and all unearned premiums of section 833 organizations	2a		
b	90% of unearned premiums attributable to insuring certain securities	2b		
c	Discounted unearned premiums attributable to title insurance	2c		
d	80% of all other unearned premiums	2d		
e	Total (add lines 2a through 2d)			2e
3	Line 1 plus line 2e			3
4	Less: Unearned premiums on outstanding business at the end of the current tax year:			
a	100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and all unearned premiums of section 833 organizations	4a		
b	90% of unearned premiums attributable to insuring certain securities	4b		
c	Discounted unearned premiums attributable to title insurance	4c		
d	80% of all other unearned premiums	4d		
e	Total (add lines 4a through 4d)			4e
5	Line 3 less line 4e			5
6	Transitional adjustment (Fiscal year filers see instructions)			
a	Unearned premiums (other than title, life, and those described in sections 832(b)(7)(B) and 833) as of 12/31/86	6a		
b	Line 6a times 3½%			6b
c	Unearned premiums attributable to insuring certain securities as of 12/31/86	6c		
d	Line 6c times 1½%			6d
e	Adjustment for corporations terminating as an insurance company taxable under section 831(a)			6e
f	Total (add lines 6b, 6d, and 6e)			6f
7	Premiums earned (line 5 plus line 6f). Enter here and on Schedule A, line 1			7

Schedule F **Losses Incurred—Section 832** (See instructions.)

1	Losses paid during the tax year (attach schedule)			1
2	Plus:			
a	Unpaid losses on life insurance contracts outstanding at the end of the current tax year	2a		
b	Discounted unpaid losses outstanding at the end of the current tax year	2b		
c	Total (add lines 2a and 2b)			2c
3	Line 1 plus line 2c			3
4	Less:			
a	Unpaid losses on life insurance contracts outstanding at the end of the preceding tax year	4a		
b	Discounted unpaid losses outstanding at the end of the preceding tax year	4b		
c	Total (add lines 4a and 4b)			4c
5	Estimated salvage and reinsurance recoverable as of the end of current tax year	5		
6	Estimated salvage and reinsurance recoverable as of the end of preceding tax year	6		
7	Total (line 5 less line 6)			7
8	Losses incurred (line 3 plus line 7 less line 4c)			8
9	Tax-exempt interest subject to section 832(b)(5)(B)	9		
10	Dividends-received deduction subject to section 832(b)(5)(B)—Enter the amount from Schedule C, line 26	10		
11	Total (line 9 plus line 10)	11		
12	Reduction of deduction under section 832(b)(5)(B)—line 11 times 15%			12
13	Losses incurred deductible under section 832(c)(4)—line 8 less line 12. Enter here and on Schedule A, line 26			13

Schedule G **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			1
2	Losses paid			2
3	Expenses paid			3
4	Total (add lines 1, 2, and 3)			4
5	Interest received—adjusted to cash method if necessary	5		
6	Dividends received—Schedule C, line 14, column (c), adjusted to cash method if necessary	6		
7	Gross rents, gross royalties, lease income, etc., and gross income from a trade or business other than an insurance business including income from Form 4797 (include gains for invested assets only), adjusted to cash method if necessary	7		
8	Net premiums received (adjusted to cash method if necessary)	8		
9	Total (add lines 5 through 8)			9
10	Limitation on gross receipts from sales of capital assets (line 4 less line 9). If zero or less, enter zero			10

	(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 amount from column (g) in Schedule A, line 28, or Schedule B, line 15, whichever applies)						

Schedule H **Special Deduction for Section 833 Organizations** (See instructions.)

Part I—Computation of Deduction

1	Health care claims incurred during the tax year		1
2	Expenses incurred during the tax year in connection with the administration, adjustment, or settlement of health care claims		2
3	Total (add lines 1 and 2)		3
4	25% of line 3		4
5	Beginning adjusted surplus (see instructions)		5
6	Special deduction (line 4 less line 5). If zero or less, enter zero. Enter here and on Schedule A, line 34a. (See instructions for limitation.)		6

Part II—Computation of Ending Adjusted Surplus

7	Beginning adjusted surplus (enter amount from line 5, Part I)		7
8	Special deduction (enter amount from line 6, Part I)		8
9	Net operating loss deduction (Schedule A, line 36b)		9
10	Net exempt income (see instructions):		
a	Adjusted tax-exempt income		10a
b	Adjusted dividends-received deduction		10b
11	Taxable income or (loss) (Schedule A, line 37)		11
12	Ending adjusted surplus (add lines 7 through 11)		12

Schedule I **Compensation of Officers** (See instructions.)

Schedule J **Additional Information**

	Yes	No
G (1) Did the corporation 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).)		
If "Yes," attach a schedule showing: (a) Name, address, and identification number; (b) Percentage owned; and (c) Taxable income or (loss) before NOL or special deductions from line 28, page 1, Form 1120 (or line 24, page 1, Form 1120-A) 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 the corporation's voting stock? (For rules of attribution, see section 267(c).)		
If "Yes," attach a schedule showing: (a) Name, address, and identification number; (b) Percentage owned; and (c) If the owner of that voting stock was a foreign person (see instructions), check "Yes" and show owner's country. ▶ ..... **Note:** *If checked "Yes," the corporation may have to file Form 5472.*		
H Was the corporation a U.S. shareholder of any controlled foreign corporation (see sections 951 and 957)? (If "Yes," attach Form 5471 for each such corporation.) **Note:** *Domestic and foreign corporations in a trade or business in the U.S. that are controlled by a foreign person may have to file Form 5472.*		
I At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See the instructions for exceptions and filing requirements for form TD F 90-22.1.) If "Yes," enter the name of the foreign country. ▶		
J Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not it has any beneficial interest in it? (If "Yes," the corporation may be required to file Forms 3520, 3520-A, or 926.)		
K During this tax year did the corporation maintain any part of its accounting/tax records on a computerized system?		
L Check method of accounting: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (Specify) ▶		
M Has the corporation elected to use its own payout pattern for discounting unpaid losses and unpaid loss adjustment expenses?		
N (1) Enter the total unpaid losses shown on the corporation's annual statement: **(a)** for the current tax year: $ ..... **(b)** for the previous tax year: $ ..... **(2)** Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement: **(a)** for the current tax year: $ ..... **(b)** for the previous tax year: $		
O Does the corporation discount any of the loss reserves shown on its annual statement?		
P Enter the amount of tax-exempt interest received or accrued during the tax year ▶		

Schedule K **Subtractions From Protection Against Loss Account** (See instructions.)
(References are to section 824(d)(1) prior to its repeal by P.L. 99-514.)

1	Balance at beginning of year		1
2	Subtractions (attach computation of any items on lines 2a through 2d):		
a	Section 824(d)(1)(B)	2a	
b	Section 824(d)(1)(C)	2b	
c	Section 824(d)(1)(D)	2c	
d	Section 824(d)(1)(E)	2d	
e	Total—add lines 2a through 2d. Enter here and on Schedule A, line 10		2e
3	Balance at end of year—line 1 less line 2e		3

Schedule L **Balance Sheets** (All filers are required to complete this schedule.)

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see instructions)				
6 Other current assets (attach schedule)				
7 Loans to stockholders				
8 Mortgage and real estate loans				
9 Other investments (attach schedule)				
10a Buildings and other depreciable assets				
b Less accumulated depreciation	( )		( )	
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
14 Other assets (attach schedule)				
15 Total assets				
Liabilities and Stockholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Insurance liabilities (See instructions)				
19 Other current liabilities (attach schedule)				
20 Loans from stockholders				
21 Mortgages, notes, bonds payable in 1 year or more				
22 Other liabilities (attach schedule)				
23 Capital stock: a Preferred stock				
b Common stock				
24 Paid-in or capital surplus				
25 Retained earnings—Appropriated (attach schedule)				
26 Retained earnings—Unappropriated				
27 Less cost of treasury stock		( )		( )
28 Total liabilities and stockholders' equity				

Schedule M-1 **Reconciliation of Income per Books with Income per Return**
(The corporation is not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than $25,000.)

1	Net income per books	7	Income recorded on books this year not included in this return (itemize)
2	Federal income tax	a	Tax-exempt interest $ .....
3	Excess of capital losses over capital gains	8	Deductions in this tax return not charged against book income this year (itemize)
4	Income subject to tax not recorded on books this year (itemize)	a	Depreciation . . . $ .....
5	Expenses recorded on books this year not deducted in this return (itemize)	b	Contributions carryover $ .....
a	Depreciation . . . $	9	Total of lines 7 and 8
b	Contributions carryover $	10	Income (Schedule A, line 35)—line 6 less line 9
c	Travel and entertainment $		
6	Total of lines 1 through 5		

Schedule M-2 **Analysis of Unappropriated Retained Earnings per Books (line 26, Schedule L)**
(The corporation is not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than $25,000.)

1	Balance at beginning of year	5	Distributions: a Cash
2	Net income per books		b Stock
3	Other increases (itemize)		c Property
	.....	6	Other decreases (itemize) .....
	.....	7	Total of lines 5 and 6
4	Total of lines 1, 2, and 3	8	Balance at end of year (line 4 less line 7)

•U.S. GPO:1991-265-270

1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 1120-PC

U.S. Property and Casualty Insurance Company Income Tax Return

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	106 hrs., 25 min.
Learning about the law or the form	33 hrs., 19 min.
Preparing the form	54 hrs., 12 min.
Copying, assembling, and sending the form to IRS	5 hrs., 5 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget,** Paperwork Reduction Project (1545-1027), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see the instructions below for information on where to file.

Important Changes

The Revenue Reconciliation Act of 1990 made several changes to the way corporations compute their taxable income and their tax liability.

- For tax years ending on or after September 30, 1990, insurance companies are generally required to amortize policy acquisition expenses. See the instructions for Schedule A.
- For tax years beginning after December 31, 1989, Section 832(b)(5)(A) has been amended effecting the treatment of salvage recoverable. See the instructions for Schedule F.
- New **Form 8826,** Disabled Access Credit, has been developed as a result of the addition of section 44. This allows eligible small businesses to claim a new nonrefundable income tax credit equal to 50% of expenses that are over $250 and not more than $10,250. These expenses must be paid or incurred after November 5, 1990, to enable a small business to comply with the requirements of the Americans With Disabilities Act of 1990. An eligible small business is one with gross receipts of $1 million or less in the previous tax year or one that had not more than 30 full-time employees in the previous tax year. Examples of expenses eligible for the credit include amounts paid or incurred: (1) to remove barriers that prevent a business from being accessible to, or usable by, individuals with disabilities; (2) to provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals; (3) to provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or (4) to acquire or modify equipment or devices for individuals with disabilities.

General Instructions

A. Purpose of Form

Form 1120-PC, U.S. Property and Casualty Insurance Company Income Tax Return, is used to report income, gains, losses, deductions, credits, and to figure the income tax liability of insurance companies other than life insurance companies.

B. Filing Form 1120-PC

Who Must File

Every domestic nonlife insurance company subject to taxation under section 831 and every foreign corporation carrying on an insurance business within the U.S. that would qualify as a nonlife insurance company subject to taxation under section 831, if it were a U.S. corporation, must file a return on Form 1120-PC. This includes organizations described in section 501(m)(1) that provide commercial-type insurance and organizations described in section 833.

Exceptions.—A nonlife insurance company that is:

- Exempt under section 501(c)(15) should file **Form 990,** Return of Organization Exempt from Income Tax.
- Subject to taxation under section 831, and disposes of its insurance business and reserves, or otherwise ceases to be taxed under section 831, but continues its corporate existence while winding up and liquidating its affairs, should file **Form 1120,** U.S. Corporation Income Tax Return.

Life insurance companies.—Life insurance companies should file **Form 1120L,** U.S. Life Insurance Company Income Tax Return.

When To File

In general, a corporation must file its income tax return 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 dissolved. A foreign corporation that does not maintain an office or place of business in the U.S. has until the 15th day of the 6th month after the end of its tax year to file.

Extension.—File **Form 7004,** Application for Automatic Extension of Time To File Corporation Income Tax Return, to request an automatic 6-month extension of time to file.

Period Covered.—File the 1990 return for calendar year 1990.

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 (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501
Connecticut, Maine, Massachusetts, New Hampshire, New York (all other counties), Rhode Island, Vermont	Andover, MA 05501
Florida, Georgia, South Carolina	Atlanta, GA 39901
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

Corporations having their principal place of business outside the U.S. 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 a corporate officer filled in Form 1120-PC, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares Form 1120-PC and does not charge the corporation, that person should not sign the return. Certain others who prepare Form 1120-PC should not sign. For example, a regular, full-time employee of the corporation, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare Form 1120-PC 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-PC to the taxpayer in addition to the copy filed with IRS.

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.

Unless the law specifically permits otherwise, the corporation may not change the method of accounting used to report taxable income in earlier years (for income as a whole or for any material item) unless it first secures IRS consent on **Form 3115,** Application for Change in Accounting Method.

Corporations (other than qualified personal service corporations) are not permitted to use the cash method of accounting if their average annual gross receipts are more than $5,000,000. Corporations required to change from the cash method because of this provision must complete and file Form 3115 in accordance with the requirements in Temporary Regulations sections 1.448-1T(g) and 1.448-1T(h). Attach Form 3115 to Form 1120-PC. See section 448 for more information.

2. Rounding Off to Whole-Dollar Amounts

Money items may be shown 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. Depositary Method of Tax Payment

The corporation must pay the tax due in full when the return is filed but no later than the 15th day of the 3rd month after the end of the tax year.

Deposit corporation income tax payments (and estimated tax payments) with a Federal Tax Deposit Coupon (**Form 8109**). Be sure to darken the "1120" box on the coupon. Make these tax deposits with either a financial institution qualified as a depositary for federal taxes or the Federal Reserve bank or branch serving the geographic area where the corporation is located. Do not submit deposits directly to an IRS office; otherwise, the corporation may be subject to a failure to deposit penalty. Records of deposits will be sent to IRS for crediting to the corporation's account. See the instructions contained in the coupon book (Form 8109) for more information.

To help ensure proper crediting to the corporation's account, please write the corporation's employer identification number (EIN), "Form 1120-PC," the type of tax paid, and the tax period to which the deposit applies on the check or money order.

To get more deposit coupons, use the reorder form (**Form 8109A**) provided in the coupon book. A penalty may be imposed for failure to deposit the required amount of tax. See section 6656. For more information concerning deposits, see **Pub. 583,** Taxpayers Starting a Business.

4. Estimated Tax

Generally, a corporation must make estimated tax payments if it can expect its estimated tax (income tax minus credits) to be $500 or more. Use **Form 1120-W,** Corporation Estimated Tax, as a worksheet to compute estimated tax. Use the deposit coupons (Form 8109) in making deposits of estimated tax.

If the corporation overpaid estimated tax, it 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, file Form 4466 after the end of the tax year, but before the 16th day of the 3rd month thereafter, and before the corporation files its tax return.

Caution: Foreign insurance companies see Notice 90-13, 1990-6, I.R.B. 10 before computing estimated tax.

5. Timing Change in Deducting Accrued Expenses

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that all events have occurred that determine the liability, and the amount of the liability can be determined with reasonable accuracy. However, all the events that establish liability for the amount are treated as occurring only when economic performance takes place. There are exceptions. See section 461(h).

D. Interest and Penalties

Interest and penalty charges are described below. If a corporation files late or fails to pay the tax when due, it will be liable for penalties unless it can show that failure to file or pay was due to reasonable cause and not willful neglect.

1. Interest.—Interest is charged on taxes not paid by the due date, even if an extension of the time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

2. Late Filing of Return.—A corporation that fails to file its return when due (including extensions of time for filing) may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late up to a maximum of 25%. The minimum penalty for a tax return that is more than 60 days late is the smaller of the tax due or $100.

Since Regulations section 1.6012-2(c) requires that the annual statement approved by the National Association of Insurance Commissioners (NAIC) be filed as part of the return, a late filing penalty may be imposed for not including the annual statement when the return is filed.

3. Late Payment of Tax.—The penalty for late payment of taxes is usually ½ of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the amount due. This penalty may also apply to any additional tax not paid within 10 days of the date of the notice and demand for payment.

4. Underpayment of Estimated Tax.—A corporation that fails to make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. In general, to avoid the estimated tax penalty, the corporation must make estimated tax payments of at least the smaller of 90% of the tax shown on the return, or 100% of its prior year's tax. See section 6655 for details and exceptions. **Form 2220,** Underpayment of Estimated Tax by Corporations, is used to see if the corporation owes a penalty and to figure the amount of the penalty. Generally, the corporation does not have to file this form because IRS can figure the amount of any penalty and bill the corporation for it. However, you must complete and attach Form 2220 even if the corporation does not owe the penalty if: **(a)** the annualized income or adjusted seasonal installment method is used, or **(b)** the corporation is a "large corporation" computing its first required installment based on the prior year's tax. If you attach Form 2220, be sure to check the box on line 15, and enter the amount of any penalty on that line.

5. Other Penalties.—There are also penalties that can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

E. Other Forms, Returns, Schedules, and Statements That May Be Required

1. Forms

The corporation may have to file 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 Annuities, Pensions, Retired Pay, or IRA Payments.

Forms 1042 and **1042S,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding. Use these forms to report and transmit withheld tax on payments or distributions made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent such payments or distributions constitute gross income from sources within the U.S. (see sections 861 through 865). For more information, see sections 1441 and 1442, and **Pub. 515,**

Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1096. Annual Summary and Transmittal of U.S. Information Returns.

Form 1098. Mortgage Interest Statement. This form is used to report the receipt from any individual of $600 or more of mortgage interest in the course of the corporation's trade or business for any calendar year.

Forms 1099-A, B, DIV, INT, MISC, OID, PATR, R, and **S.** Information returns for reporting abandonments, acquisitions through foreclosure, proceeds from brokers and barter exchange transactions, certain dividends and distributions, interest payments, payments for certain fishing boat crew members, medical and dental health care payments, direct sales of consumer goods for resale, miscellaneous income payments, nonemployee compensation, original issue discount, patronage dividends, and total distributions from profit-sharing plans, retirement plans, individual retirement arrangements, insurance contracts, etc., and proceeds from real estate transactions. Also use these returns to report amounts that were received as a nominee on behalf of another person. For more information, see the instructions for Form 1099.

Note: *Every corporation must file information returns if, in the course of its trade or business, it makes payments of rents, commissions, or other fixed or determinable income (see section 6041) totaling $600 or more to any one person during the calendar year.*

Form 5452. Corporate Report of Nondividend Distributions.

Form 5498. Individual Retirement Arrangement Information. Use this form to report contributions (including rollover contributions) to an individual retirement arrangement (IRA) and the value of an IRA or simplified employee pension account.

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, IC-DISC benefits, and FSC benefits.

Form 8264. Application for Registration of a Tax Shelter. This form is used by tax shelter organizers to register tax shelters with the IRS for the purpose of receiving a tax shelter registration number.

Form 8271. Investor Reporting of Tax Shelter Registration Number. This form is used by taxpayers who have acquired an interest in a tax shelter, which is required to be registered, to report the tax shelter's registration number. Form 8271 must be attached to any tax return (including an application for tentative refund (**Form 1139,** Corporation Application for Tentative Refund) or an amended return) on which a deduction, credit, loss, or other tax benefit attributable to a tax shelter is taken or any income attributable to a tax shelter is reported.

Form 8281. Information Return for Publicly Offered Original Issue Discount Instruments. This form is generally required to be filed by issuers of public offerings of debt instruments within 30 days of the issuance of the debt instrument.

Form 8300. Report of Cash Payments Over $10,000 Received in a Trade or Business. Generally, this form is used to report the receipt of more than $10,000 in cash or foreign currency in one transaction (or a series of related transactions).

Form 8594. Asset Acquisition Statement, is to be filed by both the purchaser and seller of a group of assets constituting a trade or business if goodwill or a going concern value attaches, or could attach, to such assets and if the purchaser's basis in the assets is determined only by the amount paid for the assets.

Form 8816. Special Loss Account and Special Estimated Tax Payments for Insurance Companies. This form must be filed by any insurance company that elects to take an additional deduction under section 847. See Form 8816 and section 847 for more information.

2. Consolidated Returns

If an affiliated group of corporations includes one or more domestic life insurance companies taxed under section 801, the common parent may elect to treat those life insurance companies as includible corporations. The life 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) and Regulations section 1.1502-47(d)(12).

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 income per books with income per return.
- A reconciliation of retained earnings.

Note: *If a nonlife insurance company is a member of an affiliated group, file Form 1120-PC as an attachment to the consolidated return in lieu of filing supporting statements. Write across the top of page 1 of Form 1120-PC, "Supporting Statement to Consolidated Return."*

Attach consolidated balance sheets and a reconciliation of consolidated retained earnings.

3. Statements

NAIC Annual Statement.—Regulations section 1.6012-2(c) requires that the NAIC annual statement be filed with Form 1120-PC.

Stock ownership in foreign corporations.—Attach the required statement to Form 1120-PC if the corporation owned 5% or more in value of the outstanding stock of a foreign personal holding company and the corporation was required to include in its gross income any undistributed foreign personal holding company income from 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, or acquires, disposes of, or owns 5% or more ownership in the outstanding stock of a foreign corporation may have to file **Form 5471,** Information Return of U.S. Persons With Respect to Certain Foreign Corporations.

A domestic corporation or a foreign corporation that is engaged in a trade or business in the U.S. and is controlled by a foreign person may have to file **Form 5472,** Information Return of a Foreign or Foreign-Owned Corporation Engaged in a U.S. Trade or Business.

Transfers to a corporation controlled by the transferor.— If a person receives stock of a controlled corporation in exchange for property, and no gain or (loss) is recognized under section 351, the person (transferor) and the transferee must attach to their respective income tax returns the information required by Regulations section 1.351-3.

4. Attachments

Please complete every applicable entry space on Form 1120-PC. Do not attach statements and write "See attached" in lieu of completing the entry spaces on Form 1120-PC.

If more space is needed on the forms or schedules, attach separate sheets indicating at the top of each attachment the form number or schedule letter of the form or schedule being continued. Show the same information called for on the form in the same order as on the printed forms. **Be sure to show totals on the printed forms.** Please use sheets that are the same size as the forms and schedules. Attach these separate sheets after all the schedules and forms. Also, put the corporation's name and EIN on each sheet.

Specific Instructions

Address.—Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the corporation has a P.O. box, show the P.O. box number instead of the street address.

Item A. Employer identification number.—Enter the corporation's EIN. A corporation that does not have an EIN should apply for one on Form **SS-4,** Application for Employer Identification Number. This form may be obtained from most IRS and Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120-PC is mailed. If the EIN has not been received by the filing time for the corporation, write "Applied for" in the space provided for the EIN. For more information concerning an EIN, see Pub. 583.

Item D.—Indicate a final return, change of address, or amended return by checking the appropriate box. **Form 8822.** Change of Address. This form may be used to notify the IRS if the corporation's mailing address changes.

Item E.—Check the box provided if the corporation is a foreign corporation and elects under **(1)** section 953(c)(3)(C) to treat its related person insurance income as effectively connected with the conduct of a

Each member of a controlled group must compute the tax as follows:

1. Enter the taxable income (line 1 or 2, page 1) . . . . . _____
2. Enter line 1 above or your share of the $50,000 taxable income bracket, whichever is less . . . . . _____
3. Subtract line 2 from line 1 . . . . . _____
4. Enter line 3 or your share of the $25,000 taxable income bracket, whichever is less . . . . . _____
5. Subtract line 4 from line 3 . . . . . _____
6. 15% of line 2 . . . . . _____
7. 25% of line 4 . . . . . _____
8. 34% of line 5 . . . . . _____
9. If the taxable income of the controlled group exceeds $100,000, enter the portion of the lesser of 5% of the excess over $100,000 or $11,750 that this member must pay. (See instructions for additional 5% tax below.) . . _____
10. Add lines 6 through 9. Enter here and on line 4, page 1 . . . . . _____

Additional 5% tax. Members of a controlled group are treated as one corporation for purposes of figuring the applicability of the additional 5% tax that must be paid by corporations with taxable income in excess of $100,000. If the additional tax applies, each member of the controlled group will pay that tax based on the part of the amount that is used in each taxable income bracket to reduce that member's tax. See section 1561(a). Each member of the group must enter its share of the additional 5% tax on line 3b and attach to its tax return a schedule that shows the taxable income of the entire group as well as how its share of the additional tax was figured.

Line 4. Income tax

If the amount on line 1 or 2, Form 1120-PC is:

Over—	*But not over—*	*Tax is:*	*Of the amount over—*
$ 0	$ 50,000	15%	$ 0
50,000	75,000	$ 7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	.....	34%	0

trade or business in the U.S., or (2) section 953(d) to be treated as a domestic corporation. A foreign corporation making either election should file its return with the Internal Revenue Service Center, Philadelphia, PA 19255. See Notice 89-79, 1989-2, C.B. 392, for the procedural rules to make the section 953(d) election.

Note: *Once either election is made, it shall apply to the tax year for which it is made and to all subsequent tax years unless revoked with the consent of the Secretary of the Treasury. Also, any loss of a foreign corporation electing to be treated as a domestic insurance company, under section 953(d), will be treated as a dual consolidated loss and will not be allowed to reduce the taxable income of any other member of the affiliated group for this tax year or any other tax year.*

Taxable Income

Line 1, Taxable income, and line 2, Taxable investment income.—If the corporation is a small company as defined in section 831(b)(2) and makes the election under section 831(b)(2)(A)(ii) to be taxed on taxable investment income, complete Schedule B (ignore Schedule A) and enter the amount from Schedule B, line 21, on line 2, page 1. All other corporations should complete Schedule A (ignore Schedule B) and enter on line 1, page 1, the amount from Schedule A, line 37.

Tax Computation and Payments

Page 1, lines 3–18

Members of a controlled group, as defined in section 1563, are entitled to one $50,000 amount and one $25,000 amount (in that order) in each taxable income bracket on line 3a.

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 amount in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulations section 1.1561-3(b) for the requirements 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 amount 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 apportionment plan. Therefore, Corporation A is entitled to $25,000 (one-half of $50,000) in the $50,000 taxable income bracket on line 3a(i) and to $12,500 (one-half of $25,000) in the $25,000 taxable income bracket on line 3a(ii). Corporation B is also entitled to the same apportionment in each taxable income bracket.

Unequal apportionment plan. Members of a controlled group may elect an unequal apportionment plan and divide the taxable income brackets 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 taxable income bracket. However, the total amount for all members of the controlled group cannot be more than the total amount in each taxable income bracket.

Deferred tax amount under section 1291.—If the corporation was a shareholder in a passive foreign investment company (PFIC) that received an excess distribution or disposed of its investment in the PFIC during the year, it must include the aggregate increases in taxes due under section 1291(c)(2) in the amount to be entered on line 4, page 1 Form 1120-PC. Write on the dotted line to the left of line 4, "Sec.1291–$(amount)." Do not include on line 4 the interest charge due under section 1291(c)(3). Instead, write "Sec. 1291 interest" and the amount owed in the bottom margin of page 1, Form 1120-PC. See Form 8621 for details.

Line 5. Enter amount of tax that a reciprocal must include.—Section 835 provides that a mutual insurance company that is an interinsurer or reciprocal underwriter can elect to limit the deduction for amounts paid or incurred to a qualifying attorney-in-fact to the amount of the deductions of the attorney-in-fact that are allocable to the income received by the attorney-in-fact from the reciprocal. If this election is made, any increase in the taxable income of a reciprocal that is attributable to this limitation is taxed at the highest rate of tax specified in section 11(b).

If the mutual insurance company's taxable income before including the section 835(b) amount is $100,000 or more, make no entry on line 5. Otherwise, this tax is 34% of the section 835(b) amount. If there is an entry on line 5, attach a statement showing how you computed the tax.

Reciprocal underwriters making the election under section 835(a) are allowed a credit on line 14h for the amount of tax paid by the attorney-in-fact that is attributable to the income received by the attorney-in-fact from the reciprocal in the tax year.

See section 835 and the related regulations for special rules and for information regarding the statements required to be attached to the return.

Line 7a. Foreign tax credit.—See **Form 1118,** Computation of Foreign Tax Credit—Corporations, for an explanation of when a corporation can take this credit for payment of income tax to a foreign country or U.S. possession.

Line 7b. Other credits.—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. Compute the credit on **Form 5735,** Computation of Possessions Corporation Tax Credit Allowed Under Section 936. Include the credit in the amount shown on line 7b. On the line to the left of the entry space, write the amount of

the credit and identify it as a section 936 credit.

Credit for fuel produced from a nonconventional source.—A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 29 contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to the return showing the computation of the credit. See Form 8801 if any of the 1989 credit was disallowed solely because of the tentative minimum tax limitation. Also see section 53(d).

Orphan drug credit.—See section 28 and **Form 6765,** Credit for Increasing Research Activities (or for claiming the orphan drug credit), for an explanation of when a corporation can take this credit as well as how it is figured.

Line 7c. General business credit.—This credit is made up of the sum of the following credits:

Investment credit.—The investment credit was generally repealed for property placed in service after 1985. See **Form 3468,** *Investment Credit,* for exceptions.

Jobs credit.—The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. See **Form 5884,** Jobs Credit, for definitions, special rules, and limitations.

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 38(c)).

Alcohol fuel credit.—Use **Form 6478,** Credit for Alcohol Used As Fuel, to figure the credit.

Credit for increasing research activities.—See **Form 6765,** Credit for Increasing Research Activities, and section 41.

Low-income housing credit.—See section 42 and **Form 8586,** Low-Income Housing Credit.

Disabled access credit.—A corporation may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See "Important Change" on page 1 for more information on this credit.

Form 3800, *General Business Credit.*—Complete Form 3800, General Business Credit, if the corporation has: **(1)** more than one of the above credits; **OR (2)** a credit carryforward or carryback (including one from an ESOP credit); **OR (3)** a passive activity credit. Enter the amount of the general business credit on the appropriate line and check the Form 3800 box on that line. Form 3800 is not required if the corporation has only one of the general business credits (and items 2 and 3 do not apply). Instead, attach the applicable credit form to the return and check the appropriate box for that form. If the corporation's only general business credit is the disabled access credit, attach Form 8826 to the return and write "From Form 8826" in the space to the left of line 7c.

Line 7d. Credit for prior year minimum tax.—See **Form 8801,** Credit for Prior Year Minimum Tax, and section 53.

Line 9. Foreign corporations.—A foreign corporation carrying on an insurance business within the U.S. is taxable in the same manner 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, and Notice 89-96, 1989-2, C.B. 417 for more information. Also see Notice 90-13, 1990-6 I.R.B. 10 for the domestic asset/liability percentages and domestic investment yields needed by foreign insurance companies to compute their minimum effectively connected net investment income under section 842(b) for tax years beginning after December 31, 1988. 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.

Generally, any other U.S. source income received by a foreign corporation that is not effectively connected with the conduct of a trade or business within the U.S. is taxed at 30% (or at a lower treaty rate).

Note: *Interest received from certain portfolio debt investments that were issued after July 18, 1984, is not subject to the tax.*

See section 881. If you have this income, attach a schedule showing the kind and amount of income, the tax rate (30% or a lower treaty rate), and the amount of tax.

Additional taxes resulting from the net investment income adjustment may offset a corporation's 30% tax on U.S. source income. The tax reduction is determined by multiplying the 30% tax by the ratio of the amount of income adjustment to income subject to the 30% tax, computed without the exclusion for interest on state and local bonds or income exempted from taxation by treaty. See section 842(c)(2). Attach a statement showing how you figured the reduction of section 881 tax. Enter the net tax imposed by section 881 on line 9, page 1.

Note: *Section 953(d) allows a foreign insurance company to elect to be taxed as a domestic corporation. If the corporation makes this election, include the additional tax required to be paid on line 13. Write on the dotted line to the left of line 13, "Sec. 953(d) tax—$(amount)." Attach a schedule showing the computation. See Section 953(d) for more details.*

Line 10. Recapture taxes.—

Recapture of investment credit.—If property is disposed of or ceases to be qualified property before the end of the life-years used in computing the regular or energy investment credit, there may be a recapture of the credit. See **Form 4255,** Recapture of Investment Credit.

Recapture of low-income housing credit.—If you must recapture part of the low-income housing credit because there has been a decrease in the qualified basis of a building from the prior year, or if you disposed of the building or an ownership interest in it, see **Form 8611,** Recapture of Low-Income Housing Credit, and section 42(j).

Line 11a. Alternative minimum tax.—Attach **Form 4626,** Alternative Minimum Tax—Corporations, if the taxable income or (loss) before the net operating loss deduction when combined with adjustment and tax preference items (including the adjusted current earnings adjustment) exceeds **(a)** $40,000, or **(b)** the allowable exemption amount. See Form 4626 for details. Reduce alternative minimum tax by any credit allowed under section 38(c)(2) on line 19 of Schedule A, Form 3800. Write on the dotted line to the left on line 11a, "Sec. 38(c)(2)—$(amount)."

Line 11b. Environmental tax.—The corporation may be liable for the environmental tax if the modified alternative minimum taxable income of the corporation exceeds $2,000,000. See Form 4626 for details.

Line 12. Personal holding company tax.—A corporation is taxed as a personal holding company under section 542 if:

- At least 60% of its adjusted ordinary gross income, defined in section 543(b)(2), for the tax year is personal holding company income as defined in section 543(a), and
- At any time during the last half of the tax year more than 50% in value of its outstanding stock is owned, directly or indirectly, by not more than 5 individuals.

Use **Schedule PH (Form 1120),** U.S. Personal Holding Company Tax, to figure this tax.

Line 13. Total tax.—Include on line 13 any interest charge for certain installment sales. See sections 453(l)(3) and 453A(c) for details. Write on the dotted line to the left of line 13 "Sec. 453(l)(3) (or Sec. 453A(c)) interest— $(amount)." Attach a schedule showing the computation.

Deferred tax and interest on undistributed earnings of a qualified electing fund under section 1294.—Complete Form 8621 and follow the instructions for that form to determine the tax attributable to the undistributed earnings of a "qualified electing fund" or the deferred tax due, if any, as a result of the termination of the section 1294 election. Include the deferred tax owed on line 13 and follow the reporting instructions in Form 8621 for Form 1120 filers.

Line 14b. Prior year's special estimated tax payments to be applied.—Enter on this line the portion of the special estimated tax payments made in earlier tax years that the corporation is applying this year. The amount entered on this line must agree with the amount(s) from line 10, Part II, Form 8816. See Form 8816 and section 847(2) for additional information.

Line 14c. 1990 Estimated tax payments.—Enter on this line the corporation's estimated tax payments for 1990. Do not include any amount being applied on line 14d as a "Special estimated tax payment."

Line 14d. 1990 Special estimated tax payments.—If an additional deduction for undiscounted unpaid losses under section 847 is claimed on Schedule A, line 27, special estimated tax payments must be made in an amount equal to the tax benefit attributable to the deduction. See Form 8816 and section 847(2) for additional information.

Line 14h. Credit by reciprocal for tax paid by attorney-in-fact under section 835(d).—Enter the amount of tax paid by an attorney-in-fact that is attributable to the income received by the attorney-in-fact from the reciprocal during the tax year. For additional information, see section 835, the related regulations, and the instructions for line 5.

Sales or Exchanges of Capital Assets

Report sales or exchanges of capital assets on Schedule D (Form 1120). The corporation must report every sale or exchange of a

capital asset in detail, even if there is no gain or loss.

In general, corporate losses from sales or exchanges of capital assets are only allowed up to the gains from such sales or exchanges. However, for corporations taxable under section 831, this general rule does not apply to losses from capital assets sold or exchanged to get funds needed to meet abnormal insurance losses and to pay dividends and similar distributions to policyholders. The net capital loss for these corporations is the amount by which losses for the year from sales or exchanges of capital assets exceed the gains from these sales or exchanges plus the lesser of:

(1) Taxable income (computed without regard to gains or losses from sales or exchanges of capital assets); or

(2) Losses from the sale or exchange of capital assets sold or exchanged to obtain funds to meet abnormal insurance losses and to provide for the payment of dividends and similar distributions to policyholders.

Subject to the limitations in section 1212(a), a net capital loss can be carried back 3 years and forward 5 years as a short-term capital loss.

For more information on gains and losses from sales or exchanges of property, see the instructions for Schedule D (Form 1120) and **Pub. 544,** Sales and Other Dispositions of Assets.

Schedule A—Taxable Income

Gross Income.—The gross amounts of underwriting income and investment income should be computed on the basis of the underwriting and investment exhibit of the NAIC annual statement.

Note: *In computing the amounts entered on lines 2, 3, and 4, take all interest, dividends, or rents received during the year, add interest, dividends, or rents due and accrued at the end of the tax year, and deduct interest, dividends, or rents due and accrued at the end of the preceding tax year. For rules regarding the accrual of dividends, see Regulations section 1.301-1(b).*

Line 3a, column (a). Gross interest.—Enter the gross amount of interest income, including all tax-exempt interest.

Line 3b, column (a). Interest exempt under section 103.—Section 103(a) provides that interest on state or local bonds is excludible from gross income. This exclusion does not apply to: **(1)** any private activity bond which is not a qualified bond within the meaning of section 141; **(2)** any arbitrage bond within the meaning of section 148; or **(3)** any bond that does not meet the applicable requirements of section 149 (regarding the registration of tax-exempt bonds).

Lines 3a and 3b, column (b). Amortization of premium.—Enter on line 3a, column (b), the total amortization of bond premium, including amortization on tax-exempt bonds. Enter on line 3b, column (b), the amortization of bond premium on tax-exempt bonds only.

Line 4. Rents.—Enter gross rents, computed as indicated in the note above. Deduct rental expenses, such as repairs, interest, taxes, and depreciation on the proper lines in the deductions section (lines 15 through 31).

Line 5. Royalties.—Enter gross royalties. If you claim a deduction for depletion, report it on line 23.

Line 6. Capital gain net income.—Enter the capital gain net income (if any) shown on line 11 of Schedule D (Form 1120).

Line 8. Certain mutual fire or flood insurance companies.—Under the provisions of section 832(b)(1)(D), a mutual fire or flood insurance company whose principal business is the issuance of policies:

(I) for which the premium deposits are the same (regardless of the length of the term for which the policies are written), and

(II) under which the unabsorbed portion of such premium deposits not required for losses, expenses, or establishment of reserves is returned or credited to the policyholder on cancellation or expiration of the policy, must include in income an amount equal to 2% of the premiums earned on insurance contracts during the tax year with respect to such policies returned or credited during the same tax year.

Line 9. Income on account of the special income and deduction accounts.—Section 832(e) requires corporations which write the kinds of insurance listed below to maintain the following special accounts. A corporation which writes: **(1)** mortgage guaranty insurance, must maintain a mortgage guaranty account; **(2)** lease guaranty insurance, must maintain a lease guaranty account; and **(3)** insurance on obligations the interest on which is excludible from gross income under section 103, must maintain an account with respect to insurance on state and local obligations.

Amounts that are required to be added to these special accounts under the provisions of section 832(e)(4) or 832(e)(6) are allowed as a deduction on line 34b of Schedule A. Amounts that are required to be subtracted from these accounts under the provisions of sections 832(e)(5) and 832(e)(6) must be reported as income on line 9 of Schedule A. See section 832(e) for more information.

Line 11. Mutual interinsurers or reciprocal underwriters—decrease in subscriber accounts.—Enter the decrease for the tax year in savings credited to subscriber accounts of a mutual insurance company that is an interinsurer or reciprocal underwriter. See the instructions for line 30, Schedule A, for a definition of savings credited to subscriber accounts.

Line 12. Income from a special loss discount account.—Enter on line 12, the total from line 7, Part I, Form 8816. See section 847(5) and the instructions for Form 8816 for more information.

Line 13. Other income.—Enter on line 13 the total of all taxable income not reported on lines 1 through 12. Attach an itemized schedule listing the sources of all amounts included on line 13. See section 832(b)(1)(C).

Deductions

Line 16a. Salaries and wages.—Enter salaries and wages paid or accrued during the tax year. Do not include salaries and wages deducted elsewhere on the corporation's return, such as contributions to a simplified employee pension plan that are deducted on line 24 of Schedule A.

Caution: *If the corporation provided taxable fringe benefits to its employees, such as the personal use of an auto, do not deduct as wages the amount allocated for depreciation and other expenses that the corporation claimed elsewhere on its return.*

Line 16b. Less jobs credit.—Enter on line 16b the amount of the jobs credit from Form 5884.

Line 18. Rents.—Enter rent paid or accrued for business property in which the corporation has no equity.

If the corporation rented or leased a vehicle, enter the total annual rent or lease expense paid or incurred during the year. Also complete Part V of **Form 4562,** Depreciation and Amortization. If the corporation leased a vehicle for a term of 30 days or more, the deduction for the vehicle lease expense may have to be reduced by an amount called the inclusion amount. You may have an Inclusion amount if:

The lease term began:	And the vehicle's fair market value on the first day of the lease exceeded:
After 12/31/86	$12,800
After 4/2/85 but before 1/1/87	$23,000
After 6/18/84 but before 4/3/85	$34,500

Note: *If the corporation leased a vehicle during 1986, and the tax year beginning in 1990 is the first tax year the vehicle was used 50% or less for business, you will need to figure an additional inclusion amount. You must figure this additional amount even if the corporation had no inclusion amount using the table shown above.*

See **Pub. 917,** Business Use of a Car, for instructions on how to figure the inclusion amount and additional inclusion amount.

Line 19. Taxes.—Enter taxes paid or accrued during the tax year. Do not include the following taxes: **1.** Federal income taxes (except the environmental tax under section 59A); **2.** Foreign or U.S. possession income taxes if a credit is claimed; **3.** Taxes not imposed on the corporation; or **4.** Taxes, including state or local sales taxes, that are paid or incurred in connection with an acquisition or disposition of property. Such taxes must be treated as a part of the cost of the acquired property or, in the case of a disposition, as a reduction in the amount realized on the disposition.

See section 164(d) for the apportionment of taxes on real estate between a seller and a purchaser.

If the corporation is liable for the environmental tax under section 59A, see Form 4626 for computation of the environmental tax deduction.

Line 20a. Interest.—Enter all interest paid or accrued during the tax year.

Generally, the interest and carrying charges on straddles must be capitalized. See section 263(g).

Interest paid or incurred that is allocable to certain property produced by a corporation for its own use or for sale must be capitalized. In addition, a corporation must capitalize any interest on debt that it incurred or continued in connection with an asset used to produce the above property. See section 263A for definitions and for more information.

See section 163(e)(5) which provides special rules for the disqualified portion of original issue discount on a high yield discount obligation.

Certain interest paid or accrued by the corporation (directly or indirectly) to a related person may be limited if no tax is

imposed on such interest. See section 163(j) for more information.

See section 7872 for special rules regarding the deductibility of forgone interest on certain below-market rate loans.

Line 20b. Less tax-exempt interest.—Enter interest paid or accrued during the tax year on indebtedness incurred or continued to purchase or carry obligations, the interest on which is wholly tax exempt.

Line 21. 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 for any unused contributions carried over from prior years.

The total deduction allowable in any year may not exceed 10% of taxable income (line 37, Schedule A) computed without regard to: **(1)** the deduction for charitable contributions; **(2)** the deduction for dividends received; **(3)** the 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 in this tax year but may be carried over to the next 5 tax years.

Taxable income is modified in order to determine the amount of a net operating loss used in an intervening year (i.e., a year to which a net operating loss is carried but not fully absorbed). For this purpose, taxable income is computed by determining the net operating loss deduction for the year without regard to the net operating loss for the loss year or any later year. See section 172(b)(2). To the extent charitable contributions are used to reduce taxable income for this purpose and increase a net operating loss carryover, a contributions carryover is not allowed. See section 170(d)(2)(B).

Corporations on the accrual basis may elect to deduct contributions paid by the 15th day of the 3rd 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 for which the total claimed deduction of all property contributed exceeds $500, corporations (except closely held and personal service corporations) must attach a schedule describing the kind of property contributed and the method used in determining its fair market value. If a contribution carryover is included, show the amount and how it was determined.

Closely-held and personal service corporations generally must complete and attach **Form 8283,** Noncash Charitable Contributions, to their returns for contributions of property other than money, if the total claimed deduction for all property contributed was more than $5,000.

If the corporation 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 the corporation's donation and the type of legal interest contributed.

Special rule for contributions of certain property.—For a charitable contribution of property, the contribution must be reduced by the sum of: **(1)** The ordinary income or short-term capital gain that would have resulted if the property had been sold at its fair market value, and **(2)** For certain contributions, all of the long-term capital gain that would have resulted if the property had been sold at its fair market value.

The reduction for 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 (except stock for which market quotations are readily available—see section 170(e)(5)) 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 property to certain organizations, see section 170(e)(3) and Regulations section 1.170A-4A.

Charitable contributions of scientific property used for research.—A corporation (other than a personal holding company or a personal 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 22. Depreciation.—Besides depreciation, include on line 22 the part of the cost (up to $10,000) that the corporation elected to expense for certain recovery property placed in service during tax year 1990 or carried over from 1989. See the instructions for Form 4562.

Line 23. Depletion.—See sections 613 and 613A for percentage depletion rates applicable to natural deposits. Also, see section 291 for the limitation on the depletion deduction for iron ore and coal (including lignite).

Foreign intangible drilling costs and mining and development costs paid or incurred must either be added to the corporation's basis for cost depletion purposes or be deducted ratably over a 10-year period. See sections 263(i), 616, and 617 for more information.

Attach **Form T (Timber),** Forest Industries Schedules, if a deduction for depletion of timber is taken.

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. There are penalties for failure to file these forms on time and for overstating the pension plan deduction. See sections 6652(e) and 6662(f).

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C/R.—Complete this form for each plan with fewer than 100 participants.

Form 5500EZ.—Complete this form for a one-participant plan.

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.

Line 27. Additional deduction.—Any insurance company that is required to discount unpaid losses under section 846 is allowed an additional deduction that is not to exceed the excess of **(1)** the amount of certain undiscounted unpaid losses, over **(2)** the amount of the related discounted unpaid losses, to the extent the amount was not deducted in a preceding tax year. Enter the amount of the additional deduction on this line and attach Form 8816.

Any insurance company taking the additional deduction is required to: **(1)** make special estimated tax payments equal to the tax benefit attributable to the deduction, and **(2)** establish and maintain a Special Loss Discount Account. See section 847 and Form 8816 for details.

Line 29. Dividends to policyholders.—Enter the total dividends and similar distributions paid or declared to policyholders in their capacity as such, except in the case of a mutual fire insurance company exclusively issuing perpetual policies. Whether dividends have been paid or declared should be determined according to the method of accounting regularly employed in keeping the books of the insurance company.

The term "dividends and similar distributions" includes amounts returned or credited to policyholders on cancellation or expiration of policies issued by a mutual fire or flood insurance company **(1)** where the premium deposits for the policy are the same (regardless of the length of the term for which the policies are written), and **(2)** under which the unabsorbed portion of such premium deposits not required for losses, expenses, or establishment of reserves is returned or credited to the policyholder on cancellation or expiration of the policy.

In the case of a qualified group self-insurers fund, the fund's deduction for policyholder dividends is allowed no earlier than the date the state regulatory authority determines the amount of the policyholder dividend that may be paid. See section 6076 of the Technical and Miscellaneous Revenue Act of 1988 ("Act of 1988").

Line 30. Mutual interinsurers or reciprocal underwriters—Increase in subscriber accounts.—A mutual insurance company that is an interinsurer 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 before the 16th day of the 3rd month following the close of the tax year. This is true only if the corporation would be required to pay this amount promptly to a subscriber if the subscriber ended the contract when the corporation's tax year ends. The corporation 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 31. Other deductions.—Enter the total deductions allowable under sections 832(c)(1) and (10) (net of the annual statement change in undiscounted unpaid loss adjustment expenses) to the extent they are not reported on lines 15 through 30. A corporation may deduct dividends it pays in cash on stock held by an employee stock ownership plan. However, a deduction may only be taken if, according to the plan, the

dividends are: **(1)** Paid in cash directly to the plan participants or beneficiaries; **(2)** Paid to the plan which distributes them in cash to the plan participants or their beneficiaries no later than 90 days after the end of the plan year in which the dividends are paid; or **(3)** Used to make payments on a loan described in section 404(a)(9). See section 404(k) for more information and the limitation on certain dividends.

Meals, etc.—Generally, the corporation can deduct only 80% of the amount otherwise allowable for meals and entertainment expenses paid or incurred in its trade or business. In addition, meals must not be lavish or extravagant; a bona fide business discussion must occur during, immediately before, or immediately after the meal; and an employee of the corporation must be present at the meal. See section 274(k)(2) for exceptions. If the corporation claims a deduction for unallowable meal expenses, it may have to pay a penalty. Additional limitations apply to deductions for gifts, skybox rentals, luxury water travel, convention expenses, and entertainment tickets. See section 274 and **Pub. 463,** Travel, Entertainment, and Gift Expenses, for details.

For tax years ending on or after September 30, 1990, insurance companies are generally required to amortize policy acquisition expenses on a straight-line basis over a period of 120 months beginning with the 1st month in the 2nd half of the tax year (section 848(a)). The following percentages of net premiums shall be amortized: Annuities 1.75%, Group life 2.05%, Other life (including noncancelable or guaranteed renewable accident and health) 7.7%. Section 848(b) provides for an amortization period of 60 months for the first $5 million of amortizable policy acquisition expenses for any tax year. See section 848(b)(2) for phase-out rules. The 60 month amortization period does not apply to any policy acquisition expenses for any tax year that are attributable to premiums or other consideration under any reinsurance contract (section 848(b)(4)). See section 848 for special rules, definitions, and exceptions.

For tax years including September 30, 1990, only a pro rata portion of amortizable expenses are required to be amortized, determined by dividing the days left in the tax year on or after September 30 by the total number of days in that tax year.

Attach a schedule itemizing the amounts included on line 31.

Line 34a. Special deduction for section 833 organizations.—The amount claimed cannot exceed taxable income for the tax year (determined without regard to this deduction).

Line 34b. Deduction on account of the special income and deduction accounts.—Enter the total of the amounts required to be added under the provisions of sections 832(e)(4) and (6). However, no deduction is permitted unless the corporation purchases tax and loss bonds in an amount equal to the tax benefit attributable to the deduction. See section 832(e) for more information.

Note: *The deduction on account of the special income and deduction accounts is limited to taxable income for the tax year (computed without regard to this deduction or to any carryback of a net operating loss).*

Line 36a. Dividends-received deduction.—Generally, the dividends-received deduction allowed by sections 243(a)(1), 244(a), and subsections (a) and (b) of section 245 may not exceed 70% (80% in certain cases) of taxable income (or taxable investment income for electing small companies) computed without regard to: **(1)** *the deduction allowed by section 172 (net operating loss);* **(2)** *the deductions allowed by section 243(a)(1), section 244(a), subsection (a) or (b) of section 245, and section 247;* **(3)** *any adjustment under section 1059; and* **(4)** *any capital loss carryback to the tax year under section 1212(a)(1). However, this limitation does not apply for any tax year for which there is a net operating loss as determined under section 172.*

Line 36b. Net operating loss deduction.—The "net operating loss" is the amount of the net operating loss carryovers and carrybacks that can be deducted in the tax year. See section 172(a). If this deduction is taken, explain its computation on an attached schedule.

Generally, a corporation 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. Personal service corporations are not permitted to carry back a net operating loss to or from any tax year to which a section 444 election applies.

A corporation may carry back 10 years the part of the net operating loss attributable to a product liability loss. See section 172(b)(1)(I). See Regulations section 1.172-13(c) for the required statement that must be attached to Form 1120-PC when claiming the 10-year carryback on product liability losses.

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. The election may be made by attaching a statement to a tax return that is filed on time (including extensions). The election is irrevocable. Section 172(b)(1) describes types of losses for which the 15-year carryover period does not apply. Also see section 172(b)(1)(M) for special rules for a corporation with an excess interest loss if the corporation had an equity reduction interest loss for any loss limitation year ending after August 2, 1989.

After applying the net operating loss to the first tax year to which it may be carried, the portion of the loss the corporation may carry to each of the remaining tax years is the excess, if any, of the loss over the sum of the modified taxable income for each of the prior tax years to which the corporation may carry the loss. See section 172(b).

If there is a carryback of a net operating loss, net capital loss, or an unused 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.

Caution: Do not attach Form 1139 to the corporation's income tax return. Mail it in a separate envelope and file it with the same service center the corporation files its income tax return.

A net operating loss cannot be carried to or from any tax year for which the insurance company is not subject to tax under section 831(a), or to any tax year if (between the tax year from which the loss is being carried and such tax year) there is an intervening tax year for which the insurance company was not subject to tax imposed by section 831(a).

See section 172 for special rules, limitations, and definitions pertaining to net operating loss carrybacks and carryovers. Also see **Pub. 536,** Net Operating Losses.

See section 382 for the limitation on the amount of taxable income of a loss corporation for any tax year ending after a post-1986 ownership change that may be offset by pre-change net operating loss carryovers. Also see Temporary Regulations section 1.382-2T(a)(2)(ii), which requires that a loss corporation file an information statement with its income tax return for each tax year that it is a loss corporation.

See section 384 for the limitation on the use of preacquisition losses of one corporation to offset recognized built-in gains of another corporation.

See section 844 for special loss carryover rules for insurance companies.

Schedule B; Part I— Taxable Investment Income or (Loss) of Electing Small Companies

Note: *(1) Once an election is made to be taxed only on investment income, it can only be revoked with the consent of the Secretary, and (2) a corporation making this election must include in gross investment income any amount subtracted from a protection against loss account.*

Income

Line 1a, column (a). Gross interest.—Enter the gross amount of interest income including all tax-exempt interest income.

Line 1b, column (a). Interest exempt under section 103.—Enter the amount of interest on state and local bonds that is exempt from taxation under section 103. See the instructions for Schedule A, line 3b, column (a), for more information.

Lines 1a and 1b, column (b). Amortization of premiums.—Enter on line 1a, column (b), the total amortization of bond premiums, including amortization of premium on tax-exempt bonds. Enter on line 1b, column (b), the amortization of bond premium on tax-exempt bonds.

Line 3. Gross rents.—Enter the gross rents received or accrued during the tax year. Deduct rental expenses such as repairs, interest, taxes and depreciation on the proper lines in the deductions section.

Line 4. Gross royalties.—Enter the gross royalties received or accrued during the tax year. If you claim a deduction for depletion, see line 12 below.

Line 5. Gross income from trade or business other than insurance business and from Form 4797.—Enter the gross income from any business other than an insurance business carried on by the insurance company or by a partnership of which the insurance company is a partner. Include section 1245, section 1250 (as modified by section 291), and other gains from **Form 4797,** Sales of Business Property, on investment assets only.

Line 6. Income from leases described in sections 834(b)(1)(B) and 834(b)(1)(C).—Enter the gross income from entering into (or changing or ending) any lease, mortgage, or other instrument or agreement from which the company earns interest, dividends, rents, or royalties.

Deductions

Note: *Also see section 834(d)(1) regarding the limitation of expenses on real estate owned and occupied in part or in whole by a mutual insurance company.*

Line 9. Real estate taxes.—Enter taxes paid or accrued on real estate owned by the corporation and deductible under section 164.

Line 10. Other real estate expenses.—Enter all ordinary and necessary real estate expenses, such as fire insurance, heat, light, and labor. Also enter the cost of incidental repairs that keep the property in an ordinary, efficient operating condition but neither materially add to the property's value nor appreciably prolong its life. Do not include any amount paid 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 11. Depreciation.—Enter depreciation on assets only to the extent that the assets are used to produce the income specified in section 834(b) and reported on lines 1 through 7 of Schedule B. Besides depreciation, include on line 11 the part of the cost you elect to expense for certain recovery property placed in service during the tax year. See the instructions for Form 4562.

Line 12. Depletion.—Enter any allowable depletion on the royalty income reported on line 4 of Schedule B. See the instructions for line 23, Schedule A, for more information.

Line 13. Trade or business deductions.—Enter total deductions for any business income included in the corporation's gross investment income under section 834(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 14. Interest.—See the instructions for lines 20a and 20b Schedule A.

Line 17. 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 the amount shown on Schedule B, Part II, line 39. Attach a schedule showing the kind and amount of the items and group the minor items into one amount.

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

Schedule B, Part II—Invested Assets Book Values

Schedule B, Part II, is used to compute the limitation on investment expenses required under section 834(c)(2) when any general expenses are in part assigned to or included in the investment expenses deducted on Schedule B, Part I, line 17. In such cases, the total deductible investment expenses are limited to ¼ of 1% of the mean of the book value of the invested assets held at the beginning and end of the tax year plus ¼ of the amount by which taxable investment income (computed without regard to any deduction for: **(I)** investment expenses under section 834(c)(2), **(II)** tax-free interest excludible under section 834(c)(1), or **(III)** any dividends-received deduction allowed by section 834(c)(7)) exceeds 3¾% of the book value of the mean of the invested assets held at the beginning and end of the tax year.

Schedule C—Dividends and Special Deductions

For purposes of the 20% ownership test on lines 1 through 7, the percentage of stock owned by the corporation is based on voting power and value of stock. Preferred stock described in section 1504(a)(4) is not taken into account. Corporations filing a consolidated return should see Regulations sections 1.1502-14, 26, and 27 before completing Schedule C.

Lines 1 through 9, column (a). Not subject to section 832(b)(5)(B).—Enter in column (a) of the appropriate line those dividends that are not subject to the provisions of section 832(b)(5)(B). This will include: **(I)** all dividends received on stock whose acquisition date is before August 8, 1986; and **(II)** 100% dividends (defined below) on stock acquired after August 7, 1986, to the extent that such dividends are not attributable to prorated amounts.

Lines 1 through 9, column (b). Subject to section 832(b)(5)(B).—Enter in column (b) of the appropriate line those dividends that are subject to the provisions of section 832(b)(5)(B). This will include: **(I)** all dividends (other than 100% dividends) received on stock acquired after August 7, 1986; and **(II)** 100% dividends received on stock acquired after August 7, 1986, to the extent that such dividends are attributable to prorated amounts.

In the case of an insurance company that files a consolidated return, the determination with respect to any dividend paid by a member to another member of the affiliated group is made as if no consolidated return was filed. See section 832(g).

Definitions.—

Acquisition date.—In the case of investments acquired by direct purchase, the trade date rather than the settlement date should be used for purposes of determining the acquisition date. In the case of investments acquired other than by direct purchase (such as those acquired through transfers among affiliates, tax-free reorganizations, or the liquidation of a subsidiary, etc.), the actual acquisition date should be used regardless of the holding period determined under section 1223.

In the case of dividends received from affiliates, a special rule applies in determining the acquisition date. This rule provides that the portion of any 100% dividend which is attributable to prorated amounts shall be treated as received with respect to stock acquired on the later of: **(a)** the date the payor acquired the stock or obligation to which the prorated amounts are attributable, or **(b)** the first day on which the payor and payee were members of the same affiliated group as defined in section 243(b)(5). Also, if the taxpayer is a member of an affiliated group filing a consolidated return, its determination of dividends received is made as if the group were not filing a consolidated return.

Prorated amounts.—The term "prorated amounts" means tax-exempt interest and dividends with respect to which a deduction is allowable under section 243, 244, or 245 (other than 100% dividends).

100% dividends.—The term "100% dividend" means any dividend if the percentage used for purposes of determining the deduction allowable under section 243, 244, or 245(b) is 100%. A special rule applies with regard to certain dividends received by a foreign corporation.

Line 1.—Enter dividends (except those received on debt-financed stock acquired after July 18, 1984) received from less-than-20%-owned domestic corporations subject to income tax and that qualify for the deduction allowable under section 243(a)(1).

Line 2.—Enter dividends (except those received on debt-financed stock acquired after July 18, 1984) received from 20%-or-more-owned domestic corporations subject to income tax and that qualify for the deduction allowable under section 243(c)(1).

Include on lines 1 and 2 taxable distributions from an IC-DISC or former DISC that are designated as being eligible for the section 243(a)(1) deduction and certain dividends of Federal Home Loan Banks (see section 246(a)(2)). For dividends received from a regulated investment company, see section 854 for the amount that qualifies for the deduction.

So-called dividends or earnings received from mutual savings banks, money market certificates, etc., are really interest and should not be treated as dividends.

Line 3.—Enter dividends on debt-financed stock (acquired after July 18, 1984) that were received from domestic corporations subject to income tax and that would otherwise be subject to the dividends-received deduction under section 243(a)(1). Generally, debt-financed stock is stock that the corporation acquired and, in doing so, incurred a debt (for example, it borrowed money to buy the stock).

Dividends on any debt-financed stock of foreign corporations that was acquired after July 18, 1984, are also subject to the rules of section 246A. For more information, see section 246A.

Line 4.—Enter dividends received on the preferred stock of a less-than-20%-owned public utility that is subject to income tax and is allowed the deduction provided in section 247.

Line 5.—Enter dividends received on the preferred stock of a 20%-or-more-owned public utility that is subject to income tax and is allowed the deduction provided in section 247.

Line 6.—Enter the U.S. source portion of dividends received from less-than-20%-owned foreign corporations that qualify for the 70% deduction under section 245(a). To qualify for the 70% deduction, the corporation must own at least 10% of the foreign corporation by vote and value. Also include dividends received from a foreign sales corporation (FSC) that are attributable to income treated as effectively connected with the conduct of a trade or business within the U.S. (excluding foreign trade income) and that qualify for the 70% deduction provided in section 245(c)(1)(B).

Line 7.—Enter the U.S.-source portion of dividends received from 20%-or-more-owned foreign corporations that qualify for the 80% deduction under section 245(a). Also include dividends received from a FSC that are attributable to income treated as effectively connected with the conduct of a trade or business within the U.S. (excluding foreign

trade income) and that qualify for the 80% deduction provided in section 245(c)(1)(B).

Line 8.—Enter dividends received from wholly owned foreign subsidiaries that qualify for the 100% deduction under section 245(b) and dividends from a FSC that qualify for the deduction provided in section 245(c)(1)(A). In general, the deduction under section 245(b) 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 dividend, 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. Also include all dividends received from a FSC that are attributable to export sales income and that qualify for the 100% deduction under section 245(c).

Line 9.—Enter dividends that qualify for the 100% dividends-received deduction under section 243(a)(3) and are subject to the elective provisions of section 243(b).

Line 10, column (c). Other dividends from foreign corporations not included on lines 6, 7, and 8.—Enter dividends from foreign corporations that are not reportable on lines 6, 7, and 8. Exclude distributions of amounts constructively taxed under Subpart F (sections 951 through 964) in the current year or in earlier years.

Line 11, column (c). Income from controlled foreign corporations under Subpart F.—Enter dividends constructively received from controlled foreign corporations under Subpart F. The total reported should equal the total amount reported in Schedule J, if using the November 1987 revision of Form 5471 (Schedule I if using the October 1990 revision of Form 5471).

Line 12, column (c). Foreign dividend gross-up.—Enter the gross-up required by section 78 of dividends received from certain foreign corporations for taxes considered paid under sections 902 and 906.

Line 13, column (c). Other dividends.—Enter the total other dividends received. Attach a schedule showing separately: **(1)** Dividends (other than capital gain and exempt-interest dividends) received from regulated investment companies that do not qualify for the dividends-received deduction. **(2)** Dividends from tax-exempt organizations. **(3)** 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. **(4)** Dividends not eligible for the dividends-received deduction because of the stock's holding period or because of an obligation to make corresponding payments on similar stock.

Two situations in which the dividends-received deduction will not be allowed on any share of stock are: (1) if the corporation held the stock, with regard to which the dividends were issued, for 45 days or less; or (2) to the extent that the corporation is under an obligation to make related payments for substantially similar or related property.

(5) Any other taxable dividend income not properly reported above, including distributions under section 936(h)(4).

Line 17. Deduction for line 3.—Dividends received on debt-financed stock are not entitled to the full 70% or 80% dividends-received deduction. Instead, the 70% or

80% deduction is reduced under the provisions of section 246A by a percentage that is related to the amount of debt incurred to acquire the stock. For more information, see section 246A. Also see section 245(a) before making this computation for an additional limitation which applies to dividends received from foreign corporations.

A schedule showing how the dividends-received deduction on debt-financed stock was computed must be attached to Form 1120-PC.

Line 23. Total.

Limitation on dividends-received deduction worksheet.

Generally, line 23 of column (c) may not exceed the amount from the worksheet below. However, in a year in which a net operating loss occurs, this limitation does not apply even if the loss is created by the dividends-received deduction. (See sections 172(d) and 246(b)).

1.	Enter the amount from Schedule A, line 37 or Schedule B, line 21, whichever applies, computed without regard to the net operating loss deduction (section 172); dividend-received deduction (sections 243(a)(1), 244(a), 245(a) or (b), and 247); any adjustment under section 1059; and any capital loss carryback to the tax year under section 1212(a)(1)	
2.	Enter the amount from line 22, column (c), (without regard to wholly owned foreign subsidiary dividends) and line 24, column (c)	
3.	Subtract line 2 from line 1	
4.	Multiply the amount on line 3 by 80%	
5.	Enter the sum of the amounts on lines 16, 19, 21, and 22 (without regard to FSC dividends) of column (c) and the portion of the deduction on line 17 of column (c) that is attributable to dividends received from 20%-or-more-owned corporations	
6.	Enter the lesser of line 4 or line 5. (Do not complete the rest of this worksheet if line 5 is greater than line 4. Instead, enter the amount from line 6 on line 23 of column (c) (without regard to FSC dividends))	
7.	Enter the total amount of dividends received from 20%-or-more-owned corporations and included on lines 2, 3, 5, 7, and 8 (without regard to FSC dividends) of column (a)	
8.	Subtract line 7 from line 3	
9.	Multiply the amount on line 8 by 70%	
10.	Subtract line 5 from line 23 of column (c) (without regard to FSC dividends).	
11.	Enter the lesser of line 9 or line 10	
12.	Dividends-received deduction after limitation (section 246(b)). Add the amounts on lines 6 and 11 and enter on line 23 of column (c) (without regard to FSC dividends)	

Schedule E—Premiums Earned—Section 832

Line 1. Net premiums written.—From the amount of gross premiums written on insurance contracts during the tax year, deduct return premiums and premiums paid for reinsurance. Enter the balance on line 1.

Lines 2a and 4a. 100% of life insurance reserves included in unearned premiums and all unearned premiums of section 833 organizations.—Include on lines 2a and 4a:

(1) For tax years beginning on or before September 29, 1990, all life insurance reserves, as defined in section 816(b) (but determined as provided in section 807), pertaining to the life, burial, or funeral insurance, or annuity business of an insurance company subject to the tax imposed by section 831 and not qualifying as a life insurance company under section 816. For tax years beginning on or after September 30, 1990, all life insurance reserves, as defined in section 816(b) (but determined as provided in section 807); and

(2) all unearned premiums of a Blue Cross or Blue Shield organization to which section 833 applies.

Note: *If by reason of the amendments made to section 832(b)(4) applicable to tax years beginning on or after September 30, 1990, a corporation is required to change its method of computing reserves, this change is treated as a change in method of accounting, initiated by the corporation, and made with the consent of the Secretary. The corporation must take into account the net adjustments required by section 481 over a period not to exceed 4 tax years beginning with the 1st tax year beginning on or after September 30,1990.*

Lines 2b and 4b. 90% of unearned premiums attributable to insuring certain securities.—Include on lines 2b and 4b, 90% of unearned premiums attributable to insurance against default in the payment of principal or interest on securities described in section 165(g)(2)(C) (relating to worthless securities) with maturities of more than 5 years.

Lines 2c and 4c. Discounted unearned premiums attributable to title insurance.—The amount of the discounted unearned premiums as of the end of any tax year shall be the present value of such premiums (as of such time and separately with respect to premiums received in each calendar year) determined by using: **(1)** the amount of the undiscounted unearned premiums at such time; **(2)** the applicable interest rate; and **(3)** the applicable statutory premium recognition pattern.

Definition of terms

"Undiscounted unearned premiums" means the unearned premiums shown in the annual statement filed for the year ending with or within such tax year.

"Applicable interest rate" means the annual rate determined under section 846(c)(2) for the calendar year in which the premiums are received.

"Applicable statutory premium recognition pattern" means the statutory premium recognition pattern which is in effect for the calendar year in which the premiums are received, and which is based on the statutory premium recognition pattern which applies to premiums received by the corporation in such calendar year. For purposes of the preceding sentence, premiums received during any calendar year shall be treated as received in the middle of such year.

Lines 2d and 4d. 80% of all other unearned premiums.—Include on lines 2d and 4d, 80% of the total of all unearned premiums not reported on lines 2a through 2c, or 4a through 4c, respectively.

A reciprocal or interinsurer that is required under state law to reflect unearned premiums on its annual statement net of premium acquisition expenses, should increase its unearned premiums by the amount of such acquisition expenses prior to making the computation on lines 2d and 4d. See section 832(b)(7)(E).

Line 6a. Unearned premiums (other than title, life, and those described in sections 832(b)(7)(B) and 833) as of 12/31/86.—Enter all unearned premiums other than those attributable to: **(1)** title insurance; **(2)** life insurance; **(3)** insurance against default in the payment of principal or interest on securities described in section 165(g)(2)(C) (relating to worthless securities) with maturities of more than 5 years; and **(4)** organizations described in section 833.

In the case of a reciprocal or interinsurer that is required under state law to report unearned premiums on its annual statement, net of premium adjustment expenses, appropriate adjustments shall be made to reflect the amount by which unearned premium reserves at the close of the tax year beginning before January 1, 1987, are greater or less than 80% of the sum of such unearned premium reserves plus premium acquisition expenses. See section 832(b)(7)(E).

Line 6c. Unearned premiums attributable to insuring certain securities as of 12/31/86.—Enter unearned premiums attributable to insurance against default in the payment of principal or interest on securities described in section 165(g)(2)(C) (relating to worthless securities) with maturities of more than 5 years.

Note: *Fiscal year filers completing lines 6a and 6c should enter unearned premiums on outstanding business as of the end of the most recent tax year beginning before January 1, 1987.*

Line 6e. Adjustment for corporations terminating as insurance companies taxable under section 831(a).—Except as provided in section 381(c)(22) (relating to carryovers in certain corporate readjustments), if, for any tax year beginning before January 1, 1993, the corporation ceases to be an insurance company taxable under section 831(a), the aggregate adjustments which would be made under section 832(b)(4)(C) in such tax year and in subsequent tax years but for such cessation shall be made in the tax year preceding such cessation year.

Schedule F—Losses Incurred

Line 1. Losses paid.—Enter the total of the losses paid on insurance contracts during the year reduced by salvage and reinsurance recovered during the year.

Note: *An insurance company's treatment of salvage in determining its paid and unpaid losses is a method of accounting for Federal income tax purposes. In general, insurance companies that did not previously treat salvage in accordance with the provisions of section 832(b)(5)(A) are to change their method of accounting for the first tax year beginning after December 31, 1989. A change in the method of computing losses incurred, is treated as a change in a method of accounting, initiated by the corporation, and made with the consent of the Secretary. In applying section 481 due to a change required by section 832(b)(5)(A), only 13% of the net amount of adjustments (otherwise required by section 481 to be taken into account) shall be taken into account. In addition, the portion of net adjustments required to be taken into account, shall be taken into account over a period not to exceed 4 tax years beginning with the corporation's first tax year beginning after December 31, 1989. If a corporation took salvage recoverable into account in determing losses incurred for its last tax year beginning before January 1,1990, (and reflected such treatment in its annual statement) 87% of the discounted amount of estimated salvage recoverable as of the close of such last tax year shall be allowed as a deduction ratably over its first 4 tax years beginning after December 31, 1989.*

See section 11305(c)(4) and (5) of the "Act of 1990" for a special rule for overestimates and effect on earnings and profits.

Salvage, in the course of liquidation, includes: **(1)** all property (other than cash), real or personal, tangible or intangible, regardless of how the salvage recoverable is reported for annual statement purposes; and **(2)** the estimated value of unaccrued subrogation claims contested by third parties. A schedule should be attached showing the computation of losses incurred during the tax year.

Lines 2a and 4a. Unpaid losses on life insurance contracts.—Unpaid losses must be adjusted for estimated recoveries of salvage and reinsurance attributable to unpaid losses. The amounts of such expected recoveries should be estimated based upon the facts in each case and the corporation's experience with similar cases.

Lines 2b and 4b. Discounted unpaid losses outstanding.—Enter all discounted unpaid losses as defined in section 846.

In general, section 846 provides that the amount of the discounted unpaid losses shall be computed separately by line of business (except that the multiple peril lines shall be treated as a single line of business) and by accident year and shall be equal to the present value of such losses determined by using: **(1)** the amount of the undiscounted unpaid losses, **(2)** the applicable interest rate, and **(3)** the applicable loss payment pattern. Special rules apply with respect to unpaid losses related to disability insurance (other than credit disability insurance), noncancelable accident and health insurance, cancelable accident and health insurance, and to the international and reinsurance lines of business. With regard to the special rules for discounting unpaid losses on accident and health insurance (other than disability income insurance), unpaid losses are assumed to be paid in the middle of the year following the accident year.

As a rule, the amount of the undiscounted unpaid losses means the unpaid losses and unpaid loss adjustment expenses shown in the annual statement. Under section 832(b)(5)(A), however, unpaid losses must be adjusted to take into account estimated recoveries on account of salvage and reinsurance attributable to those losses. If the amounts shown in the annual statement were determined on a discounted basis and if the extent to which these losses were discounted can be determined on the basis of information disclosed on or with the annual statement, the amount of the undiscounted unpaid losses must be recomputed to eliminate any reduction attributable to such discounting. In no event can the amount of discounted unpaid losses determined under section 846 with respect to any line of business for an accident year exceed the aggregate amount of unpaid losses with respect to any line of business for an accident year as reported on the NAIC annual statement.

The applicable interest rate for each calendar year and the applicable loss payment pattern for each accident year for each line of business are determined by the Secretary of the Treasury. The applicable interest rate, 8.37%, and applicable loss payment patterns for 1990 are published in Rev. Rul. 90-26, 1990-13 I.R.B. 7. Applicable interest rates and payment patterns for prior years are published in Rev. Rul. 89-66A, 1989-1 C.B. 220; Rev. Rul. 88-63, 1988-2 C.B. 130; and Rev. Rul. 87-34, 1987-1 C.B. 168. However, under the provisions of section 846(e), corporations having sufficient historical experience to determine a loss payment pattern may, under certain circumstances, elect to use their own. If such an election is made, the loss payment patterns will be based on the most recent calendar year for which an annual statement was filed before the beginning of the accident year. No election under section 846(e) shall apply to any international or reinsurance line of business. If the corporation elects to use its own loss payment patterns, be sure to check the "Yes" column for question M in **Schedule J,** Additional Information. For more information regarding this election, see section 846(e) and Notice 88-100, 1988-2 C.B. 439.

Note: *There is a special application of the "Fresh Start" provision in the case of an insurance company that: (1) is exempt from tax for its first tax year beginning after 1986 under section 501(a) by virtue of it being described in any paragraph of section 501(c) or, under section 831(b), is taxed only on investment income, and (2) if such insurance company later becomes subject to tax under section 831(a), the rules relating to the Fresh Start under the discounting provisions are to be applied by treating the last tax year before the year in which the insurance company becomes subject to tax under section 831(a) as the insurance company's last tax year beginning before 1987. See section 1010(e) of the Act of 1988 and Notice 88-100.*

Line 6. Tax-exempt interest subject to section 832(b)(5)(B).—Enter the amount of tax-exempt interest received or accrued during the tax year on investments made after August 7, 1986. For additional information regarding the determination of the acquisition date of an investment, see the instructions for Schedule C, lines 1 through 9, column (b).

Schedule G—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 on line 9, Schedule G.

Total gross receipts from sales of capital assets (line 12, column (c)) must not be more than line 10. If necessary, the corporation may report part of the gross receipts from a particular sale of a capital asset on this schedule and the rest on Schedule D (Form 1120). Otherwise, do not include on Schedule D (Form 1120) any sales reported on this schedule.

Schedule H—Special Deduction for Section 833 Organizations

Part I—Computation of Deduction

Line 5. Beginning adjusted surplus.—Enter on this line the amount from Schedule H, Part II, line 12 of the 1989 Form 1120–PC.

Line 6. Special deduction.—The deduction determined in Part I for any tax year is limited to taxable income for such tax year determined without regard to such deduction.

Note: *Under the provisions of section 833(b)(4), any determination under section 833(b) shall be made by only taking into account items attributable to the health-related business of the corporation.*

Part II—Computation of Ending Adjusted Surplus

The adjusted surplus as of the beginning of any tax year is an amount equal to the adjusted surplus as of the beginning of the preceding tax year: **(1)** increased by the amount of any adjusted taxable income for such preceding tax year, or **(2)** decreased by the amount of any adjusted net operating loss for such preceding tax year.

For purposes of the computation of the adjusted surplus, the terms "adjusted taxable income" and "adjusted net operating loss" mean the taxable income or the net operating loss, respectively, determined with the following modifications: **(1)** without regard to the deduction determined under section 833(b)(1); **(2)** without regard to any carryover or carryback to such tax year; and **(3)** by increasing gross income by an amount equal to the net exempt income for the tax year.

Line 10a. Adjusted tax-exempt income.—Reduce the total tax-exempt interest received or accrued during the tax year by any amount (not otherwise deductible) which would have been allowable as a deduction for the tax year if such interest were not tax-exempt. Enter the result on line 10a.

Line 10b. Adjusted dividends-received deduction.—Reduce the aggregate amount allowed as a deduction under sections 243, 244, and 245 by the amount of any decrease in deductions allowable for the tax year by reason of section 832(b)(5)(B) to the extent such decrease is attributable to deductions under sections 243, 244, and 245. Enter the result on line 10b.

Schedule I—Compensation of Officers

Attach a schedule for all officers using the following columns: **1.** Name of officer. **2.** Social security number. **3.** Percentage of time devoted to business. **4.** Amount of compensation.

This information must be submitted by each member of an affiliated group included in a consolidated return.

Schedule J—Additional Information

Be sure to answer questions G through P on page 7 of Form 1120-PC. The instructions that follow are keyed to these questions.

1. Question G. Foreign person.—The term "Foreign person" means: **(1)** a foreign citizen or nonresident alien; **(2)** a foreign partnership; **(3)** a foreign corporation; or **(4)** any 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.

2. Question I. Foreign financial accounts.—Check the "Yes" box if either **(a)** or **(b),** below, applies to the corporation; otherwise, check the "No" box:

(a) At any time during the year the corporation had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account); and

- the combined value of the account(s) was more than $10,000 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.

(b) The corporation owns more than 50% of the stock in any corporation that would answer "Yes" to item **(a),** above.

Get form **TD F 90-22.1,** Report of Foreign Bank and Financial Accounts, to see if the corporation is considered to have an interest in or signature or other authority over a financial account in a foreign country.

If "Yes" is checked for this question, file form TD F 90-22.1 by June 30, 1991, with the Department of the Treasury at the address shown on the form. Form TD F 90-22.1 is not a tax return, do not file it with Form 1120-PC. Form TD F 90-22.1 may be obtained from IRS Forms Distribution Centers.

Also, if "Yes" is checked for this question, enter the name of the foreign country or countries. Attach a separate sheet if more space is needed.

Schedule K—Subtractions From Protection Against Loss Account

Section 1024 of P.L. 99-514 repealed section 824 relating to the protection against loss account (PAL account). However, for tax years beginning after December 31, 1986, PAL account balances are includible in income as though section 824 were still in effect.

Line 2a. Section 824(d)(1)(B).—Enter the amount (if any) by which the sum of the investment loss and the statutory underwriting loss for the tax year exceeds the sum of the statutory underwriting income and the taxable investment income for the tax year.

Line 2b. Section 824(d)(1)(C).—Enter (in the order in which the losses occurred) amounts equal to the unused loss carryovers to the tax year.

Line 2c. Section 824(d)(1)(D).—Enter any amount remaining in the account which was added to the account for the fifth preceding tax year minus one-half of the amount remaining in the account for such tax year which was added by reason of section 824(a)(1)(B).

Line 2d. Section 824(d)(1)(E).—Enter the amount by which the total amount in the account exceeds whichever of the following is greater:

(i) 10% of premiums earned on insurance contracts during the tax year (as defined in section 832(b)(4)) less dividends to policyholders (as defined in section 832(c)(11)), or

(ii) the total amount in the account at the close of the preceding tax year.

Schedule L—Balance Sheets

Note: *All insurance companies required to file Form 1120-PC must complete Schedule L.*

Line 5. Tax-exempt securities.—Include on this line: **(1)** State and local government obligations, the interest on which is excludable from gross income under section 103(a), and **(2)** Stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the corporation.

Line 18. Insurance liabilities.—Include on this line: **(a)** undiscounted unpaid losses, **(b)** loss adjustment expenses, and **(c)** unearned premiums. See section 846 for more information.

Schedule M-1—Reconciliation of Income per Books With Income per Return

Line 5c. Travel and entertainment.—Include on this line: 20% of meals and entertainment not allowed under section 274(n); expenses for the use of an entertainment facility; the part of business gifts in excess of $25; expenses of an individual allocable to conventions on cruise ships in excess of $2,000; employee achievement awards in excess of $400; the cost of entertainment tickets in excess of face value (also subject to 20% disallowance); the cost of skyboxes in excess of the face value of non-luxury box seat tickets; the part of the cost of luxury water travel not allowed under section 274(m); expenses for travel as a form of education; and other travel and entertainment expenses not allowed as a deduction.

Form **1120-REIT**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for Real Estate Investment Trusts

For calendar year 1990 or tax year beginning ..... , 1990, ending ..... , 19 .....

▶ See separate instructions.

OMB No. 1545-1004

1990

A Year REIT status was elected

B ☐ Check if a Personal Holding Company

Please Type or Print

Name

Number, street, and room or suite no. (If a P.O. box, see page 4 of Instructions)

City or town, state, and ZIP code

C Employer identification number

D Date REIT established

E Total assets (see Instructions) $

F Check applicable boxes: (1) ☐ Final return (2) ☐ Change in address (3) ☐ Amended return

Part I—Real Estate Investment Trust Taxable Income

Income (EXCLUDING income required to be reported in Part II or Part IV)

1	Dividends	1	
2	Interest	2	
3	Gross rents from real property	3	
4	Other gross rents	4	
5	Capital gain net income (attach Schedule D (Form 1120))	5	
6	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)	6	
7	Other income (see instructions—attach schedule)	7	
8	**Total** income—Add lines 1 through 7	8	

Deductions (EXCLUDING deductions directly connected with income required to be reported in Part II or Part IV)

9	Compensation of officers		9	
10a	Salaries and wages	b Less jobs credit	c Balance ▶	10c	
11	Repairs		11	
12	Bad debts		12	
13	Rents		13	
14	Taxes		14	
15	Interest		15	
16	Depreciation (attach Form 4562)		16	
17	Advertising		17	
18	Other deductions (attach schedule)		18	
19	**Total** deductions—Add lines 9 through 18		19	
20	Taxable income before net operating loss deduction, deduction for dividends paid, and section 857(b)(2)(E) deduction (line 8 less line 19)		20	
21	**Less:** a Net operating loss deduction (see instructions)	21a		
	b Deduction for dividends paid (Schedule A, line 6)	21b		
	c Section 857(b)(2)(E) deduction (Schedule J, line 3c)	21c		21d
22	Real estate investment trust taxable income—Line 20 less line 21d		22	

Tax and Payments

23	**Total tax** (Schedule J, line 9)			23	
24	**Payments:** a 1989 overpayment credited to 1990	24a			
	b 1990 estimated tax payments	24b			
	c Less 1990 refund applied for on Form 4466	24c ( )	d Bal ▶	24d	
	e Tax deposited with Form 7004			24e	
	f Credit from regulated investment companies (attach Form 2439)			24f	
	g Credit for Federal tax on fuels (attach Form 4136)			24g	24h
25	Enter any **penalty** for underpayment of estimated tax—check ▶ ☐ if Form 2220 is attached			25	
26	**Tax due**—If the total of lines 23 and 25 is larger than line 24h, enter amount owed			26	
27	**Overpayment**—If line 24h is larger than the total of lines 23 and 25, enter amount overpaid			27	
28	Enter amount of line 27 you want: **Credited to 1991 estimated tax** ▶		**Refunded** ▶	28	

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

Paid Preparer's Use Only

Preparer's signature | Date | Check if self-employed | Preparer's social security number

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. Form **1120-REIT** (1990)

Part II—Tax on Net Income From Foreclosure Property

(As defined in section 856(e)) (**Caution:** *See instructions before completing this part.*)

1	Net gain or (loss) from the sale or other disposition of foreclosure property described in section 1221(1) (attach schedule)	1	
2	Gross income derived from foreclosure property (attach schedule)	2	
3	Total income from foreclosure property—Add lines 1 and 2	3	
4	Deductions directly connected with the production of income shown on line 3 (attach schedule)	4	
5	Net income from foreclosure property—Line 3 less line 4	5	
6	Tax on net income from foreclosure property—Enter 34% of line 5 here and on Schedule J, line 3b	6	

Part III—Tax Imposed Under Section 857(b)(5) for Failure To Meet Certain Source-of-Income Requirements (**Caution:** *See instructions.*)

1a	Enter total income from Part I, line 8	1a		
b	Enter total income from foreclosure property from Part II, line 3	1b		
c	Total—Add lines 1a and 1b		1c	
2	Multiply line 1c by 95% and enter the result here		2	
3	Enter the amount of income shown on line 1c that is derived from sources referred to in section 856(c)(2)		3	
4	Line 2 less line 3. (If less than zero, enter zero.)		4	
5	Multiply line 1c by 75% and enter the result here		5	
6	Enter the amount of income shown on line 1c that is derived from sources referred to in section 856(c)(3)		6	
7	Line 5 less line 6. (If less than zero, enter zero.)		7	
8	Enter the greater of line 4 or line 7. **(If this line is zero, do not complete the rest of Part III.)**		8	
9	Enter the amount shown in Part I, line 20		9	
10	Enter the net capital gain from Schedule D (Form 1120), line 10		10	
11	Line 9 less line 10		11	
12a	Enter total income from Part I, line 8	12a		
b	Enter the net short-term capital gain from Schedule D (Form 1120), line 4. (If line 4 is a loss, enter zero.)	12b		
c	Add lines 12a and 12b		12c	
13	Enter capital gain net income from Part I, line 5		13	
14	Line 12c less line 13		14	
15	Divide line 11 by line 14 and enter the result. Carry the result to 5 decimal places		15	
16	Amount of section 857(b)(5) tax—Multiply line 8 by line 15 and enter the result here and on Schedule J, line 3c		16	

Part IV—Tax on Net Income From Prohibited Transactions (See instructions)

1	Gain from the sale or other disposition of property	1	
2	Deductions directly connected with the production of income shown on line 1	2	
3	Net income from prohibited transactions—Line 1 less line 2	3	
4	Tax on net income from prohibited transactions—Enter 100% of line 3 here and on Schedule J, line 3d	4	

Schedule A Deduction for Dividends Paid

1	Dividends paid other than dividends paid after the end of the tax year (do not include dividends considered as paid in the preceding tax year under section 857(b)(8) or 858(a), or deficiency dividends as defined in section 860)	1	
2	Dividends paid in 12-month period following the close of your tax year that you elect to be treated as paid during the tax year under section 858(a)	2	
3	Dividends declared in October, November, or December deemed paid on December 31 under section 857(b)(8). (See instructions.)	3	
4	Consent dividends (attach Forms 972 and 973)	4	
5	Total dividends paid—Add lines 1 through 4	5	
6	Deduction for dividends paid—If there is net income from foreclosure property (Part II, line 5), see instructions for limitation on deductible amount. Otherwise, enter amount from line 5 here and on line 21b, page 1	6	

Schedule J Tax Computation

1 Check if the REIT is a member of a controlled group (see sections 1561 and 1563) . . . . ▶ ☐

2 If the box on line 1 is checked:

a Enter the REIT's share of the $50,000 and $25,000 taxable income bracket amounts (in that order):
(i) $ _____ (ii) $ _____

b Enter the REIT's share of the additional 5% tax (not to exceed $11,750) . . . . . ▶ $ _____

3a	Tax on REIT taxable income (see instructions to figure the tax)	3a	
b	Tax from Part II (line 6, page 2)	3b	
c	Tax from Part III (line 16, page 2)	3c	
d	Tax from Part IV (line 4, page 2)	3d	
e	Total—Add lines 3a through 3d		3e
4a	Foreign tax credit (attach Form 1118)	4a	
b	General business credit. Enter here and check which forms are attached: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586	4b	
c	Credit for prior year minimum tax (attach Form 8801)	4c	
d	Total—Add lines 4a through 4c		4d
5	Line 3e less line 4d		5
6	Personal holding company tax (attach Schedule PH (Form 1120))		6
7	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611		7
8	Alternative minimum tax (attach Form 4626). See instructions		8
9	Total tax—Add lines 5 through 8. Enter here and on line 23, page 1		9

Additional Information (See instruction F.)

		Yes	No
G (1)	Did the REIT 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) before NOL and special deductions (e.g., if a Form 1120: from Form 1120, line 28, page 1) of such corporation for the tax year ending with or within the REIT's 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 the REIT's voting stock (or beneficial interests)? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (c). (a) Attach a schedule showing name, address, and identifying number. (b) Enter percentage owned ▶ ..... (c) Was the owner of such voting stock a foreign person? (See instructions.) **Note:** *If "Yes," the REIT may have to file Form 5472.* If "Yes," enter owner's country ▶		
H	Was the REIT a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation.		
I	At any time during the tax year, did the REIT have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See instruction F and filing requirements for form TD F 90-22.1.) If "Yes," enter name of foreign country ▶		
J	Was the REIT the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the REIT has any beneficial interest in it? If "Yes," the REIT may have to file Forms 3520, 3520-A, or 926.		
K	During this tax year, did the REIT pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the REIT's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452.		
L	During this tax year did the REIT maintain any part of its accounting/tax records on a computerized system?		
M	Check method of accounting: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶		
N	Check this box if the REIT issued publicly offered debt instruments with original issue discount ▶ ☐ If so, the REIT may have to file Form 8281.		
O	Enter the amount of tax-exempt interest received or accrued during the tax year ▶		

Schedule L Balance Sheets

		Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
	Assets				
1	Cash				
2a	Trade notes and accounts receivable				
b	Less allowance for bad debts	( )		( )	
3	U.S. government obligations				
4	Tax-exempt securities (see instructions)				
5	Other current assets (attach schedule)				
6	Loans to stockholders				
7	Mortgage and real estate loans				
8	Other investments (attach schedule)				
9a	Buildings and other depreciable assets				
b	Less accumulated depreciation	( )		( )	
10	Land (net of any amortization)				
11a	Intangible assets (amortizable only)				
b	Less accumulated amortization	( )		( )	
12	Other assets (attach schedule)				
13	Total assets				
	Liabilities and Stockholders' Equity				
14	Accounts payable				
15	Mortgages, notes, bonds payable in less than 1 year				
16	Other current liabilities (attach schedule)				
17	Loans from stockholders				
18	Mortgages, notes, bonds payable in 1 year or more				
19	Other liabilities (attach schedule)				
20	Capital stock: a Preferred stock				
	b Common stock				
21	Paid-in or capital surplus				
22	Retained earnings—Appropriated (attach schedule)				
23	Retained earnings—Unappropriated				
24	Less cost of treasury stock		( )		( )
25	Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of Income per Books With Income per Return

(The REIT is not required to complete this schedule if the total assets on line 13, column (d), of Schedule L are less than $25,000.)

1	Net income per books	7	Income recorded on books this year not included on this return (itemize): a Tax-exempt interest $ .....
2a	Federal income tax (Schedule J, line 9) $	8	Deductions on this return not charged against book income this year (itemize): a Depreciation $ .....
b	Less: Section 857(b)(5) tax $ ( )		b Net operating loss deduction (line 21a, page 1) $ .....
c	Balance ▶		c Dividends paid deduction (line 21b, page 1) $ .....
3	Excess of capital losses over capital gains	9	Net income from foreclosure property
4	Income subject to tax not recorded on books this year (itemize):	10	Net income from prohibited transactions
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation $ ..... b Section 4981 tax $ ..... c Travel and entertainment $	11	Total of lines 7 through 10
		12	REIT taxable income (line 22, page 1)— line 6 less line 11
6	Total of lines 1 through 5		

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 23, Schedule L)

(The REIT is not required to complete this schedule if the total assets on line 13, column (d), of Schedule L are less than $25,000.)

1	Balance at beginning of year	5	Distributions: a Cash b Stock c Property
2	Net income per books	6	Other decreases (itemize):
3	Other increases (itemize):	7	Total of lines 5 and 6
4	Total of lines 1, 2, and 3	8	Balance at end of year (line 4 less line 7)

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Department of the Treasury
Internal Revenue Service

Instructions for Form 1120-REIT

U.S. Income Tax Return for Real Estate Investment Trusts

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	.55 hrs., 43 min.
Learning about the law or the form	.17 hrs., 19 min.
Preparing the form	.33 hrs., 52 min.
Copying, assembling, and sending the form to IRS	4 hrs., 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget,** Paperwork Reduction Project (1545-1004), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see the instructions on page 2 for information on where to file.

Important Change

New **Form 8826,** Disabled Access Credit, has been developed as a result of the addition of section 44 by the Revenue Reconciliation Act of 1990. This allows eligible small businesses to claim a new nonrefundable income tax credit equal to 50% of expenses that are over $250 and not more than $10,250. These expenses must be paid or incurred after November 5, 1990, to enable a small business to comply with the requirement of the Americans With Disabilities Act of 1990. An eligible small business is one with gross receipts of $1 million or less in the previous tax year or one that had not more than 30 full-time employees in the previous tax year. Examples of expenses eligible for the credit include amounts paid or incurred: **(1)** to remove barriers that prevent a business from being accessible to, or usable by individuals with disabilities; **(2)** to provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals; **(3)** to provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or **(4)** to acquire or modify equipment or devices for individuals with disabilities.

General Instructions

Note: *In addition to those publications listed throughout these instructions, taxpayers may wish to get:* ***Pub. 534,*** *Depreciation;* ***Pub. 535,*** *Business Expenses; and* ***Pub. 542,*** *Tax Information on Corporations.*

A. Purpose of Form

Form 1120-REIT, U.S. Income Tax Return for Real Estate Investment Trusts, is used to report the income, gains, losses, deductions, credits, and to figure the income tax liability of real estate investment trusts (REIT) as defined in section 856.

B. Filing Form 1120-REIT

1. Who Must File

A corporation, trust, or association that elects to be treated as a REIT for the tax year (or has made such election for a prior tax year and such election has not been terminated or revoked) and that meets the requirements listed below must file Form 1120-REIT. The election is made by computing taxable income as a REIT on Form 1120-REIT.

An electing REIT must be a corporation, trust, or association:

(a) that is managed by one or more trustees or directors;

(b) the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;

(c) that would otherwise be taxed as a domestic corporation;

(d) that is neither a financial institution referred to in section 582(c)(5), nor an insurance company to which subchapter L applies;

(e) the beneficial ownership of which is held by 100 or more persons (except this rule does not apply for the first tax year in which the election is made to be taxed as a REIT);

(f) that is not closely held, as defined in section 856(h) (except this rule does not apply for the first tax year in which the election is made to be taxed as a REIT);

(g) that meets the gross income and diversification of investment requirements of section 856(c);

(h) that was treated as a REIT for all tax years beginning after February 28, 1986, or as of the end of the tax year, the corporation, trust, or association had no accumulated earnings and profits from any non-REIT year;

(i) that keeps the records required by Regulations section 1.857-8 to show the actual ownership of its outstanding stock or certificates of beneficial interest during the tax year;

(j) that has a tax year which is a calendar year, unless such corporation, trust, or association was considered to be a REIT for any tax year beginning on or before October 4, 1976; and

(k) for which the deduction for dividends paid (excluding any net capital gain dividends) equals or exceeds:

(1) the sum of:

(I) 95% of its REIT taxable income (determined without regard to the deduction for dividends paid and by excluding any net capital gain); and

(II) 95% of the excess of its net income from foreclosure property over the tax imposed on such income by section 857(b)(4)(A);

(2) minus any excess noncash income as determined under section 857(e).

See sections 856 and 857 for details and exceptions.

Note: *For income tax purposes, a corporation that is a qualified REIT subsidiary is not treated as a separate corporation. See section 856(i) for details.*

2. Termination of Election

Once the election to be treated as a REIT is made, it remains in effect until it is terminated or revoked. The election terminates automatically for any tax year in which the corporation, trust, or association is not a qualified REIT as defined in section 856.

The election may also be revoked by the taxpayer for any tax year after the first year for which the election is effective by filing a statement with the Internal Revenue Service Center where the corporation, trust, or association files its income tax return. The statement must be filed on or before the 90th day after the first day of the tax year for which the revocation is to be effective. The statement must be signed by an official authorized to sign the income tax return of the taxpayer and must contain the name, address, and employer identification number of the taxpayer, specify the tax year for which the election was made, and state that the taxpayer, pursuant to section 856(g)(2), revokes its election under section 856(c)(1) to be a REIT.

During the 4 years after the first year for which the termination or revocation is effective, the corporation, trust, or association may not make a new election to be taxed as a REIT, except as provided in section 856(g)(4).

3. When To File

Generally, a REIT must file its income tax return by the 15th day of the 3rd month after the end of the tax year. A new REIT filing a short-period return must generally file by the 15th day of the 3rd month after the short period ends. A REIT that has dissolved must generally file by the 15th day of the 3rd month after the date it dissolved.

Extension.—File **Form 7004,** Application for Automatic Extension of Time To File Corporation Income Tax Return, to request an automatic 6-month extension of time to file.

Period covered.—File the 1990 return for calendar year 1990 and fiscal years that begin in 1990 and end in 1991. For a fiscal year, fill in the tax year space at the top of the form.

Note: *The 1990 Form 1120-REIT may also be used if: (1) the REIT has a tax year of less than 12 months that begins and ends in 1991; and (2) the 1991 Form 1120-REIT is not available by the time the REIT is required to file its return. However, the REIT must show its 1991 tax year on the 1990 Form 1120-REIT and incorporate any tax law changes that are effective for tax years beginning after December 31, 1990.*

4. Where To File

File Form 1120-REIT at the applicable IRS address listed below.

If the REIT's principal business, office, or agency is located in ▼	Use the following Internal Revenue Service Center address ▼
New Jersey, New York (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
Florida, Georgia, South Carolina	Atlanta, GA 39901
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

REITs having their principal place of business outside the United States must file with the Internal Revenue Service Center, Philadelphia, PA 19255.

5. 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 REIT.

If a corporate officer filled in the REIT tax return, the Paid Preparer's space under "Signature of officer" should remain blank. If someone prepares the tax return and does not charge the REIT, that person should not sign the return. Certain others who prepare the tax return should not sign. For example, a regular, full-time employee of the REIT, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare the tax return must sign it and fill in the 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 the tax return to the taxpayer in addition to the copy filed with IRS.

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 REIT's books and records. In all cases, the method adopted must clearly reflect taxable income. See section 446.

Generally, REITs with average annual gross receipts of more than $5,000,000 must use the accrual method of accounting. See section 448(c). A corporation changing to the accrual method because of this provision must complete **Form 3115,** Application for Change in Accounting Method, and attach it to Form 1120-REIT for the year of change. A REIT must also show on a statement accompanying Form 3115 the period over which the section 481(a) adjustment will be taken into account and the basis for that conclusion. See section 448 and Temporary Regulations sections 1.448-1T(g) and 1.448-1T(h) for more information. Include the amount reportable as income in 1990 under section 481(a) on line 7, page 1.

Unless the law specifically permits otherwise, the REIT 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. Also see **Pub. 538,** Accounting Periods and Methods.

Change in accounting period.—A REIT may not change its accounting period to any accounting period other than the calendar year. Generally, before changing its accounting period, the REIT must obtain the Commissioner's approval by filing **Form 1128,** Application to Adopt, Change or Retain a Tax Year. (See Regulations section 1.442-1 and Pub. 538.) However, upon electing to be taxed as a REIT, an entity that has not engaged in any active trade or business may change its accounting period to a calendar year without the approval of the Commissioner.

2. Rounding Off to Whole-Dollar Amounts

Money items on the return and accompanying schedules may be shown 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. Depositary Method of Tax Payment

The REIT must pay the tax due in full when the return is filed but no later than the 15th day of the 3rd month after the end of the tax year.

Deposit REIT income tax payments (and estimated tax payments) with **Form 8109,** Federal Tax Deposit Coupon. Be sure to darken the "1120" box on the coupon. Make these deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve bank or branch servicing the geographic area where the REIT is located. Do not submit deposits directly to an IRS office; otherwise, the REIT may be subject to a failure to deposit penalty. Records of deposits will be sent to IRS for crediting to the REIT's account. See the instructions contained in the coupon book (Form 8109) for more information.

To help ensure proper crediting to your account, write the REIT's employer identification number (EIN), "Form 1120-REIT," and the tax period to which the deposit applies on the REIT's check or money order.

To get more deposit coupons, use the reorder form (Form 8109A) provided in the coupon book.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656.

For more information concerning deposits, see **Pub. 583,** Taxpayers Starting a Business.

4. Backup Withholding

If the REIT has had income tax withheld from any payments it received because, for example, it failed to give the payer its correct EIN, it may claim a credit on Form 1120-REIT for the total amount withheld. This type of withholding is called "backup withholding." Show the amount withheld in the blank space in the righthand column between lines 23 and 24h, page 1, and label the amount as "backup withholding." Also include the amount in the total for line 24h.

5. Estimated Tax

Generally, a REIT must make estimated tax payments if it can expect its estimated tax to be $500 or more. For estimated tax purposes, the estimated tax of the REIT is defined as its alternative minimum tax less the credit for Federal tax on fuels. Use the deposit coupons (Forms 8109) in making deposits of estimated tax.

If the REIT overpaid estimated tax, it may be able to get a "quick refund" by filing **Form 4466,** Corporation Application for Quick Refund of the 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, file Form 4466 after the end of the tax year, but before the 16th day of the 3rd month thereafter, and before the REIT files its tax return.

6. Timing Change in Deducting Accrued Expenses

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that all events have occurred that determine the liability, and the amount of the liability can be figured with reasonable accuracy. However, all the events that establish liability for the amount generally are treated as occurring only when economic performance takes place. There are exceptions for recurring items. See section 461(h).

7. Rule of 78's Not an Acceptable Method of Figuring Interest

Taxpayers are reminded that, generally, the Rule of 78's is not an acceptable method for computing interest income or expense. Anyone using the Rule of 78's should see Revenue Procedures 84-27, 84-28, 84-29, 84-30 (which are in Cumulative Bulletin 1984-1) to change their method

D. Interest and Penalties

1. Interest.—Interest is charged on taxes not paid by the due date even if an extension of the time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax from the due date (including extensions). The interest charge is figured at a rate determined under section 6621.

2. Late Filing of Return.—A REIT that fails to file its return when due (including extensions of time for filing) may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is more than 60 days late is the smaller of the tax due or $100.

3. Late Payment of Tax.—The penalty for late payment of taxes is usually ½ of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the amount due. This penalty may also apply to any additional tax not paid within 10 days of the date of the notice and demand for payment.

4. Underpayment of Estimated Tax.—A REIT that fails to pay estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. In general, to avoid the estimated tax penalty, the REIT must make estimated tax payments of at least the smaller of: 90% of its alternative minimum tax less the credit for Federal tax on fuels as shown on the return; or 100% of its prior year's tax (computed in the same manner). See section 6655 for details and exceptions.

Form 2220, Underpayment of Estimated Tax by Corporations, is used to see if the REIT owes a penalty and to figure the amount of the penalty. Generally, the REIT does not have to file this form because IRS can figure the amount of any penalty and bill the REIT for it. However, you must complete and attach Form 2220 even if the REIT does not owe the penalty if: **(a)** The annualized income or adjusted seasonal installment method is used, or **(b)** the REIT is a "large corporation" computing its first required installment based on the prior year's tax. If you attach Form 2220, be sure to check the box on line 25, page 1, Form 1120-REIT, and enter the amount of any penalty on this line.

5. Other Penalties.—There are also penalties that can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

E. Other Forms, Returns, Schedules, and Statements That May Be Required

1. Forms

The REIT 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 Annuities, Pensions, Retired Pay, or IRA Payments.

Form 966, Corporate Dissolution or Liquidation.

Forms 1042 and **1042S,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding. Use these forms to report and transmit withheld tax on payments or distributions made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent such payments or distributions constitute gross income from sources within the U.S. (see sections 861 through 865). For more information, see sections 1441 and 1442, and **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Form 1098, Mortgage Interest Statement. This form is used to report the receipt from any individual of $600 or more of mortgage interest in the course of the recipient's trade or business for any calendar year.

Forms 1099-A, B, DIV, INT, MISC, OID, PATR, R, and **S.** Information returns for reporting abandonments, acquisitions through foreclosure, proceeds from broker and barter exchange transactions, certain dividends and distributions, interest payments, medical and dental health care payments, miscellaneous income payments, nonemployee compensation, original issue discount, patronage dividends, total distributions from profit-sharing plans, retirement plans, individual retirement arrangements, insurance contracts, etc., and proceeds from real estate transactions. Also use these returns to report amounts that were received as a nominee on behalf of another person.

For more information, see the instructions for Form 1099.

Note: *Every REIT must file information returns if, in the course of its trade or business, it makes payments of rents, commissions, or other fixed or determinable income (see section 6041) totaling $600 or more to any one person during the calendar year.*

Form 5452, Corporate Report of Nondividend Distributions.

Form 5498, Individual Retirement Arrangement Information. Use this form to report contributions (including rollover contributions) to an individual retirement arrangement (IRA) and the value of an IRA or simplified employee pension account.

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, IC-DISC benefits, and FSC benefits.

Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. This form is generally required to be filed by issuers of public offerings of debt instruments within 30 days of the issuance of the debt instrument.

Forms 8288 and **8288-A,** U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests; and Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests. Use these forms to report and transmit withheld tax on the sale of U.S. real property by a foreign person. However, with respect to distributions described in Temporary Regulations section 1.1445-8T, use Forms 1042 and 1042S. See section 1445 and the related regulations for additional information.

Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business. Generally, this form is used to report the receipt of more than $10,000 in cash or foreign currency in one transaction (or a series of related transactions).

Form 8612, Return of Excise Tax on Undistributed Income of Real Estate Investment Trusts. If the REIT is liable for the 4% excise tax on undistributed income imposed under section 4981, it must file this return for the calendar year.

Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. A REIT that was a shareholder in a passive foreign investment company (as defined in section 1296) at any time during the tax year must complete and attach this form to its return.

2. Statements

Stock ownership in foreign corporations.—Attach the required statement to Form 1120-REIT if the REIT owned 5% or more in value of the outstanding stock of a foreign personal holding company and the REIT was required to include in its gross income any undistributed foreign personal holding company income. See section 551(c).

A REIT that controls a foreign corporation, or that is a 10%-or-more shareholder of a controlled foreign corporation, or acquires, disposes of, or owns 5% or more ownership in the outstanding stock of a foreign corporation may have to file **Form 5471,** Information Return of U.S. Persons With Respect to Certain Foreign Corporations.

A domestic REIT controlled by a foreign person or a foreign corporation that is engaged in a trade or business in the U.S. may have to file **Form 5472,** Information Return of a Foreign or Foreign-owned Corporation Engaged in a U.S. Trade or Business.

Transfers to a corporation controlled by the transferor.—If a REIT receives stock of a corporation in exchange for property, and no gain or (loss) is recognized under section 351, the REIT (transferor) must attach to Form 1120-REIT the information required by Regulations section 1.351-3.

3. Attachments

Attach **Form 4136,** Credit for Federal Tax on Fuels, after page 4, Form 1120-REIT. Attach schedules in alphabetical order and other forms in numerical order after Form 4136.

In order to process the return, we ask that every applicable entry space on Form 1120-REIT be completed. Please do not attach statements and write "See attached" in lieu of completing the entry spaces on Form 1120-REIT.

If more space is needed on the forms or schedules, attach separate sheets indicating at the top of each attachment the form number or schedule letter of the form or schedule being continued. Also, show the same information called for on the form in the same order as on the printed forms. Be sure to show the totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Attach these separate sheets after all the schedules and forms. Also, put the REIT's EIN on each sheet.

F. Additional Information

Be sure to answer questions G through O on page 3, Form 1120-REIT. The instructions that follow are keyed to these questions.

1. Question G(2)(c)

Foreign person.—The term "Foreign person" means:

1. A foreign citizen or nonresident alien;
2. A foreign partnership;
3. A foreign corporation;
4. Any 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.

2. Question I

Foreign financial accounts.—Check the "Yes" box if either **a** or **b,** below, applies to the REIT; otherwise, check the "No" box:

a. At any time during the year the REIT had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account); AND

- The combined value of the accounts was more than $10,000 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.

b. The REIT owns more than 50% of the stock in any corporation that would answer "Yes" to item **a** above.

Get form **TD F 90-22.1,** Report of Foreign Bank and Financial Accounts, to see if the REIT is considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If "Yes" is checked for this question, file form TD F 90-22.1 by June 30, 1991, with the Department of the Treasury at the address shown on the form. Form TD F 90-22.1 is not a tax return, so **do not** file it with Form 1120-REIT.

Form TD F 90-22.1 may be obtained from IRS Forms Distribution Centers.

Also, if "Yes" is checked for this question, write the name of the foreign country or countries. Attach a separate sheet if more space is needed.

3. Question O

Tax-exempt interest.—Report any tax-exempt interest received or accrued in the space provided. Include any exempt-interest dividends received as a shareholder in a mutual fund or other regulated investment company.

Specific Instructions

Address.—Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the corporation has a P.O. box, show the P.O. box number instead of the street address.

Item C. Employer identification number.—If the EIN on the label is wrong or if the REIT did not receive a label, enter the correct EIN. A REIT that does not have an EIN should apply for one on **Form SS-4,** Application for Employer Identification Number. This form may be obtained from most IRS and Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120-REIT is mailed. If the EIN has not been received by the filing time for Form 1120-REIT, write "Applied for" in the space for the EIN.

For more information concerning an EIN, see Pub. 583.

Item D. Date REIT established.—If the REIT is a corporation under state or local law, enter the date incorporated. If a trust or association, enter the date organized.

Item E. Total assets.—Enter the total assets of the REIT as of the end of the tax year. If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Item F.—Indicate a final return, change in address, or amended return by checking the appropriate box.

Form 8822, Change of Address, may be used to notify the IRS of an address change.

Part I

In this part, do not include income or deductions attributable to any prohibited transaction (as defined in section 857(b)(6)) resulting in a gain. In addition, exclude gross income, gains, losses, and deductions from foreclosure property (as defined in section 856(e)) if the aggregate of such amounts results in a positive amount of net income. To report these items of income and deduction, see the instructions for Parts II and IV.

Income

Line 1. Dividends.—Enter the total amount of dividends received during the tax year.

Line 2. Interest.—Enter interest on U.S. obligations and on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest expense against interest income.

Special rules apply to interest income from certain below-market rate loans. See section 7872 for more information.

Line 3. Gross rents from real property.—Enter the gross amount received for the rental of real property. This includes charges for services customarily furnished or rendered in connection with the rental of real property and rent attributable to personal property leased under or in connection with a lease of real property (provided the rent attributable to such personal property does not exceed 15% of the total rent for the tax year charged for both the real and personal property under such lease). See section 856(d)(2) for amounts excluded from the term "rents from real property."

Line 4. Other gross rents.—Enter the gross amount received for the rental of property not included on line 3.

Line 5. Capital gain net income.—Every sale or exchange of a capital asset must be reported in detail on **Schedule D (Form 1120)**, Capital Gains and Losses, even though no gain or (loss) is indicated.

Line 6. Net gain or (loss).—Enter the net gain or (loss) from **Form 4797**, Sales of Business Property, Part II, line 18.

Line 7. Other income.—Enter any other taxable income not listed above, except amounts that must be reported in Parts II or IV, and explain its nature on an attached schedule. Examples of other income are any adjustment under section 481(a) required to be included in income during the current tax year due to a change in a method of accounting; amounts received or accrued as consideration for entering into agreements to make real property loans or to purchase or lease real property; 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 to the extent they reduced income subject to tax in the year deducted (see section 111). Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, describe it in parentheses on line 7.

Deductions

Limitations on deductions.

1. *Transactions between related taxpayers.* Generally, an accrual basis taxpayer may only deduct business expenses and interest owed to a related party in the year the payment is included in the income of the related party. See section 267 for limitation on deductions for unpaid expenses and interest.

2. *Direct and indirect costs (including taxes) allocable to real or tangible personal property constructed or improved by the taxpayer.* Such costs must be capitalized in accordance with section 263A.

3. *Golden parachute payments.* A portion of the payments made by a corporation to key personnel that exceeds their usual compensation may not be deductible. This occurs when the corporation has an agreement (golden parachute) with these key employees to pay them these excessive amounts if control of the corporation changes. See section 280G.

4. *Business startup expenses.* These expenses are required to be capitalized unless an election is made to amortize them over a period of 60 months. See section 195.

5. *Passive activity limitations.* Limitations on passive activity losses and credits under section 469 apply to REITs that are closely held (as defined in section 856(h)). REITs subject to the passive activity limitations must complete **Form 8810**, Corporate Passive Activity Loss and Credit Limitations, to compute their allowable passive activity loss and credit.

Line 9. Compensation of officers.—Do not include compensation deductible elsewhere on the return, such as elective contributions to a section 401(k) cash or deferred arrangement or amounts contributed under a salary reduction SEP agreement.

Line 10. Salaries and wages.—Enter on line 10a the amount of total salaries and wages paid or incurred for the tax year. Do not include salaries and wages deductible elsewhere on the return, such as elective contributions to a section 401(k) cash or deferred arrangement or amounts contributed under a salary reduction SEP agreement.

Caution: *If the REIT provided taxable fringe benefits to its employees, such as personal use of a car, do not deduct as wages the amount allocated for depreciation and other expenses claimed on lines 16 and 18.*

Enter on line 10b the amount of jobs credit from **Form 5884**, Jobs Credit.

Line 11. 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.

Line 12. Bad debts.—Enter the total debts that became worthless in whole or in part during the tax year.

Line 13. Rents.—If the REIT rented or leased a vehicle, enter the total annual rent or lease expense paid or incurred during the year. Also complete Part V of **Form 4562**, Depreciation and Amortization. If the REIT leased a vehicle for a term of 30 days or more, the deduction for the vehicle lease expense may have to be reduced by an amount called the inclusion amount. You may have an **inclusion amount** if:

The lease term began:	And the vehicle's fair market value on the first day of the lease exceeded:
After 12/31/86	$12,800
After 4/2/85 but before 1/1/87	$23,000
After 6/18/84 but before 4/3/85	$34,500

Note: *If the REIT leased a vehicle during 1986, and the tax year beginning in 1990 is the first tax year the vehicle was used 50% or less for business, you will need to figure an additional inclusion amount. You must figure this additional amount even if the REIT had no inclusion amount using the table above.*

See Pub. 917, Business Use of a Car, for instructions on how to figure the inclusion amount and additional inclusion amount.

Line 14. Taxes.—Enter taxes paid or incurred during the tax year, but do not include the following:

1. Federal income taxes;
2. Foreign or U.S. possession income taxes if a tax credit is claimed;
3. Taxes, including state or local sales taxes, that are paid or incurred in connection with an acquisition or disposition of property (such taxes must be treated as a part of the cost of the acquired property or, in the case of a disposition, as a reduction in the amount realized on the disposition);
4. Excise taxes imposed under section 4981 on undistributed REIT income; or
5. Taxes not imposed on the REIT.

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

Line 15. Interest.—Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from tax.

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 1990 prepaid interest allocable to any period after 1990 can deduct only the amount allocable to 1990. See **Pub. 545**, Interest Expense.

Generally, the interest and carrying charges on straddles must be capitalized. See section 263(g).

See section 163(e)(5) which provides special rules for the disqualified portion of original issue discount on a high yield discount obligation.

Certain interest paid or accrued by the corporation (directly or indirectly) to a related person may be limited if no tax is imposed on such interest. See section 163(j) for more information.

Line 16. Depreciation.—Besides depreciation, include on line 16 the part of the cost (up to $10,000) that the REIT elected to expense for certain recovery property placed in service during the tax year or carried over from 1989. See the instructions for **Form 4562**, Depreciation and Amortization.

Line 18. Other deductions.—Attach a separate sheet listing all allowable deductions that are not deductible elsewhere on Form 1120-REIT. Enter the total on this line.

Include on this line contributions deductible under section 170; contributions to pension and profit-sharing plans, employee benefit programs, etc.; and amortization of organization expenses.

If a contribution deductible under section 170 is in property other than money and the total claimed deduction for all property contributed exceeds $500, REITs (except those closely held) must attach a schedule describing the kind of

property contributed and the method used in determining its fair market value. A closely held REIT must complete **Form 8283,** Noncash Charitable Contributions, and attach it to its return. All other REITs generally must complete and attach Form 8283 to their returns for contributions of property other than money if the total claimed deduction for all property contributed was more than $5,000.

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. There are penalties for failure to file these forms on time and for overstating the pension plan deduction. See sections 6652(e) and 6662(f).

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C/R.—Complete this form for each plan with fewer than 100 participants.

Form 5500EZ.—Complete this form for a one-participant plan.

Generally, a deduction may not be taken for the amount of any item or part thereof allocable to a class of exempt income. See section 265(b) for exceptions.

Generally, a REIT can deduct only 80% of the amount otherwise allowable for meals and entertainment expenses. In addition, meals must not be lavish or extravagant; a bona fide business discussion must occur during, immediately before, or immediately after the meal; and an employee of the REIT must be present at the meal. See section 274(k)(2) for exceptions. If a REIT claims a deduction for unallowable meal expenses, it may have to pay a penalty.

Additional limitations apply to deductions for gifts, skybox rentals, luxury water travel, convention expenses, and entertainment tickets. See section 274 and **Pub. 463**, Travel, Entertainment, and Gift Expenses, for details.

All other ordinary and necessary travel expenses paid or incurred in the trade or business of the REIT are generally fully deductible.

However, expenses 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 are not deductible. **Note:** *The REIT may be able to deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099-MISC for an independent contractor.*

Caution: *Do not deduct penalties imposed on REITs such as those included in General Instruction D.*

Line 20. Taxable income before net operating loss deduction, deduction for dividends paid, and section 857(b)(2)(E) deduction.—Special "at-risk" rules under section 465 generally apply to closely held REITs engaged in any activity as a trade or business or for the production of income. Such REITs may have to adjust the amount on line 20. But, the "at-risk"

rules do not apply to: **(1)** holding real property placed in service by the taxpayer before 1987; **(2)** equipment leasing under sections 465(c)(4), (5), and (6); and **(3)** any qualifying business of a qualified corporation under section 465(c)(7). However, the at-risk rules do apply to the holding of mineral property. For more information, see section 465 and **Form 6198,** At-Risk Limitations.

Line 21a. Net operating loss deduction.—The "net operating loss deduction" is the amount of the net operating loss carryovers that can be deducted in the tax year. See section 172(a). If this deduction is taken, explain its computation on an attached schedule.

If capital gain dividends are paid during any tax year, the amount of the net capital gain for such tax year (to the extent of such capital gain dividends) is excluded in determining: **(1)** the net operating loss for the tax year, and **(2)** the amount of the net operating loss of any prior tax year that may be carried through such tax year to any succeeding tax year.

Generally, a REIT may carry a net operating loss over to each of the 15 years following the year of loss. REITs are not permitted to carry back a net operating loss to any year preceding the year of such loss. In addition, a net operating loss from a year that is not a REIT year may not be carried back to any year that is a REIT year.

After applying the net operating loss to the first tax year to which it may be carried, the portion of the loss the REIT may carry to each of the remaining tax years is the excess, if any, of the loss over the sum of the modified taxable income for each of the prior tax years to which the REIT may carry the loss. (See section 172(b).)

See section 172 and **Pub. 536,** Net Operating Losses, for more information.

See section 382 for the limitation on the amount of taxable income of a loss corporation for any tax year ending after a post-1986 ownership change that may be offset by pre-change net operating loss carryovers. Also see Temporary Regulations section 1.382-2T(a)(2)(ii), which requires that a loss corporation file an information statement with its income tax return for each tax year that it is a loss corporation.

See section 384 for the limitation on the use of preacquisition losses of one corporation to offset recognized built-in gains of another corporation.

Part II

Do NOT complete Part II unless the aggregate of the gross income, gains, losses, and deductions from foreclosure property (as defined in section 856(e)) results in a positive amount of net income. If an overall net loss results, report the gross income, gains, losses, and deductions from foreclosure property on the appropriate lines in Part I.

Property may be treated as foreclosure property only if the property meets the requirements of section 856(e) and the REIT elects to so treat such property in the year the property was acquired. Such election must be made by the due date for filing Form 1120-REIT (including extensions) by attaching a statement indicating that the election under section 856(e) is being made and identifying the property to which the election applies. The statement must also set forth the name, address, and EIN of the REIT, the date the property was acquired, and a brief description of how the property was acquired (including the name of the person from whom the property was acquired and a description of the lease or debt with respect to which default occurred or was imminent). Once made, the election is irrevocable. See section 856(e) and Regulations section 1.856-6 for additional information.

Line 2. Gross income derived from foreclosure property.—Do NOT include on line 2 amounts described in sections 856(c)(3)(A), (B), (C), (D), (E), or (G). These amounts must be reported in Part I.

Line 4. Deductions.—Only those expenses which have a proximate and primary relationship to the earning of the income shown on line 3 may be deducted to arrive at net income from foreclosure property. Such deductions include depreciation on foreclosure property, interest paid or accrued on debt of the REIT that is attributable to the carrying of such property, real estate taxes, and fees charged by an independent contractor to manage such property. Do not deduct general overhead and administrative expenses in Part II.

Part III

All REITs must complete lines 1a through 8 of Part III. If line 8 is zero, the tax imposed under section 857(b)(5) does not apply and the rest of Part III should not be completed. If line 8 is greater than zero, complete all of Part III and enter the tax from line 16 on Schedule J, line 3c.

Caution: *If line 8 is greater than zero, the REIT MUST:*

(a) attach a schedule to Form 1120-REIT listing the nature and amount of each item of its gross income described in sections 856(c)(2) and (3);

(b) not have fraudulently included any incorrect information in the schedule mentioned in (a) above; and

(c) have reasonable cause for not meeting the requirements of sections 856(c)(2) and (3).

Failure to meet these three conditions will terminate the election to be treated as a REIT effective for this tax year and all succeeding tax years.

Part IV

Section 857(b)(6) imposes a tax equal to 100% of the net income derived from prohibited transactions. The 100% tax is imposed to prevent a REIT from retaining any profit from ordinary retailing activities such as sales to customers of condominium units or subdivided lots in a development tract.

Line 1. Gain from the sale or other disposition of property.—Include only gains from the sale or other disposition of

property described in section 1221(1) that is not foreclosure property (as defined in section 856(e)) and that does not qualify as an exception under section 857(b)(6)(C).

Do **not** net losses from prohibited transactions against gains in determining the amount to enter on line 1. Enter losses from prohibited transactions on the appropriate line in Part I.

Line 2. Deductions.—Only those expenses which have a proximate and primary relationship to the earning of the income shown on line 1 may be deducted to arrive at net income from prohibited transactions. Do not deduct general overhead and administrative expenses in Part IV.

Tax on Certain Built-In Gains

IRS intends to issue regulations under section 337(d) that will impose a tax on the net built-in gain of C corporation assets in connection with: **(1)** the qualification of a corporation to be taxed as a REIT, or **(2)** the transfer of such assets to a REIT in a carryover basis transaction.

Generally, the net built-in gain equals the excess of aggregate gains over aggregate losses that would have been realized if the corporation had sold all of its assets at their respective fair market values on the relevant date described below and immediately liquidated. Unless the corporation makes the election described below, the gain must be recognized by the corporation as of: **(a)** the last day of the tax year immediately preceding the year in which it qualified as a REIT, in the case of (1) above; or **(b)** the day before the date of the transfer of assets, in the case of (2) above.

Election.— The regulations will allow the REIT to elect to pay the tax on any built-in gains recognized within a 10-year period on the assets held by the corporation before it was taxed as a REIT or before it transferred the assets in a carryover basis transaction to the REIT. The built-in gains of an electing REIT and the tax imposed on such gains will be subject to rules similar to the rules relating to net income from foreclosure property under section 857.

In the case of a corporation qualifying to be taxed as a REIT, the regulations will generally apply to tax years beginning after June 9, 1987. However, the regulations will not apply to any corporation that was taxed as a REIT for its tax year that included June 9, 1987. In the case of carryover basis transactions, the regulations will generally apply to transactions occurring after June 9, 1987.

For more information, see Notice 88-19, 1988-1 C.B. 486.

Note: *Details on how to compute and report this tax on Form 1120-REIT (if the REIT makes the election described above) were not available at the time these instructions were printed but will be announced by IRS after publication of the regulations under section 337(d). If the REIT is required to file Form 1120-REIT before these details are announced, the fund should not include the built-in gains tax on Form 1120-REIT at the time of original filing. Rather, the tax should be shown on an amended Form 1120-REIT filed after the announcement is issued by IRS.*

Schedule A

Deduction for Dividends Paid. Lines 1 through 5.— The rules in section 561 (taking into account sections 857(b)(8) and 858(a)) determine the deduction for dividends paid.

Line 3.—Dividends declared in October, November, or December and payable to shareholders of record on a specified date in such a month are treated as having been paid by the REIT and received by each shareholder on December 31 of such year provided the dividends are actually paid in January of the following year. Enter on line 3 all such dividends that are not already included on line 1 or 2.

Line 6.—If for any tax year the REIT has net income from foreclosure property (as defined in section 857(b)(4)(B)), the deduction for dividends paid to be entered on line 6 (and on line 21b, page 1) is determined by multiplying the amount on line 5 by the following fraction:

$$\frac{\text{REIT taxable income (determined without regard to the deduction for dividends paid)}}{\text{REIT taxable income (determined without regard to the deduction for dividends paid)} + \text{(Net income from foreclosure property minus the tax on net income from foreclosure property)}}$$

Schedule J

Tax Computation

Lines 1 and 2

Members of a controlled group, as defined in section 1563, are entitled to one $50,000 and one $25,000 taxable income bracket amount (in that order) on line 2a.

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 amount in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulations section 1.1561-3(b) for the requirements 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 amount 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 apportionment plan. Therefore, both corporation A and corporation B are entitled to $25,000 (one-half of $50,000) in the $50,000 taxable income bracket on line 2a(i) and to $12,500 (one-half of $25,000) in the $25,000 taxable income bracket on line 2a(ii).

Unequal apportionment plan. Members of a controlled group may elect an unequal apportionment plan and divide the taxable income brackets 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 taxable income brackets. (But the total amount for all members of the controlled group cannot be more than the total amount in each taxable income bracket.)

Each member of a controlled group must compute the tax on its REIT taxable income as follows:

1. Enter REIT taxable income (line 22, page 1, Form 1120-REIT) . . . . . _____
2. Enter line 1 or the REIT's share of the $50,000 taxable income bracket, whichever is less . . . . . _____
3. Subtract line 2 from line 1 . . . . . _____
4. Enter line 3 or the REIT's share of the $25,000 taxable income bracket, whichever is less . . . . . _____
5. Subtract line 4 from line 3 . . . . . _____
6. Enter 15% of line 2 . . . . . _____
7. Enter 25% of line 4 . . . . . _____
8. Enter 34% of line 5 . . . . . _____
9. If the taxable income of the controlled group exceeds $100,000, enter this member's share of the lesser of: (a) 5% of the excess over $100,000 or (b) $11,750. (See instructions for additional 5% tax, below.) . . . . _____
10. Total of lines 6 through 9. Enter this amount on line 3a, Schedule J, Form 1120-REIT . . . . . _____

Additional 5% tax. Members of a controlled group are treated as one corporation for purposes of figuring the applicability of the additional 5% tax that must be paid by corporations with taxable income in excess of $100,000. If the additional tax applies, each member of the controlled group will pay that tax based on the part of the amount that is used in each taxable income bracket to reduce that member's tax. (See section 1561(a).) Each member of the group must enter its share of the additional 5% tax on line 2b and attach to its tax return a schedule that shows the taxable income of the entire group as well as how its share of the additional tax was figured.

Line 3a.—A REIT must compute tax on REIT taxable income as follows (Members of a controlled group should see the instructions above for lines 1 and 2):

If taxable income (line 22, Form 1120-REIT), page 1 is:

Over—	*But not over—*	*tax is:*	*Of the amount over—*
$0	$50,000	15%	$0
50,000	75,000	$ 7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	. . . . .	34%	0

Line 3e

Deferred tax amount under section 1291. If the REIT was a shareholder in a passive foreign investment company (PFIC) that received an excess distribution or disposed of its investment in the PFIC during the year, it must include the aggregate increase in taxes due under section 1291(c)(2) in the amount to be entered on line 3e, Schedule J. Write on

the dotted line to the left of line 3e, Schedule J, "Sec. 1291—$(amount)." Do not include on line 3e the interest charge due under section 1291(c)(3). Instead, write "Sec. 1291 interest" and the amount owed in the bottom margin of page 1, Form 1120-REIT. See Form 8621 for details.

Line 4a. Foreign tax credit.—See **Form 1118,** Computation of Foreign Tax Credit—Corporations, for an explanation of when a REIT can take credit for payment of income tax to a foreign country or U.S. possession.

Line 4b. General business credit.—This credit is made up of the sum of the following credits:

Investment credit. The investment credit was generally repealed for property placed in service after 1985. See **Form 3468,** Investment Credit, for exceptions.

Jobs credit. The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. See **Form 5884,** Jobs Credit, for definitions, special rules, and limitations.

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 38(c))).

Alcohol fuel credit. A REIT may be able to take a credit for alcohol used as fuel. Use **Form 6478,** Credit for Alcohol Used as Fuel, to figure the credit.

Credit for increasing research activities. See **Form 6765,** Credit for Increasing Research Activities, and section 41.

Low-income housing credit. See **Form 8586,** Low-Income Housing Credit, and section 42.

Disabled access credit. A corporation may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See "Important Change" on page 1 for more information on this credit.

Form 3800, General Business Credit. Complete Form 3800 if the REIT has: **(1)** more than one of the above credits; **OR (2)** a credit carryforward or carryback (including one from an ESOP credit); **OR (3)** a passive activity credit. Enter the amount of the general business credit on the appropriate line and check the Form 3800 box on that line.

Form 3800 is not required if the REIT has only one of the general business credits (and items (2) and (3) do not apply). Instead, attach the applicable credit form to the return and check the appropriate box for that form.

If the corporation's only general business credit is the disabled access credit, attach Form 8826 to the return and write "From Form 8826" in the space to the left of line 4b.

Line 4c. Credit for prior year minimum tax.—Use **Form 8801,** Credit for Prior Year Minimum Tax, to figure the minimum tax credit and any carryforward of that credit.

Line 4d. Credit for fuel produced from a nonconventional source.—A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 29 contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. If the REIT qualifies for this credit, attach a separate schedule to the return showing the computation of the credit. Include the amount of the credit in the total for line 4d, Schedule J. Write next to the entry for line 4d the amount of the credit and identify it as "section 29 credit."

Also see Form 8801 if any of the credit is disallowed solely because of the tentative minimum tax limitation.

Line 6. Personal holding company tax.—A REIT is taxed as a personal holding company under section 542 if:

- At least 60% of its adjusted ordinary gross income, defined in section 543(b)(2), for the tax year, is personal holding company income as defined in section 543(a), and
- At any time during the last half of the tax year more than 50% in value of its outstanding stock is owned, directly or indirectly, by not more than 5 individuals.

Use **Schedule PH (Form 1120),** U.S. Personal Holding Company Tax, to figure this tax.

Line 7. Recapture taxes.—*Recapture of investment credit.* If property is disposed of or ceases to be qualified property before the end of the life-years used in computing the regular or energy investment credit, there may be a recapture of the credit. See **Form 4255,** Recapture of Investment Credit.

Recapture of low-income housing credit. If the REIT must recapture part of the low-income housing credit because there has been a decrease in the qualified basis of a building from the prior year or if it disposed of the building or an ownership interest in it, see **Form 8611,** Recapture of Low-Income Housing Credit, and section 42(j).

Line 8. Alternative minimum tax.—Attach **Form 4626,** Alternative Minimum Tax—Corporations, if the total of REIT taxable income or (loss) before the net operating loss deduction, net income from foreclosure property, and net income from prohibited transactions, plus adjustment and tax preference items of the trust exceeds **(a)** $40,000 or **(b)** the allowable exemption amount. See Form 4626 for details. Reduce the alternative minimum tax by any credit allowed under section 38(c)(2) on line 19 of Schedule A, Form 3800. Write on the dotted line to the left of line 8, "Sec. 38(c)(2)—$(amount)."

Line 9. Deferred tax and interest on undistributed earnings of a qualified electing fund under section 1294.—Follow the instructions for Form 8621 to determine the amount of tax owed or deferred to include in or subtract from the total tax on line 9, Schedule J. Write on the dotted line to the left of line 9, Schedule J, "Sec. 1294" and the amount of tax to be added to or subtracted from the total for line 9. (Show in brackets an amount to be subtracted.) Do not include on line 9 the interest charge due on the deferred tax. Instead, write "Sec. 1294 interest" and the amount owed in the bottom margin of page 1, Form 1120-REIT.

Interest on tax attributable to payments received on installment sales of certain timeshares and residential lots. If the REIT elected to pay interest on the amount of tax attributable to payments received on installment obligations arising from the disposition of certain timeshares and residential lots under section 453(l)(3), it must include the interest due in the amount to be entered on line 9, Schedule J. Write on the dotted line to the left of line 9, Schedule J, "Sec. 453(l)(3) interest—$(amount)." Attach a schedule showing the computation.

Interest on tax deferred under the installment method for certain non-dealer installment obligations. If an obligation arising from the disposition of property to which section 453A applies is outstanding at the close of the year, the REIT must include the interest due under section 453A(c) in the amount to be entered on line 9, Schedule J. Write on the dotted line to the left of line 9, Schedule J, "Sec. 453A(c) interest—$(amount)." Attach a schedule showing the computation.

Schedule L

Balance Sheets

Line 4. Tax-exempt securities.—Include on this line:

(1) State and local government obligations, the interest on which is excludible from gross income under section 103(a), and

(2) Stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the REIT.

Schedule M-1

Reconciliation of Income per Books With Income per Return

Line 5c. Travel and entertainment.—Include on this line: 20% of meals and entertainment not allowed under section 274(n); expenses for the use of an entertainment facility; the part of business gifts in excess of $25; expenses of an individual allocable to conventions on cruise ships in excess of $2,000; employee achievement awards in excess of $400; the cost of entertainment tickets in excess of face value (also subject to 20% disallowance); the cost of skyboxes in excess of the face value of non-luxury box seat tickets; the part of the cost of luxury water travel not allowed under section 274(m); expenses for travel as a form of education; and other travel and entertainment expenses not allowed as a deduction.

Form **1120-RIC**

Department of the Treasury
Internal Revenue Service

U.S. Income Tax Return for Regulated Investment Companies

For calendar year 1990 or tax year beginning ..... 1990, ending ..... 19 ....
▶ See separate instructions.

OMB No. 1545-1010

1990

A Year RIC status was elected

B Date fund was established

Please Type or Print

Name of fund

C Employer identification number

Number, street, and room or suite no. (If a P.O. box, see page 4 of instructions.)

D Total assets (See instructions)

City or town, state, and ZIP code

$

E Check applicable boxes: (1) ☐ Final return (2) ☐ Change in address (3) ☐ Amended return

F Check this box if the fund is a personal holding company or is not in compliance with Regulations section 1.852-6 for this tax year ▶ ☐

Part I—Computation of Investment Company Taxable Income

Income	1	Dividends	1
	2	Interest	2
	3	Net foreign currency gain or (loss) from section 988 transactions (attach schedule)	3
	4	Payments with respect to securities loans (see instructions)	4
	5	Excess of net short-term capital gain over net long-term capital loss from Schedule D (Form 1120), line 9 (attach Schedule D (Form 1120))	5
	6	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)	6
	7	Other income (see instructions—attach schedule)	7
	8	**Total** income—Add lines 1 through 7	8
Deductions	9	Compensation of officers (Schedule E, line 2)	9
	10a	Salaries and wages ____ b Less jobs credit ____ c Balance ▶	10c
	11	Rents	11
	12	Taxes	12
	13	Interest	13
	14	Depreciation (attach Form 4562)	14
	15	Advertising	15
	16	Registration fees	16
	17	Insurance	17
	18	Accounting and legal services	18
	19	Management and investment advisory fees	19
	20	Transfer agency, shareholder servicing, and custodian fees and expenses	20
	21	Reports to shareholders	21
	22	Other deductions (attach schedule)	22
	23	**Total** deductions—Add lines 9 through 22	23
	24	Taxable income before deduction for dividends paid (line 8 less line 23)	24
	25	**Less:** Deduction for dividends paid (Schedule A, line 5)	25
	26	Investment company taxable income—Line 24 less line 25	26
Tax and Payments	27	**Total tax** (Schedule J, line 9)	27
	28	**Payments:** a 1989 overpayment credited to 1990 28a	
		b 1990 estimated tax payments 28b	
		c Less 1990 refund applied for on Form 4466 28c ( ) d Bal ▶ 28d	
		e Tax deposited with Form 7004 28e	
		f Credit from other regulated investment companies (attach Form 2439) 28f	
		g Credit for Federal tax on fuels (attach Form 4136) 28g	28h
	29	Enter any **penalty** for underpayment of estimated tax—check ▶ ☐ if Form 2220 is attached	29
	30	**Tax due**—if the total of lines 27 and 29 is larger than line 28h, enter amount owed	30
	31	**Overpayment**—if line 28h is larger than the total of lines 27 and 29, enter amount overpaid	31
	32	Enter amount of line 31 you want: **Credited to 1991 estimated tax** ▶ **Refunded** ▶	32

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

Paid Preparer's Use Only

Preparer's signature ▶ ____ Date ____ Check if self-employed ☐ Preparer's social security number

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. Form **1120-RIC** (1990)

Part II—Computation of Tax on Undistributed Net Capital Gain Not Designated Under Section 352(b)(3)(D)

1	Net capital gain from Schedule D (Form 1120), line 10 (attach Schedule D (Form 1120))	1	
2	Less: Capital gain dividends (do not include any amount reported on Form 2438, line 9b)	2	
3	Amount subject to tax—Line 1 less line 2	3	
4	Capital gains tax—Enter 34% of line 3 here and on line 3b, Schedule J	4	

Schedule A Deduction for Dividends Paid (Do not include capital gain dividends or exempt-interest dividends.)

1	Dividends paid other than dividends paid after the end of the tax year (do not include dividends considered as paid in the preceding tax year under section 852(b)(7) or 855(a), or deficiency dividends as defined in section 860)	1	
2	Dividends paid in 12-month period following the close of your tax year which you elect to be treated as paid during the tax year under section 855(a)	2	
3	Dividends declared in October, November, or December deemed paid on December 31 under section 852(b)(7). (See instructions.)	3	
4	Consent dividends (attach Forms 972 and 973)	4	
5	Deduction for dividends paid—Add lines 1 through 4. Enter here and on line 25, page 1	5	

Schedule B Information Required With Respect to Income From Tax-Exempt Obligations

Did the fund qualify under section 852(b)(5) to pay exempt-interest dividends for 1990? ☐ Yes ☐ No

If your answer to the above question is "Yes," complete lines 1 through 4:

1	Amount of interest excludible from gross income under section 103(a)	1	
2	Amounts disallowed as deductions under sections 265 and 171(a)(2)	2	
3	Net income from tax-exempt obligations—Line 1 less line 2	3	
4	Amount of line 3 designated as exempt-interest dividends	4	

Schedule E Compensation of Officers (See instructions for line 9, page 1.)

Complete Schedule E only if total receipts are $500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	(d) Percent of fund's stock owned	(e) Amount of compensation
1		%	%	
		%	%	
		%	%	
		%	%	
2 Total compensation of officers—Enter here and on line 9, page 1			2	

Schedule J Tax Computation

1	Check if the Fund is a member of a controlled group (see sections 1561 and 1563) ▶ ☐		
2	If the box on line 1 is checked:		
a	Enter the Fund's share of the $50,000 and $25,000 taxable income bracket amounts (in that order): (i) $ (ii) $		
b	Enter the Fund's share of the additional 5% tax (not to exceed $11,750) ▶ $		
3a	Tax on investment company taxable income (see instructions to figure the tax)	3a	
b	Tax from line 4, Part II	3b	
c	Total—Add lines 3a and 3b		3c
4a	Foreign tax credit (attach Form 1118)	4a	
b	General business credit. Enter here and check which forms are attached: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586	4b	
c	Credit for prior year minimum tax (attach Form 8801)	4c	
d	Total—Add lines 4a through 4c		4d
5	Line 3c less line 4d		5
6	Personal holding company tax (attach Schedule PH (Form 1120))		6
7	Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611		7
8	Alternative minimum tax (attach Form 4626) (See Instructions)		8
9	Total tax—Add lines 5 through 8. Enter here and on line 27, page 1		9

Additional Information (See instruction F.)

		Yes	No
G	(1) Did the fund 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) before NOL and special deductions (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.		
	(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the fund's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (c). (a) Attach a schedule showing name, address, and identifying number. (b) Enter percentage owned ▶ ..... (c) Was the owner of such voting stock a foreign person? (See instructions.) **Note:** *If "Yes," the fund may have to file Form 5472.* If "Yes," enter owner's country ▶		
H	Was the fund a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) If "Yes," attach Form 5471 for each such corporation.		
I	At any time during the tax year, did the fund have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See instruction F and filing requirements for Form TD F 90-22.1) If "Yes," enter name of foreign country ▶		
J	Was the fund the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not the fund has any beneficial interest in it? If "Yes," the fund may have to file Forms 3520, 3520-A, or 926.		
K	During this tax year, did the fund pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the fund's current and accumulated earnings and profits? (See sections 301 and 316.) If "Yes," file Form 5452.		
L	During this tax year did the fund maintain any part of its accounting/tax records on a computerized system?		
M	Check method of accounting: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶		
N	Check this box if the fund issued publicly offered debt instruments with original issue discount ☐ If so, the fund may have to file Form 8281.		
O	Enter the amount of tax-exempt interest received or accrued during the tax year ▶		
P	If this return is being filed for a series fund (as defined in section 851(h)(2)), please complete (1) and (2): (1) Name of regulated investment company in which the fund is a series ▶ ..... (2) Date such regulated investment company was incorporated or organized ▶		
Q	**Section 853 election**—Check this box if the fund meets the requirements of section 853(a) **and** elects to pass through the deduction or credit for foreign taxes it paid to its shareholders. See Regulations section 1.853-4(a) for additional requirements ☐		
R	**Temporary Regulations section 1.852-11T election**—Check this box if, for purposes of computing its taxable income, the fund elects to defer all or part of its post-October capital loss or post-October currency loss for this tax year ☐ If the election is made enter the amounts deferred: (1) Post-October capital loss ▶ ..... (2) Post-October currency loss ▶		

Schedule L Balance Sheets

Assets	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts	( )		( )	
3 U.S. government obligations				
4 Tax-exempt securities (see instructions)				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other fixed depreciable assets				
b Less accumulated depreciation	( )		( )	
10 Land (net of any amortization)				
11a Intangible assets (amortizable only)				
b Less accumulated amortization	( )		( )	
12 Other assets (attach schedule)				
13 Total assets				
Liabilities and Stockholders' Equity				
14 Accounts payable				
15 Mortgages, notes, bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Loans from stockholders				
18 Mortgages, notes, bonds payable in 1 year or more				
19 Other liabilities (attach schedule)				
20 Capital stock				
21 Paid-in or capital surplus				
22 Retained earnings—Appropriated (attach schedule)				
23 Retained earnings—Unappropriated				
24 Less cost of treasury stock		( )		( )
25 Total liabilities and stockholders' equity				

Schedule M-1 Reconciliation of Income per Books With Income per Return

(The Fund is not required to complete this schedule if the total assets on line 13, column (d), of Schedule L are less than $25,000.)

1 Net income per books		7 Income recorded on books this year not included on this return (itemize): a Tax-exempt interest $	
2 Federal income tax			
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):		8 Deductions on this return not charged against book income this year (itemize): a Depreciation . $ ..... b Dividends paid deduction (line 25, page 1) . . . $	
5 Expenses recorded on books this year not deducted on this return (itemize): a Depreciation . . . $ ..... b Expenses allocable to tax-exempt interest income . . . . $ ..... c Section 4982 tax . . $ ..... d Travel and entertainment $		9 Net capital gain from Schedule D (Form 1120), line 10	
		10 Designated undistributed capital gains from Form 2438, line 11	
		11 Total of lines 7 through 10	
6 Total of lines 1 through 5		12 Investment company taxable income (line 26, page 1)—line 6 less line 11	

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 23, Schedule L)

(The Fund is not required to complete this schedule if the total assets on line 13, column (d), of Schedule L are less than $25,000.)

1 Balance at beginning of year		5 Distributions: a Cash	
2 Net income per books		b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		7 Total of lines 5 and 6	
4 Total of lines 1, 2, and 3		8 Balance at end of year (line 4 less line 7)	

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1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 1120-RIC

U.S. Income Tax Return for Regulated Investment Companies

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	52 hrs., 22 min.
Learning about the law or the form	15 hrs., 17 min.
Preparing the form	29 hrs., 51 min.
Copying, assembling, and sending the form to IRS	3 hrs., 45 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget,** Paperwork Reduction Project (1545-1010), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see the instructions for information on where to file on page 2.

Important Change

New Form 8826. Disabled Access Credit, has been developed as a result of the addition of section 44 by the Revenue Reconciliation Act of 1990. This allows eligible small businesses to claim a new nonrefundable income tax credit equal to 50% of expenses that are over $250 and not more than $10,250. These expenses must be paid or incurred after November 5, 1990, to enable a small business to comply with the requirements of the Americans With Disabilities Act of 1990. An eligible small business is one with gross receipts of $1 million or less in the previous year or one that had not more than 30 full-time employees in the previous year. Examples of expenses eligible for the credit include amounts paid or incurred: **(1)** to remove barriers that prevent a business from being accessible to, or usable by, individuals with disabilities; **(2)** to provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals; **(3)** to provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or **(4)** to acquire or modify equipment or devices for individuals with disabilities.

General Instructions

Note: *In addition to those publications listed throughout these instructions, taxpayers may wish to get:* **Pub. 534,** *Depreciation;* **Pub. 535,** *Business Expenses; and* **Pub. 542,** *Tax Information on Corporations.*

A. Purpose of Form

Form 1120-RIC, U.S. Income Tax Return for Regulated Investment Companies, is used to report the income, gains, losses, deductions, credits, and to figure the income tax liability of regulated investment companies as defined in section 851.

B. Filing Form 1120-RIC

1. Who Must File

A domestic corporation that elects to be treated as a regulated investment company (RIC) for the tax year (or has made such election for a prior tax year) and that meets the requirements listed below must file Form 1120-RIC. The election is made by computing taxable income as a RIC on Form 1120-RIC.

An electing RIC must be a domestic corporation—

(a) that is: **(1)** registered with the Securities and Exchange Commission throughout the tax year as a management company or unit investment trust under the Investment Company Act of 1940, or has in effect an election under such Act to be treated as a business development company, or **(2)** a common trust fund or similar fund excluded by section 3(c)(3) of such Act from the definition of "investment company" and is not included in the definition of "common trust fund" under section 584(a);

(b) that derives at least 90% of its gross income (including tax-exempt interest income) from dividends, interest, payments with respect to securities loans (as defined in section 512(a)(5)), and gains from the sale or other disposition of stock or securities (as defined in section 2(a)(36) of the Investment Company Act of 1940) or foreign currencies, or other income (including gains from options, futures, or forward contracts) derived with respect to its business of investing in such stock, securities, or currencies **(Note:** *Income from a partnership qualifies under the 90% test to the extent the company's distributive share of partnership income is attributable to items described above as realized by the partnership.);*

(c) that derives less than 30% of its gross income (including tax-exempt interest income) from the sale or other disposition of any of the following that was held for less than 3 months:

(1) stock or securities (as defined in section 2(a)(36) of the Investment Company Act of 1940);

(2) options, futures, or forward contracts (other than options, futures, or forward contracts on foreign currencies); and

(3) foreign currencies (or options, futures, or forward contracts on foreign currencies) but only if such currencies (or options, futures, or forward contracts) are not directly related to the company's principal business of investing in stock or securities (or options and futures on stocks or securities);

(d) that meets the diversification of investment requirements of sections 851(b)(4) and (c);

(e) that was treated as a RIC for all tax years ending after November 7, 1983, **or** as of the end of the tax year, the corporation had no accumulated earnings and profits from any non-RIC year; and

(f) for which the deduction for dividends paid (excluding capital gain dividends) equals or exceeds the sum of:

(1) 90% of its investment company taxable income (determined without regard to the deduction for dividends paid); and

(2) 90% of its net income from tax-exempt obligations.

See sections 851 and 852 for details and exceptions.

If a RIC has more than one fund (as defined below), each fund is treated as a separate corporation for purposes of the Internal Revenue Code (except with respect to the definitional requirement of paragraph (a) above).

However, any fund will not be disqualified for failure to meet the requirement of paragraph (c) above for any tax year by reason of sales resulting from abnormal redemptions on any day and occurring before the close of the 5th business day after such day if: **(1)** the sum of abnormal redemptions on that day and on prior days during the tax year exceeds 30% of net asset value, and **(2)** all funds in the series to which the fund belongs would meet the requirement if treated as a single RIC.

2. Definition of Fund

A fund is a separate portfolio of assets, the beneficial interests in which are owned by the holders of a class or series of stock that is preferred over all other classes or series with respect to that portfolio of assets.

Note: *As used in these instructions and Form 1120-RIC, the term "fund" refers to the above definition and to any RIC that does not have more than one such portfolio of assets.*

3. When To File

Generally, the fund must file its income tax return by the 15th day of the 3rd month after the end of the tax year. A new fund filing a short-period return must generally file by the 15th day of the 3rd month after the short period ends. A fund that has dissolved must generally file by the 15th day of the 3rd month after the date it dissolved.

Extension.—File **Form 7004,** Application for Automatic Extension of Time To File Corporation Income Tax Return, to request an automatic 6-month extension of time to file.

Period covered.—File the 1990 return for calendar year 1990 and fiscal years that begin in 1990 and end in 1991. For a fiscal year, fill in the tax year space at the top of the form.

Note: *The 1990 Form 1120-RIC may also be used if:* **(1)** the fund has a tax year of less than 12 months that begins and ends in 1991; and **(2)** the 1991 Form 1120-RIC is not available by the time the fund is required to file its return. However, the fund must show its 1991 tax year on the 1990 Form 1120-RIC and incorporate any tax law changes that are effective for tax years beginning after December 31, 1990.

4. Where To File

File your return at the applicable IRS address listed below.

If the fund's principal business, office, or agency is located in ▼	Use the following Internal Revenue Service Center address ▼
New Jersey, New York (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
Florida, Georgia, South Carolina	Atlanta, GA 39901
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

5. Signature

The return must be signed and dated by the president, vice president, treasurer, assistant treasurer, chief accounting officer, or any other 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 the fund.

Note: *If this return is being filed for a series fund (as defined in section 851(h)(2)), the return may be signed by any officer authorized to sign for the RIC in which the fund is a series.*

If a corporate officer filled in the fund's tax return, the Paid Preparer's Space under "Signature of officer" should remain blank. If someone prepares the tax return and does not charge the fund, that person should not sign the return. Certain others who prepare the tax return should not sign. For example, a regular, full-time employee of the fund, such as a clerk, secretary, etc., should not sign.

Generally, anyone who is paid to prepare the tax return must sign it and fill in the 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 the tax return to the fund in addition to the copy filed with IRS.

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 fund's books and records. In all cases, the method adopted must clearly reflect taxable income. See section 446.

Generally, funds with average annual gross receipts of more than $5,000,000 must use the accrual method of accounting. See section 448(c).

Unless the law specifically permits otherwise, the fund 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 **Pub. 538,** Accounting Periods and Methods.

Change in accounting period.—Generally, before changing an accounting period, the Commissioner's approval must be obtained by filing **Form 1128,** Application to Adopt, Change or Retain a Tax Year. (See Regulations section 1.442-1 and Pub. 538.)

2. Rounding Off to Whole-Dollar Amounts

Money items may be shown 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. Depositary Method of Tax Payment

The fund must pay the tax due in full when the return is filed but no later than the 15th day of the 3rd month after the end of the tax year.

Deposit fund income tax payments (and estimated tax payments) with **Form 8109,** Federal Tax Deposit Coupon. Be sure to darken the "1120" box on the coupon. Make these deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve bank or branch servicing the geographic area where the fund is located. Do not submit deposits directly to an IRS office; otherwise, the fund may be subject to a failure to deposit penalty. Records of deposits will be sent to IRS for crediting to the fund's account. See the instructions contained in the coupon book (Form 8109) for more information.

To help ensure proper crediting to the fund's account, write its employer identification number (EIN), "Form 1120-RIC," and the tax period to which the deposit applies on the fund's check or money order.

To get more deposit coupons, use the reorder form (Form 8109A) provided in the coupon book.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656.

For more information concerning deposits, see **Pub. 583,** Taxpayers Starting a Business.

4. Backup Withholding

If the fund has had income tax withheld from any payments it received because, for example, it failed to give the payer its correct EIN, it may claim a credit on Form 1120-RIC for the total amount withheld. This type of withholding is called "backup withholding." Show the amount withheld in the blank space in the right-hand column between lines 27 and 28h, page 1, and label the amount as "backup withholding." Also include the amount in the total for line 28h.

5. Estimated Tax

Generally, a fund must make estimated tax payments if it can expect its estimated tax to be $500 or more. For estimated tax purposes, the estimated tax of the fund is defined as its alternative minimum tax less the credit for Federal tax on fuels. Use the deposit coupons (Forms 8109) in making deposits of estimated tax.

If the fund overpaid estimated tax, it 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 the expected income tax liability, and **(2)** at least $500. To apply, file Form 4466 after the end of the tax year, but before the 16th day of the 3rd month thereafter, and before the fund files its tax return.

6. Timing Change in Deducting Accrued Expenses

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that all events have occurred that determine the liability, and the amount of the liability can be figured with reasonable accuracy. However, all the events that establish liability for the amount generally are treated as occurring only when economic performance takes place. There are exceptions for recurring items. See section 461(h).

7. Rule of 78's Not an Acceptable Method of Figuring Interest

Taxpayers are reminded that, generally, the Rule of 78's is not an acceptable method for computing interest income and expense. Anyone using the Rule of 78's should see Revenue Procedures 84-27, 84-28, 84-29, and 84-30, (which are in Cumulative Bulletin 1984-1) to change their method.

D. Interest and Penalties

A RIC may be subject to interest and penalty charges if the RIC files a late return or fails to pay tax when due unless it can show that the failure to file or pay was due to reasonable cause and not willful neglect.

1. Interest.—Interest is charged on taxes not paid by the due date, even if an extension of time to file is granted. Interest is also charged on penalties imposed for failure to file, negligence, fraud, gross valuation overstatements, and substantial understatements of tax from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

2. Late Filing of Return.—A fund that fails to file its return when due (including extensions of time for filing) may be subject to a penalty of 5% of the unpaid tax for each month or part of a month the return is late, up to a maximum of 25% of the unpaid tax. The minimum penalty for a return that is more than 60 days late is the smaller of the tax due or $100.

3. Late Payment of Tax.—The penalty for late payment of taxes is usually ½ of 1% of the unpaid tax for each month or part of a month the tax is unpaid. The penalty cannot exceed 25% of the amount due. This penalty may also apply to any additional tax not paid within 10 days of the date of the notice and demand for payment.

4. Underpayment of Estimated Tax.—A fund that fails to pay estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. In general, to avoid the estimated tax penalty, the fund must make estimated tax payments of at least the smaller of: 90% of its alternative minimum tax minus the credit for Federal tax on fuels as shown on the return; or 100% of its prior year's tax (computed in the same manner). See section 6655 for details and exceptions.

Form 2220, Underpayment of Estimated Tax by Corporations, is used to see if the fund owes a penalty and to figure the amount of the penalty. Generally, the fund does not have to file this form because IRS can figure the amount of any penalty and bill the fund for it. However, the fund must complete and attach Form 2220 even if the fund does not owe the penalty if: **(a)** the annualized income or adjusted seasonal installment method is used, or **(b)** the fund is a "large corporation" computing its first required installment based on the prior year's tax. If Form 2220 is attached, be sure to check the box on line 29, page 1, Form 1120-RIC, and enter the amount of any penalty on this line.

5. Other Penalties.—There are also penalties that can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

E. Other Forms, Returns, Schedules, and Statements That May Be Required

1. Forms

The fund 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 Annuities, Pensions, Retired Pay, or IRA Payments.

Form 966, Corporate Dissolution or Liquidation.

Forms 1042 and **1042S,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding. Use these forms to report and transmit withheld tax on payments or distributions made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent such payments or distributions constitute gross income from sources within the U.S. (see sections 861 through 865). For more information, see sections 1441 and 1442, and **Pub. 515,** Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Form 1098, Mortgage Interest Statement. This form is used to report the receipt from any individual of $600 or more of mortgage interest in the course of the recipient's trade or business for any calendar year.

Forms 1099-A, B, DIV, INT, MISC, OID, PATR, R, and **S.** Information returns for reporting abandonments, acquisitions through foreclosure, proceeds from broker and barter exchange transactions, certain dividends and distributions, interest payments, medical and dental health care payments, miscellaneous income payments, nonemployee compensation, original issue discount, patronage dividends, total distributions from profit-sharing plans, retirement plans, individual retirement arrangements, insurance contracts, etc., and proceeds from real estate transactions. Also use these returns to report amounts that were received as a nominee on behalf of another person. For more information, see the instructions for Form 1099.

Note: *Every fund must file information returns if, in the course of its trade or business, it makes payments of rents, commissions, or other fixed or determinable income (see section 6041) totaling $600 or more to any one person during the calendar year.*

Form 2438, Regulated Investment Company Undistributed Capital Gains Tax Return. If the fund designates undistributed capital gains under section 852(b)(3)(D), it must file this return and pay tax on the gains so designated within 30 days after the end of the fund's tax year. In addition, a copy of Form 2438 (with Copy A of all Forms 2439) must be attached to Form 1120-RIC when filed.

Form 2439, Notice to Shareholder of Undistributed Long-Term Capital Gains. If the fund filed Form 2438, it must complete Form 2439 for each shareholder for whom it paid tax on undistributed capital gains designated under section 852(b)(3)(D) and furnish a copy to each such shareholder within 60 days after the end of the fund's tax year.

Form 5452, Corporate Report of Nondividend Distributions.

Form 5498, Individual Retirement Arrangement Information. Use this form to report contributions (including rollover contributions) to an individual retirement arrangement (IRA) and the value of an IRA or simplified employee pension account.

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, IC-DISC benefits, and FSC benefits.

Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. This form is generally required to be filed by issuers of public offerings of debt instruments within 30 days of the issuance of the debt instrument.

Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business. Generally, this form is used to report the receipt of more than $10,000 in cash or foreign currency in one transaction (or a series of related transactions).

Form 8613, Return of Excise Tax on Undistributed Income of Regulated Investment Companies. If the fund is liable for the 4% excise tax on undistributed income imposed under section 4982 or wishes to make an election under section 4982(e)(4), it must file this return for the calendar year.

Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or

Qualified Electing Fund. A fund that was a shareholder in a passive foreign investment company (as defined in section 1296) at any time during the tax year must complete and attach this form to its return.

2. Statements

Stock ownership in foreign corporations.—Attach the required statement to Form 1120-RIC if the fund owned 5% or more in value of the outstanding stock of a foreign personal holding company and the fund was required to include in its gross income any undistributed foreign personal holding company income. See section 551(c).

A fund that controls a foreign corporation, or that is a 10%-or-more shareholder of a controlled foreign corporation, or acquires, disposes of, or owns 5% or more of the outstanding stock of a foreign corporation may have to file **Form 5471,** Information Return of U.S. Persons With Respect to Certain Foreign Corporations.

A fund controlled by a foreign person or a foreign corporation that is engaged in a trade or business in the United States may have to file **Form 5472,** Information Return of a Foreign or Foreign-Owned Corporation Engaged in a U.S. Trade or Business.

Transfers to a corporation controlled by the transferor.—If the fund receives stock of a corporation in exchange for property, and no gain or (loss) is recognized under section 351, the fund (transferor) must attach to Form 1120-RIC the information required by Regulations section 1.351-3.

Election under Temporary Regulations section 1.67-2T(j)(2).—Generally, shareholders in a nonpublicly offered fund that are individuals or pass-through entities are treated as having received a dividend in an amount equal to the shareholder's allocable share of affected RIC expenses for the calendar year and as having paid or incurred an expense described in section 212 (and subject to the 2% limitation on miscellaneous itemized deductions) in the same amount for the calendar year. A nonpublicly offered fund may elect to treat its affected RIC expenses for a calendar year as equal to 40% of the amount determined under Temporary Regulations section 1.67-2T(j)(1)(i) for that calendar year. To make this election, attach to Form 1120-RIC for the tax year that includes the last day of the calendar year for which the fund makes the election, a statement that it is making an election under paragraph (j)(2) of Temporary Regulations section 1.67-2T. Once made, the election remains in effect for all subsequent calendar years and may not be revoked without IRS consent. See Temporary Regulations section 1.67-2T for definitions and other details.

3. Attachments

Attach **Form 4136,** Credit for Federal Tax on Fuels, after page 4, Form 1120-RIC. Attach schedules in alphabetical order and other forms in numerical order after Form 4136.

Please complete every applicable entry space on Form 1120-RIC. Do not attach statements and write "See attached" in lieu of completing the entry spaces on Form 1120-RIC.

If more space is needed on the forms or schedules, attach separate sheets indicating at the top of each attachment the form number or schedule letter of the form or schedule being continued. Also, show the same information called for on the form in the same order as on the printed forms. **Be sure to show totals on the printed forms.** Please use sheets that are the same size as the forms and schedules. Attach these separate sheets after all the schedules and forms. Also, put the fund's EIN on each sheet.

F. Additional Information

Be sure to answer questions G through Q on page 3, Form 1120-RIC. The instructions that follow are keyed to these questions.

1. Question G(2)(c)

Foreign person.—The term "Foreign person" means:

1. A foreign citizen or nonresident alien;
2. A foreign partnership;
3. A foreign corporation;
4. Any 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.

2. Question I

Foreign financial accounts.—Check the "Yes" box if either **a** or **b,** below, applies to the fund; otherwise, check the "No" box:

a. At any time during the year the fund had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account); AND

- The combined value of the accounts was more than $10,000 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.

b. The fund owns more than 50% of the stock in any corporation that would answer "Yes" to item **a** above.

Get form **TD F 90-22.1,** Report of Foreign Bank and Financial Accounts, to see if the fund is considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If "Yes" is checked for this question, file form TD F 90-22.1 by June 30, 1991, with the Department of the Treasury at the address shown on the form. Form TD F 90-22.1 is not a tax return, so **do not** file it with Form 1120-RIC.

Form TD F 90-22.1 may be obtained from IRS Forms Distribution Centers.

Also, if "Yes" is checked for this question, write the name of the foreign country or countries. Attach a separate sheet if more space is needed.

Specific Instructions

Address.—Include the suite, room, or other unit number after the street address. If the Post Office does not deliver mail to the street address and the RIC has a P.O. box, show the P.O. box number instead of the street address.

Item B. Date fund was established.—If this return is being filed for a series fund (as defined in section 851(h)(2)), enter the date the fund was created. Otherwise, enter the date the RIC was incorporated or organized.

Item C. Employer identification number.—Enter the EIN of the fund. A fund that does not have an EIN should apply for one on **Form SS-4,** Application for Employer Identification Number. This form may be obtained from most IRS and Social Security Administration offices. Send Form SS-4 to the same Internal Revenue Service Center to which Form 1120-RIC is mailed. If the EIN has not been received by the filing time for the fund's tax return, write "Applied for" in the space for the EIN.

For more information concerning an EIN, see Pub. 583.

Item D. Total assets.—Enter the total assets of the fund as of the end of the tax year. If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Item E.—Indicate a final return, change in address, or amended return by checking the appropriate box.

Form 8822, Change of Address, can be filed to notify IRS of a change of address that occurs after the return is filed.

Part I

Income

Line 1. Dividends.—A fund that is the holder of record of any share of stock on the record date for a dividend payable on that stock must include the dividend in gross income by the later of: **(1)** the date the share became ex-dividend, or **(2)** the date the company acquired the share.

Line 2. Interest.—Enter taxable interest on U.S. obligations and on loans, notes, mortgages, bonds, bank deposits, corporate bonds, tax refunds, etc.

Do not offset interest expense against interest income.

Line 3. Net foreign currency gain or (loss) from section 988 transactions.—Enter the net foreign currency gain or (loss) from section 988 transactions that is treated as ordinary income or loss under section 988(a)(1)(A). Attach a schedule detailing each separate transaction.

Line 4. Payments with respect to securities loans.—Enter the amount received or accrued from a broker as compensation for securities loaned by the fund to the broker for use in completing market transactions. Such payments must

meet the requirements of section 512(a)(5).

Line 5. Excess of net short-term capital gain over net long-term capital loss.—Enter on this line only the gain shown on line 9, **Schedule D (Form 1120),** Capital Gains and Losses. To report the net capital gain on line 10, Schedule D (Form 1120), see the instructions for Part II.

Note: *Every sale or exchange of a capital asset must be reported in detail on Schedule D (Form 1120), even though no gain or loss is indicated.*

Line 6. Net gain or (loss).—Enter the net gain or (loss) from **Form 4797,** Sales of Business Property, Part II, line 18.

Line 7. Other Income.—Enter any other taxable income not listed above, except net capital gain that must be reported in Part II, and explain its nature on an attached schedule. Examples of other income are any adjustment under section 481(a) required to be included in income during the current tax year due to a change in method of accounting; gross rents; recoveries of fees or expenses in settlement or litigation; 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 to the extent they reduced income subject to tax in the year deducted (see section 111). Do not offset current year's taxes with tax refunds.

If "other income" consists of only one item, describe it in parentheses on line 7.

Deductions

Limitations on deductions.—

1. *Transactions between related taxpayers.* Generally, an accrual basis taxpayer may only deduct business expenses and interest owed to a related party in the year the payment is included in the income of the related party. See sections 163(j) and 267 for limitation on deductions for unpaid expenses and interest.

2. *Direct and indirect costs (including taxes) allocable to real or tangible personal property constructed or improved by the taxpayer.* Such costs must be capitalized in accordance with section 263A.

3. *Golden parachute payments.* A portion of the payments made by a corporation to key personnel that exceeds their usual compensation may not be deductible. This occurs when the corporation has an agreement (golden parachute) with these key employees to pay them these excessive amounts if control of the corporation changes. See section 280G.

4. *Business startup expenses.* These expenses are required to be capitalized unless an election is made to amortize them over a period of 60 months. See section 195.

5. *Section 265(a)(3) limitation.* If the fund paid exempt-interest dividends during the tax year (including those dividends deemed paid under section 855), no deduction is allowed for that portion of otherwise deductible expenses which the amount of tax-exempt interest income bears to total gross income (including tax-exempt income but excluding capital gain net income).

6. The *net operating loss deduction* is not allowed.

7. *Passive activity limitations.* Limitations on passive activity losses and credits under section 469 apply to funds that are closely held (as defined in section 469(j)(1)). Funds subject to the passive activity limitations must complete **Form 8810,** Corporate Passive Activity Loss and Credit Limitations, to compute their allowable passive activity loss and credit.

Line 9. Compensation of officers.—Besides entering the total officers' compensation on line 9, Form 1120-RIC filers must complete Schedule E on page 2 if their total receipts (line 8, Part I, plus net capital gain from line 1, Part II, and line 9a, Form 2438) are $500,000 or more. Do not include compensation deductible elsewhere on the return, such as elective contributions to a section 401(k) cash or deferred arrangement or amounts contributed under a salary reduction SEP agreement.

Complete Schedule E, columns (a) through (e), for all officers. The RIC determines who is an officer under the laws of the state where it is incorporated.

Line 10. Salaries and wages.—Enter on line 10a the amount of total salaries and wages paid or incurred for the tax year. Do not include salaries and wages deductible elsewhere on the return, such as elective contributions to a section 401(k) cash or deferred arrangement or amounts contributed under a salary reduction SEP agreement.

Caution: *If the fund provided taxable fringe benefits to its employees, such as personal use of a car, do not deduct as wages the amount allocated for depreciation and other expenses claimed on lines 14 and 22.*

Enter on line 10b the amount of jobs credit from **Form 5884,** Jobs Credit.

Line 12. Taxes.—Enter taxes paid or accrued during the tax year, but do not include the following:

1. Federal income taxes;
2. Foreign or U.S. possession income taxes if a tax credit is claimed or the fund made an election under section 853;
3. Excise taxes imposed under section 4982 on undistributed RIC income;
4. Taxes not imposed on the fund; or
5. Taxes, including state or local sales taxes, that are paid or incurred in connection with an acquisition or disposition of property (such taxes must be treated as a part of the cost of the acquired property or, in the case of a disposition, as a reduction in the amount realized on the disposition).

See section 164(d) for apportionment of taxes on real property between seller and purchaser.

Line 13. Interest.—If the proceeds of a loan were used for more than one purpose (e.g., to purchase a portfolio investment and to acquire an interest in a passive activity), an interest allocation must be made. See Temporary Regulations section 1.163-8T for the interest allocation rules. Do not include interest on indebtedness incurred or continued to purchase or carry obligations on which the interest is wholly exempt from tax.

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 1990 prepaid interest allocable to any period after 1990 can deduct only the amount allocable to 1990. See **Pub. 545,** Interest Expense.

Generally, the interest and carrying charges on straddles must be capitalized. See section 263(g).

See section 163(e)(5) which provides special rules for the disqualified portion of original issue discount on a high yield discount obligation.

Certain interest paid or accrued by the fund (directly or indirectly) to a related person may be limited if no tax is imposed on such interest. See section 163(j) for more information.

Line 14. Depreciation.—Besides depreciation, include on line 14 the part of the cost (up to $10,000) that the fund elected to expense for certain tangible property placed in service during tax year 1990 or carried over from 1989. See the instructions for **Form 4562,** Depreciation and Amortization.

Line 22. Other deductions.—Attach a separate sheet listing all allowable deductions that are not deductible elsewhere on Form 1120-RIC. Enter the total on this line.

Include on this line contributions deductible under section 170; contributions to pension and profit-sharing plans, employee benefit programs, etc.; and amortization of organization expenses.

If a contribution deductible under section 170 is in property other than money and the total claimed deduction for all property contributed exceeds $500, the fund (except if closely held) shall attach a schedule describing the kind of property contributed and the method used in determining its fair market value. Closely held funds must complete **Form 8283,** Noncash Charitable Contributions, and attach it to their returns. All other funds generally must complete and attach Form 8283 to their returns for contributions of property other than money if the total claimed deduction for all property contributed was more than $5,000.

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. There are penalties for failure to file these forms on time and for overstating the pension plan deduction. See sections 6652(e) and 6662(f).

Form 5500.—Complete this form for each plan with 100 or more participants.

Form 5500-C/R.—Complete this form for each plan with fewer than 100 participants.

Form 5500EZ.—Complete this form for a one-participant plan.

Page 5

Generally, a deduction may not be taken for the amount of any item or part thereof allocable to a class of exempt income. See Section 265(b) for exceptions.

Generally, the fund can deduct only 80% of the amount otherwise allowable for meals and entertainment expenses. In addition, meals must not be lavish or extravagant; a bona fide business discussion must occur during, immediately before, or immediately after the meal; and an employee of the fund must be present at the meal. See section 274(k)(2) for exceptions. If the fund claims a deduction for unallowable meal expenses, it may have to pay a penalty.

Additional limitations apply to deductions for skybox rentals, luxury water travel, convention expenses, and entertainment tickets. See section 274 and **Pub. 463,** Travel, Entertainment, and Gift Expenses, for details.

All other ordinary and necessary travel expenses paid or incurred in the trade or business of the fund are generally fully deductible. However, expenses 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 are not deductible. **(Note:** *The fund may be able to deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099-MISC for an independent contractor.)*

Note: *Do not deduct penalties imposed on the fund such as those included in General Instruction D.*

Line 24. Taxable income before deduction for dividends paid.—Special "at-risk" rules under section 465 generally apply to closely held funds engaged in any activity as a trade or business or for the production of income. Such taxpayers may have to adjust the amount on line 24. But the at-risk rules do not apply to: **(1)** holding real property placed in service by the taxpayer before 1987; **(2)** equipment leasing under sections 465(c)(4), (5), and (6); and **(3)** any qualifying business of a qualified corporation under section 465(c)(7). However, the at-risk rules do apply to the holding of mineral property. For more information, see section 465 and **Form 6198,** At-Risk Limitations.

Part II

Line 1. Net capital gain.—Enter on this line the gain shown on line 10, Schedule D (Form 1120). To report the excess of net short-term capital gain over net long-term capital loss, see the instructions for line 5, Part I.

Line 2. Capital gain dividends.—Enter the deduction for dividends paid determined with reference to capital gain dividends only, as designated by the fund in accordance with section 852(b)(3)(C), but do not include any amount reported for the tax year on Form 2438, line 9b. The rules in section 561 (taking into account sections 852(b)(7) and 855(a)) determine the amount that is deductible for the tax year. To compute the deduction for capital gain dividends, it may be useful to prepare a worksheet similar to Schedule A, page 2, Form 1120-RIC.

Page 6

Tax on Certain Built-In Gains

IRS intends to issue regulations under section 337(d) that will impose a tax on the net built-in gain of C corporation assets in connection with: **(1)** the qualification of a corporation to be taxed as a RIC, or **(2)** the transfer of such assets to a RIC in a carryover basis transaction.

Generally, the net built-in gain equals the excess of aggregate gains over aggregate losses that would have been realized if the corporation had sold all of its assets at their respective fair market values on the relevant date described below and immediately liquidated. Unless the corporation makes the election described below, the gain must be recognized by the corporation as of: **(a)** the last day of the tax year immediately preceding the year in which it qualified as a RIC, in the case of (1) above; or **(b)** the day before the date of the transfer of assets, in the case of (2) above.

Election.—The regulations will allow the RIC to elect to pay the tax on any built-in gains recognized within a 10-year period on the assets held by the corporation before it was taxed as a RIC or before it transferred the assets in a carryover basis transaction to the RIC. The built-in gains of an electing RIC and the tax imposed on such gains will be subject to rules similar to the rules relating to net income from foreclosure property of real estate investment trusts under section 857.

In the case of a corporation qualifying to be taxed as a RIC, the regulations generally will apply to tax years beginning after June 9, 1987. However, the regulations will not apply to any corporation that was taxed as a RIC for its tax year that included June 9, 1987. In addition, a previously qualifying RIC that fails to meet the qualifications to be taxed as a RIC for a single tax year generally will not be required to recognize net built-in gain under the regulations upon requalification as a RIC. For carryover basis transactions, the regulations will generally apply to transactions occurring after June 9, 1987.

For more information, see Notice 88-19, 1988-1 C.B. 486, and Notice 88-96, 1988-2 C.B. 420.

Note: *Details on how to compute and report this tax on Form 1120-RIC (if the fund makes the election described above) were not available at the time these instructions were printed but will be announced by IRS after publication of the regulations under section 337(d). If the fund is required to file Form 1120-RIC before these details are announced, the fund should not include the built-in gains tax on Form 1120-RIC at the time of original filing. Rather, the tax should be shown on an amended Form 1120-RIC filed after the announcement is issued by IRS.*

Schedule A

Deductions for Dividends Paid.

Lines 1 through 5.—The rules in section 561 (taking into account sections 852(b)(7) and 855(a)) determine the deduction for dividends paid. In computing the amounts to be entered on lines 1 through 4, do not take into account capital gain dividends (as defined in section 852(b)(3)(C)) or exempt-interest dividends (as defined in section 852(b)(5)).

Line 3.—Dividends declared in October, November, or December and payable to shareholders of record on a specified date in such a month are treated as having been paid by the fund and received by each shareholder on December 31 of such year provided the dividends are actually paid in January of the following year. Enter on line 3 all such dividends that are not already included on line 1 or 2.

Schedule B

Income From Tax-Exempt Obligations

If, at the close of each quarter of the tax year, at least 50% of the value of the fund's assets consisted of tax-exempt obligations under section 103(a), the fund qualifies under section 852(b)(5) to pay exempt-interest dividends for the tax year and it must check the "Yes" box and complete lines 1 through 4 in Schedule B. See section 852(b)(5) for the definition of exempt-interest dividends and other details.

Schedule J

Tax Computation

Lines 1 and 2.—Members of a controlled group, as defined in section 1563, are entitled to one $50,000 and one $25,000 taxable income bracket amount (in that order) on line 2a.

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 amount in each taxable income bracket apportioned to that member. There are other requirements as well. See Regulations section 1.1561-3(b) for the requirements 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 amount 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 apportionment plan. Therefore, both corporation A and corporation B are entitled to $25,000 (one-half of $50,000) in the $50,000 taxable income bracket on line 2a(i) and to $12,500 (one-half of $25,000) in the $25,000 taxable income bracket on line 2a(ii).

Unequal apportionment plan. Members of a controlled group may elect an unequal apportionment plan and divide the taxable income brackets 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 taxable income brackets. (But the total amount for all members of the controlled group cannot be more than the total amount in each taxable income bracket.)

Each member of a controlled group must compute the tax on its investment company taxable income as follows (except funds that are personal holding companies or that are not in compliance with Regulations section 1.852-6):

1. Enter investment company taxable income (line 26, page 1, Form 1120-RIC) . . . . . _____
2. Enter line 1 or the fund's share of the $50,000 taxable income bracket, whichever is less . . . . . _____
3. Subtract line 2 from line 1 . . . . _____
4. Enter line 3 or the fund's share of the $25,000 taxable income bracket, whichever is less . . . . . _____
5. Subtract line 4 from line 3 . . . . _____
6. Enter 15% of line 2 . . . . . _____
7. Enter 25% of line 4 . . . . . _____
8. Enter 34% of line 5 . . . . . _____
9. If the taxable income of the controlled group exceeds $100,000, enter this member's share of the lesser of: **(a)** 5% of the excess over $100,000, or **(b)** $11,750. (See instructions for additional 5% tax, below.) . . . _____
10. Total of lines 6 through 9. Enter this amount on line 3a, Schedule J, Form 1120-RIC. . . . . _____

Additional 5% tax. Members of a controlled group are treated as one corporation for purposes of figuring the applicability of the additional 5% tax that must be paid by corporations with taxable income in excess of $100,000. If the additional tax applies, each member of the controlled group will pay that tax based on the part of the amount that is used in each taxable income bracket to reduce that member's tax. (See section 1561(a).) Each member of the group must enter its share of the additional 5% tax on line 2b and attach to its tax return a schedule that shows the taxable income of the entire group as well as how its share of the additional tax was figured.

Line 3a.—The fund must compute its tax on its investment company taxable income as follows:

(1) Funds that are not personal holding companies and are in compliance with Regulations section 1.852-6 regarding disclosure of the fund's actual stock ownership (Members of a controlled group should see the instructions above for lines 1 and 2):

If its investment company taxable income (line 26, Form 1120-RIC) on page 1 is:			
Over—	*But not over—*	*Its tax is:*	*Of the amount over—*
0	$50,000	15%	0
$50,000	75,000	$7,500 + 25%	$50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	-----	34%	0

(2) Funds that are personal holding companies or are not in compliance with Regulations section 1.852-6:

A fund that is a personal holding company or is not in compliance with Regulations section 1.852-6 is taxed at a flat rate of 34% on its investment company taxable income.

Line 3c. Deferred tax amount under section 1291.—If the fund was a shareholder in a passive foreign investment company (PFIC) that received an excess distribution or disposed of its investment in the PFIC during the year, it must include the aggregate increases in taxes due under section 1291(c)(2) in the amount to be entered on line 3c, Schedule J. Write on the dotted line to the left of line 3c, Schedule J, "Sec. 1291—$(amount)." Do not include on line 3c the interest charge due under section 1291(c)(3). Instead, write "Sec. 1291 interest" and the amount owed in the bottom margin of page 1, Form 1120-RIC. See Form 8621 for details.

Line 4a. Foreign tax credit.—See **Form 1118,** Computation of Foreign Tax Credit— Corporations, for an explanation of when the fund can take credit for payment of income tax to a foreign country or U.S. possession. The fund may not claim this credit if an election under section 853 was made for the tax year.

Line 4b. General business credit.—This credit is made up of the sum of the following credits:

Investment credit. The investment credit was generally repealed for property placed in service after 1985. See **Form 3468,** Investment Credit, for exceptions.

Jobs credit. The jobs credit, if elected, is allowed for hiring members of targeted groups during the tax year. See **Form 5884,** Jobs Credit, for definitions, special rules, and limitations.

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 38(c))).

Alcohol fuel credit. The fund may be able to take a credit for alcohol used as fuel. Use **Form 6478,** Credit for Alcohol Used as Fuel, to figure the credit.

Credit for increasing research activities. See **Form 6765,** Credit for Increasing Research Activities, and section 41.

Low-income housing credit. See **Form 8586,** Low-Income Housing Credit, and section 42.

Disabled access credit. A corporation may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See "Important Change" on page 1 for more information on this credit.

Form 3800, *General Business Credit.* Complete Form 3800 if the fund has: **(1)** more than one of the above credits; **OR (2)** a credit carryforward or carryback (including one from an ESOP credit); **OR (3)** a passive activity credit. Enter the amount of the general business credit on the appropriate line and check the Form 3800 box on that line.

Form 3800 is not required if the fund has only one of the general business credits (and items (2) and (3) do not apply). Instead, attach the applicable credit form to the return and check the appropriate box for that form.

If the corporation's only general business credit is the disabled access credit, attach Form 8826 to the return and write "From Form 8826" in the space to the left of line 4b.

Line 4c. Credit for prior year minimum tax.—Use **Form 8801,** Credit for Prior Year Minimum Tax, to figure the minimum tax credit and any carryforward of that credit.

Line 4d. Credit for fuel produced from a nonconventional source.—A credit is allowed for the sale of qualified fuels produced from a nonconventional source. Section 29 contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a separate schedule to the return showing the computation of the credit. Include the amount of the credit in the total for line 4d, Schedule J. Write next to the entry for line 4d the amount of the credit and identify it as "section 29 credit."

Also see Form 8801 if any of the credit is disallowed solely because of the tentative minimum tax limitation. Also see section 53(d).

Line 6. Personal holding company tax.—The fund is taxed as a personal holding company under section 542 if:

- At least 60% of its adjusted ordinary gross income for the tax year is personal holding company income, and
- At any time during the last half of the tax year more than 50% in value of its outstanding stock is owned, directly or indirectly, by not more than 5 individuals.

See section 543(a) for the definition of personal holding company income and section 543(b)(2) for the definition of adjusted ordinary gross income.

Use **Schedule PH (Form 1120),** U.S. Personal Holding Company Tax, to figure this tax.

Line 7. Recapture taxes.—*Recapture of investment credit.* If property is disposed of or ceases to be qualified property before the end of the life-years used in computing the regular or energy investment credit, there may be a recapture of the credit. See **Form 4255,** Recapture of Investment Credit.

Recapture of low-income housing credit. If the fund must recapture part of the low-income housing credit because there has been a decrease in the qualified basis of a building from the prior year or if it disposed of the building or an ownership interest in it, see **Form 8611,** Recapture of Low-Income Housing Credit, and section 42(j).

Line 8. Alternative minimum tax.—File Form 4626 if the total of investment company taxable income or (loss) and retained capital gains not designated under section 852(b)(3)(D) plus adjustments and tax preference items of the fund exceeds the lesser of: **(a)** $40,000, or **(b)** the fund's allowable exemption amount. See Form 4626 for details. Reduce alternative minimum tax

by any credit allowed under section 38(c)(2) on line 19 of Schedule A, Form 3800. Write on the dotted line to the left of line 8, "Sec. 38(c)(2)—$(amount)."

Line 9. Deferred tax and interest on undistributed earnings of a qualified electing fund under section 1294.—Follow the instructions for Form 8621 to determine the amount of tax owed or deferred to include in or subtract from the total tax on line 9, Schedule J. Write on the dotted line to the left of line 9, Schedule J, "Sec. 1294" and the amount of tax to be added to or subtracted from the total for line 9. (Show an amount to be subtracted in brackets.) Do not include on line 9 the interest charge due on the deferred tax. Instead, write "Sec. 1294 interest" and the amount owed in the bottom margin of page 1, Form 1120-RIC.

Interest on tax deferred under the installment method for certain non-dealer installment obligations.—If an obligation arising from the disposition of property to which section 453A applies is outstanding at the close of the year, the fund must include the interest due under section 453A(c) in the amount to be entered on line 9, Schedule J. Write on the dotted line to the left of line 9, Schedule J, "Sec. 453A(c) interest—$(amount)." Attach a schedule showing the computation.

Schedule L

Balance Sheets

Line 4. Tax-exempt securities.—Include on this line:

(1) State and local government obligations, the interest on which is excludible from gross income under section 103(a), and

(2) Stock in another mutual fund or other RIC that distributed exempt-interest dividends during the tax year of the fund.

Schedule M-1

Reconciliation of Income per Books With Income per Return

Line 5d. Travel and entertainment.—Include on this line: 20% of meals and entertainment not allowed under section 274(n); expenses for the use of an entertainment facility; the part of business gifts in excess of $25; expenses of an individual allocable to conventions on cruise ships in excess of $2,000; employee achievement awards in excess of $400; the cost of entertainment tickets in excess of face value (also subject to 20% disallowance); the cost of skyboxes in excess of the face value of non-luxury box seat tickets; the part of the cost of luxury water travel not allowed under section 274(m); expenses for travel as a form of education; and other travel and entertainment expenses not allowed as a deduction.

*U.S. Government Printing Office: 1990 — 265-276

Form **1120S** — Department of the Treasury, Internal Revenue Service

U.S. Income Tax Return for an S Corporation

For calendar year 1990, or tax year beginning _____, 1990, and ending _____, 19____

▶ See separate instructions.

OMB No. 1545-0130

1990

A Date of election as an S corporation

B Business code no. (see Specific Instructions)

Use IRS label. Otherwise, please print or type.

Name

Number, street, and room or suite no. (If a P.O. box, see page 7 of the instructions.)

City or town, state, and ZIP code

C Employer identification number

D Date incorporated

E Total assets (see Specific Instructions)

$

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address (4) ☐ Amended return

G Check this box if this is an S corporation subject to the consolidated audit procedures of sections 6241 through 6245 (see instructions for details before checking this box) ▶ ☐

H Enter number of shareholders in the corporation at end of the tax year ▶

Caution: *Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information.*

Income	1a	Gross receipts or sales	b Less returns and allowances	c Bal ▶ 1c
	2	Cost of goods sold (Schedule A, line 7)		2
	3	Gross profit (subtract line 2 from line 1c)		3
	4	Net gain (loss) from Form 4797, Part II, line 18		4
	5	Other income (see instructions) *(attach schedule)*		5
	6	**Total** income (loss)—Combine lines 3 through 5	▶	6
Deductions (See instructions for limitations.)	7	Compensation of officers		7
	8a	Salaries and wages	b Less jobs credit	c Bal ▶ 8c
	9	Repairs		9
	10	Bad debts		10
	11	Rents		11
	12	Taxes		12
	13	Interest		13
	14a	Depreciation (see instructions)	14a	
	b	Depreciation reported on Schedule A and elsewhere on return	14b	
	c	Subtract line 14b from line 14a		14c
	15	Depletion (**Do not deduct oil and gas depletion.** See instructions.)		15
	16	Advertising		16
	17	Pension, profit-sharing, etc., plans		17
	18	Employee benefit programs		18
	19	Other deductions *(attach schedule)*		19
	20	**Total** deductions—Add lines 7 through 19	▶	20
	21	Ordinary income (loss) from trade or business activities—Subtract line 20 from line 6		21
Tax and Payments	22	**Tax:**		
	a	Excess net passive income tax *(attach schedule)*	22a	
	b	Tax from Schedule D (Form 1120S)	22b	
	c	Add lines 22a and 22b (see instructions for additional taxes)		22c
	23	**Payments:**		
	a	1990 estimated tax payments	23a	
	b	Tax deposited with Form 7004	23b	
	c	Credit for Federal tax on fuels *(attach Form 4136)*	23c	
	d	Add lines 23a through 23c		23d
	24	Enter any **penalty** for underpayment of estimated tax—Check ▶ ☐ if Form 2220 is attached		24
	25	**Tax due**—If the total of lines 22c and 24 is larger than line 23d, enter amount owed. See instructions for depositary method of payment	▶	25
	26	**Overpayment**—If line 23d is larger than the total of lines 22c and 24, enter amount overpaid	▶	26
	27	Enter amount of line 26 you want: **Credited to 1991 estimated tax** ▶	**Refunded** ▶	27

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 _____

Paid Preparer's Use Only

Preparer's signature ▶ _____ Date _____ Check if self-employed ▶ ☐ Preparer's social security number _____

Firm's name (or yours if self-employed) and address ▶ _____ E.I. No. ▶ _____ ZIP code ▶ _____

For Paperwork Reduction Act Notice, see page 1 of separate instructions. Form **1120S** (1990)

Schedule A Cost of Goods Sold (See instructions.)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4a	Additional section 263A costs (see instructions) *(attach schedule)*	4a	
b	Other costs *(attach schedule)*	4b	
5	Total—Add lines 1 through 4b	5	
6	Inventory at end of year	6	
7	Cost of goods sold—Subtract line 6 from line 5. Enter here and on line 2, page 1	7	

8a Check all methods used for valuing closing inventory:

(i) ☐ Cost

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c)

(iv) ☐ Other (specify method used and attach explanation) ▶

b Check this box if the LIFO inventory method was adopted 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 8c

d Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. ☐ Yes ☐ No

Additional Information Required (continued from page 1)

		Yes	No
I	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: **(1)** name, address, and employer identification number; and **(2)** percentage owned.		
J	Refer to the list in the instructions and state your principal: (1) Business activity ▶ _____ (2) Product or service ▶ _____		
K	Were you a member of a controlled group subject to the provisions of section 1561?		
L	At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See instructions for exceptions and filing requirements for form TD F 90-22.1.) If "Yes," enter the name of the foreign country ▶ _____		
M	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 have to file **Forms 3520, 3520-A, or 926**		
N	During this tax year did you maintain any part of your accounting/tax records on a computerized system?		
O	Check method of accounting: **(1)** ☐ Cash **(2)** ☐ Accrual **(3)** ☐ Other (specify) ▶ _____		
P	Check this box if the S corporation has filed or is required to file **Form 8264,** Application for Registration of a Tax Shelter ▶ ☐		
Q	Check this box if the corporation issued publicly offered debt instruments with original issue discount ▶ ☐ If so, the corporation may have to file **Form 8281,** Information Return for Publicly Offered Original Issue Discount Instruments.		
R	If the corporation: **(1)** filed its election to be an S corporation after 1986, **(2)** was a C corporation before it elected to be an S corporation **or** the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and **(3)** has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see instructions) ▶ $ _____		
S	Check this box if the corporation had subchapter C earnings and profits at the close of the tax year (see instructions) ▶ ☐		

Designation of Tax Matters Person (See instructions.)

Enter below the shareholder designated as the tax matters person (TMP) for the tax year of this return:

Name of designated TMP ▶ _____ Identifying number of TMP ▶ _____

Address of designated TMP ▶ _____

Form 1120S (1990) Page 3

Schedule K Shareholders' Shares of Income, Credits, Deductions, Etc.

		(a) Pro rata share items		(b) Total amount
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 21)	1	
	2	Net income (loss) from rental real estate activities *(attach Form 8825)*	2	
	3a	Gross income from other rental activities — 3a		
	b	Less expenses *(attach schedule)* — 3b		
	c	Net income (loss) from other rental activities	3c	
	4	Portfolio income (loss):		
	a	Interest income	4a	
	b	Dividend income	4b	
	c	Royalty income	4c	
	d	Net short-term capital gain (loss) *(attach Schedule D (Form 1120S))*	4d	
	e	Net long-term capital gain (loss) *(attach Schedule D (Form 1120S))*	4e	
	f	Other portfolio income (loss) *(attach schedule)*	4f	
	5	Net gain (loss) under section 1231 (other than due to casualty or theft) *(attach Form 4797)*	5	
	6	Other income (loss) *(attach schedule)*	6	
Deductions	7	Charitable contributions (see instructions) *(attach list)*	7	
	8	Section 179 expense deduction *(attach Form 4562)*	8	
	9	Deductions related to portfolio income (loss) (see instructions) (itemize)	9	
	10	Other deductions *(attach schedule)*	10	
Investment Interest	11a	Interest expense on investment debts	11a	
	b	(1) Investment income included on lines 4a through 4f above	11b(1)	
		(2) Investment expenses included on line 9 above	11b(2)	
Credits	12a	Credit for alcohol used as a fuel *(attach Form 6478)*	12a	
	b	Low-income housing credit (see instructions):		
		(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12b(1)	
		(2) Other than on line 12b(1) for property placed in service before 1990	12b(2)	
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12b(3)	
		(4) Other than on line 12b(3) for property placed in service after 1989	12b(4)	
	c	Qualified rehabilitation expenditures related to rental real estate activities *(attach Form 3468)*	12c	
	d	Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities (see instructions)	12d	
	e	Credits related to other rental activities (see instructions)	12e	
	13	Other credits (see instructions)	13	
Adjustments and Tax Preference Items	14a	Accelerated depreciation of real property placed in service before 1987	14a	
	b	Accelerated depreciation of leased personal property placed in service before 1987	14b	
	c	Depreciation adjustment on property placed in service after 1986	14c	
	d	Depletion (other than oil and gas)	14d	
	e	(1) Gross income from oil, gas, or geothermal properties	14e(1)	
		(2) Deductions allocable to oil, gas, or geothermal properties	14e(2)	
	f	Other adjustments and tax preference items *(attach schedule)*	14f	
Foreign Taxes	15a	Type of income ▶		
	b	Name of foreign country or U.S. possession ▶		
	c	Total gross income from sources outside the U.S. *(attach schedule)*	15c	
	d	Total applicable deductions and losses *(attach schedule)*	15d	
	e	Total foreign taxes (check one): ▶ ☐ Paid ☐ Accrued	15e	
	f	Reduction in taxes available for credit *(attach schedule)*	15f	
	g	Other foreign tax information *(attach schedule)*	15g	
Other Items	16a	Total expenditures to which a section 59(e) election may apply	16a	
	b	Type of expenditures ▶		
	17	Total property distributions (including cash) other than dividends reported on line 19 below	17	
	18	Other items and amounts required to be reported separately to shareholders (see instructions) *(attach schedule)*		
	19	Total dividend distributions paid from accumulated earnings and profits	19	
	20	Income (loss) (Required only if Schedule M-1 must be completed.)—Combine lines 1 through 6 in column (b). From the result subtract the sum of lines 7 through 11a, 15e, and 16a	20	

Form 1120S (1990) Page 4

Schedule L Balance Sheets

	Beginning of tax year (a)	Beginning of tax year (b)	End of tax year (c)	End of tax year (d)
Assets				
1 Cash				
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets *(attach schedule)*				
7 Loans to shareholders				
8 Mortgage and real estate loans				
9 Other investments *(attach schedule)*				
10a Buildings and other depreciable assets				
b Less accumulated depreciation				
11a Depletable assets				
b Less accumulated depletion				
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)				
b Less accumulated amortization				
14 Other assets *(attach schedule)*				
15 Total assets				
Liabilities and Shareholders' Equity				
16 Accounts payable				
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities *(attach schedule)*				
19 Loans from shareholders				
20 Mortgages, notes, bonds payable in 1 year or more				
21 Other liabilities *(attach schedule)*				
22 Capital stock				
23 Paid-in or capital surplus				
24 Retained earnings		( )		( )
25 Less cost of treasury stock				
26 Total liabilities and shareholders' equity				

Schedule M-1 **Reconciliation of Income per Books With Income per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than $25,000.)

1 Net income per books		5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize): a Tax-exempt interest $	
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):			
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16a (itemize): a Depreciation $ b Travel and entertainment $		6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16a, not charged against book income this year (itemize): a Depreciation $	
4 Total of lines 1 through 3		7 Total of lines 5 and 6	
		8 Income (loss) (Schedule K, line 20)—Line 4 less line 7	

Schedule M-2 **Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed** (See instructions.)

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year			
2 Ordinary income from page 1, line 21			
3 Other additions			
4 Loss from page 1, line 21	( )	( )	
5 Other reductions			
6 Combine lines 1 through 5			
7 Distributions other than dividend distributions			
8 Balance at end of tax year—subtract line 7 from line 6			

☆ U.S. GOVERNMENT PRINTING OFFICE: 1990 — 265-280

1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 1120S

U.S. Income Tax Return for an S Corporation

(Section references are to the Internal Revenue Code unless otherwise noted.)

Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. 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.

The time needed to complete and file the following forms will vary depending on individual circumstances. The estimated average times are:

Form	Recordkeeping	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to IRS
1120S	62 hrs., 54 min.	19 hrs., 8 min.	34 hrs., 57 min.	4 hrs., 1 min.
Sch. D (1120S)	7 hrs., 53 min.	4 hrs., 31 min.	9 hrs., 31 min.	1 hr., 20 min.
Sch. K-1 (1120S)	19 hrs., 8 min.	10 hrs., 13 min.	14 hrs., 42 min.	1 hr., 4 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making these forms more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service,** Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget,** Paperwork Reduction Project (1545-0130), Washington, DC 20503. **DO NOT** send the tax form to either of these offices. Instead, see the instructions below for information on where to file.

Voluntary Contributions To Reduce the Public Debt

Quite often, inquiries are received about how to make voluntary contributions to reduce the public debt. A corporation may contribute by enclosing with the tax return a check made payable to "Bureau of the Public Debt."

Changes You Should Note

- **New Form 8752,** Required Payment or Refund Under Section 7519, has been developed to figure and report the amount the corporation must pay (or will receive as a refund) if the corporation has in effect an election under section 444 to have a tax year other than a required tax year. The new form eliminates the use of **Form 720,** Quarterly Federal Excise Tax Return, for this purpose. In addition, the Computation Schedule for Required Payment Under Section 7519 is no longer needed and has been removed from these instructions.
- **New Form 8825,** Rental Real Estate Income and Expenses of a Partnership or an S Corporation, has been developed to report income and expenses from rental real estate activities of the corporation. The new form, which provides space for up to eight rental properties, replaces former lines 2a and 2b of Schedule K on Form 1120S. The net income or loss from rental real estate activities from Form 8825 is carried to line 2 of Schedule K on Form 1120S.
- **New Form 8826,** Disabled Access Credit, has been developed as a result of the addition of section 44 by the Revenue Reconciliation Act of 1990. This allows eligible small businesses to claim a new nonrefundable income tax credit equal to 50% of expenses that are over $250 but not more than $10,250. These expenses must be paid or incurred after November 5, 1990, to enable a small business to comply with the requirements of the Americans With Disabilities Act of 1990. An "eligible small business" is one with gross receipts of $1 million or less in the previous tax year or one that had not more than 30 full-time employees in the previous tax year.

  Examples of expenses eligible for the credit include amounts paid or incurred: (1) to remove barriers that prevent a business from being accessible to, or usable by, individuals with disabilities; (2) to provide qualified interpreters or other methods of making audio materials available to hearing-impaired individuals; (3) to provide qualified readers, taped texts, and other methods of making visual materials available to individuals with visual impairments; or (4) to acquire or modify equipment or devices for individuals with disabilities.
- **Schedule M-1,** Reconciliation of Income per Books With Income per Return, on page 4 is new. You must complete Schedule M-1 if the corporation's total assets are $25,000 or more.

General Instructions

Note: *In addition to the publications listed throughout these instructions, you may wish to get:* ***Publication 334,*** *Tax Guide for Small Business;* ***Publication 535,*** *Business Expenses;* ***Publication 550,*** *Investment Income and Expenses;* ***Publication 556,*** *Examination of Returns, Appeal Rights, and Claims for Refund; and* ***Publication 589,*** *Tax Information on S Corporations.*

The above publications and other publications referenced throughout these instructions may be obtained at most IRS offices. To order publications and forms, call our toll-free number 1-800-TAX-FORM (829-3676).

Purpose of Form

Form 1120S is used to report the income, deductions, gains, losses, etc., of a domestic corporation that has filed **Form 2553,** Election by a Small Business Corporation, to be treated as an S corporation and whose election is in effect for the tax year.

Who Must File

A corporation must file Form 1120S if: **(a)** it elected by filing Form 2553 to be treated as an S corporation, **(b)** IRS accepted the election, and **(c)** the election remains in effect. Do not file Form 1120S until the corporation has been notified by the IRS that the election has been accepted.

Termination of Election

Once the election is made, it stays in effect for all years until it is terminated. During the 5 years after the tax year the election has been terminated, the corporation may make another election on Form 2553 only with IRS consent. See section 1362(g).

The election terminates **automatically** in any of the following cases:

a. The corporation is no longer a small business corporation as defined in section 1361(b). The termination of an election in this manner is effective as of the day on which the corporation ceases to be a small business corporation. See sections 1362(d)(2) and 1362(e) for more information.

b. If, for each of three consecutive tax years, the corporation has both subchapter C earnings and profits and gross receipts more than 25% of which are derived from passive investment income as defined in section 1362(d)(3)(D), the election terminates 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 22a for details on how to figure the tax.

c. The election may be revoked if shareholders who collectively own a majority of the stock in the corporation on the day on which the revocation is made consent to the revocation. If the revocation specifies a date for revocation which is on or after the date on which the revocation is made, the revocation is effective as of the specified date. If no date is specified, the revocation is effective as of the beginning of a tax year if it is made during the tax year and on or before the 15th day of the 3rd month of such tax year. If no date is specified and the revocation is made during the tax year but after the 15th day of the 3rd month, it is not effective until the beginning of the following tax year. See section 1362(d)(1) for more information.

When To File

In general, file Form 1120S by the 15th day of the 3rd month after the end of the tax year.

Use **Form 7004,** Application for Automatic Extension of Time To File Corporation Income Tax Return, to request an automatic 6-month extension of time to file Form 1120S.

Period To Be Covered by 1990 Return

File the 1990 return for calendar year 1990 and fiscal years beginning in 1990 and ending in 1991. If the return is for a fiscal year, fill in the tax year space at the top of the form.

Note: *The 1990 Form 1120S may also be used if:* ***(1)*** *the corporation has a tax year of less than 12 months that begins and ends in 1991; and* ***(2)*** *the 1991 Form 1120S is not available by the time the corporation is required to file its return. However, the corporation must show its 1991 tax year on the 1990 Form 1120S and incorporate any tax law changes that are effective for tax years beginning after December 31, 1990.*

Where To File

Use the preaddressed envelope. If you do not use the envelope, file your return at the applicable IRS address listed below.

If the corporation's principal business, office, or agency is located in ▼	Use the following Internal Revenue Service Center address ▼
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtsville, NY 00501
Connecticut, Maine, Massachusetts, New Hampshire, New York (all other counties), Rhode Island, Vermont	Andover, MA 05501
Florida, Georgia, South Carolina	Atlanta, GA 39901
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
California (all other counties), Hawaii	Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

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 a corporate officer filled 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, secretary, etc., should not sign.

Generally, 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 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 1120S to the taxpayer in addition to the copy filed with IRS.

Accounting Methods

Figure ordinary income using the method of accounting regularly used in keeping the corporation's books and records. Generally, permissible methods include the cash receipts and disbursements method, the accrual method, or any other method permitted by the Internal Revenue Code. In all cases, the method adopted must clearly reflect income. (See section 446.)

Generally, an S corporation may not use the cash method of accounting if the corporation is a tax shelter (as defined in section 448(d)(3)). See section 448 for details.

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that all events have occurred that determine the liability, the amount of the liability can be determined with reasonable accuracy, and economic performance takes place with respect to the expense. There are exceptions for recurring items.

For long-term contracts (except certain real property construction contracts) entered into after July 10, 1989, taxpayers must generally use the percentage of completion method described in section 460. However, for purposes of the percentage of completion method, the corporation may elect to postpone recognition of income and expense under a long-term contract entered into after July 10, 1989, until the first tax year as of the end of which at least 10% of the estimated total contract costs have been incurred.

Unless otherwise allowed by law, 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. See **Publication 538,** Accounting Periods and Methods, for more information.

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

Generally, an S corporation may not change its accounting period to a tax year that is not a permitted year. A "permitted year" is a calendar year or any other accounting period for which the corporation can establish to the satisfaction of the IRS that there is a business purpose for the tax year.

To change an accounting period, see Regulations section 1.442-1 and **Form 1128,** Application to Adopt, Change, or Retain a Tax Year. Also see Publication 538.

Election of a Tax Year Other Than a Required Year.—Under the provisions of section 444, an S corporation may elect to have a tax year other than a permitted year, but only if the deferral period of the tax year is not longer than 3 months. This election is made by filing **Form 8716,** Election To Have a Tax Year Other Than a Required Tax Year.

An S corporation may not make or continue an election under section 444 if it is a member of a tiered structure, other than a tiered structure that consists entirely of partnerships and S corporations all of which have the same tax year. For the S corporation to have a section 444 election in effect, it must make the payments required by section 7519 and file **Form 8752,** Required Payment or Refund Under Section 7519.

Depositary Method of Tax Payment

The corporation must pay the tax due (line 25, page 1) in full, no later than the 15th day of the 3rd month after the end of the tax year.

Deposit corporation income tax payments (and estimated tax payments) with **Form 8109,** Federal Tax Deposit Coupon. Be sure to darken the "1120" box on the coupon. Make these tax deposits with either a financial institution qualified as a depositary for Federal taxes or the Federal Reserve bank or branch servicing the geographic area where the corporation is located. Do not submit deposits directly to an IRS office; otherwise, the corporation may be subject to a penalty. Records of deposits will be sent to IRS for crediting to the corporation's account. See the instructions contained in the coupon book (Form 8109) for more information.

To help ensure proper crediting to your account, write the corporation's employer identification number, "Form 1120S," and the tax year to which the deposit applies on the corporation's check or money order.

To get more deposit forms, use the reorder form (**Form 8109A**) provided in the coupon book.

For additional information concerning deposits, see **Publication 583,** Taxpayers Starting a Business.

Estimated Tax

Generally, the corporation must make estimated tax payments for the following taxes, if the total of these taxes is $500 or more: **(a)** the tax on certain capital gains, **(b)** the tax on built-in gains, **(c)** the excess net passive income tax, and **(d)** the section 47 recapture tax.

The amount of estimated tax required to be paid annually is the lesser of: **(a)** 90% of the above taxes shown on the return for the tax year (or if no return is filed, 90% of these taxes for the year); or **(b)** the sum of **(i)** 90% of the sum of the section 47 recapture tax and the built-in gains tax (or the tax on certain capital gains) shown on the return for the tax year (or if no return is filed, 90% of these taxes for the year), and **(ii)** 100% of any excess net passive income tax shown on the corporation's return for the preceding tax year. If the preceding tax year was less than 12 months, the estimated tax must be determined under **(a)**.

The estimated tax is generally payable in 4 equal installments. However, the corporation may be able to lower the amount of one or more installments by using the annualized income installment method or adjusted seasonal installment method under section 6655(e).

For a calendar year corporation, the installments are due by April 15, June 15, September 15, and December 15. For a fiscal year corporation, they are due by the 15th day of the 4th, 6th, 9th, and 12th months of the fiscal year.

The installments are made using the depositary method of tax payment.

Interest and Penalties

Interest.—Interest is charged on taxes not paid by the due date, even if an extension of time to file is granted. Interest is also charged on the failure to file penalty, the accuracy-related penalty, and the fraud penalty from the due date (including extensions) to the date of payment. The interest charge is figured at a rate determined under section 6621.

Late Filing of Return.—Form 1120S is required to be filed under sections 6037(a) and 6012. A corporation that does not file its tax return by the due date, including extensions, generally may have to pay a penalty of 5% a month, or fraction of 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. See 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.

Late Payment of Tax.—A corporation that does not pay the tax when due generally may have to pay a penalty of ½ of 1% 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. See section 6651(a)(2).

Underpayment of Estimated Tax.—A corporation that fails to make estimated tax payments when due may be subject to an underpayment penalty for the period of underpayment. Use **Form 2220,** Underpayment of Estimated Tax by Corporations, to see if the corporation owes a penalty and to figure the amount of the penalty. If you attach Form 2220 to Form 1120S, be sure to check the box on line 24, page 1, and enter the amount of any penalty on this line.

Failure To Furnish Information Timely.—Section 6037(b) requires an S corporation to furnish to each shareholder a copy of such information shown on Schedule K-1 (Form 1120S) that is attached to Form 1120S. The Schedule K-1 must be furnished to each shareholder on or before the day on which the Form 1120S was filed.

For each failure to furnish Schedule K-1 to a shareholder when due and each failure to include on Schedule K-1 all of the information required to be shown (or the inclusion of incorrect information), a penalty of $50 may be imposed with respect to each Schedule K-1 for which a failure occurs. The maximum penalty is $100,000 for all such failures during a calendar year. If the requirement to report correct information is intentionally disregarded, each $50 penalty is increased to $100 or, if greater, 10% of the aggregate amount of items required to be reported (and the $100,000 maximum does not apply). See sections 6722 and 6724 for more information.

These penalties will not be imposed if the corporation can show that not filing, not paying, or not furnishing information timely was due to reasonable cause and not to willful neglect.

Unresolved Tax Problems

IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with IRS. If the corporation has a tax problem it has been unable to resolve through normal channels, write to the corporation's local IRS district director or call the corporation's local IRS office and ask for Problem Resolution Assistance. Hearing-impaired persons who have access to TDD equipment may call 1-800-829-4059 to ask for help from Problem Resolution. This office will take responsibility for your problem and ensure that it receives proper attention. Although the Problem Resolution office cannot change the tax law or make technical decisions, it can frequently clear up misunderstandings that may have resulted from previous contacts.

Other Forms, Returns, Schedules, and Statements That May Be Required

Forms W-2 and **W-3,** Wage and Tax Statement; and Transmittal of Income and Tax Statements.

Form W-2P, Statement for Recipients of Annuities, Pensions, Retired Pay, or IRA Payments.

Form 720, Quarterly Federal Excise Tax Return. A new 10% excise tax applies to the first retail sale of the following items sold after December 31, 1990, to the extent the sales price exceeds the amounts shown: (1) passenger vehicles, $30,000; (2) boats and yachts, $100,000; (3) aircraft, $250,000; and (4) jewelry and furs, $10,000. Form 720 is also used to report environmental excise taxes, communications and air transportation taxes, fuel taxes, manufacturers taxes, ship passenger tax, and certain other excise taxes.

Form 966, Corporate Dissolution or Liquidation.

Forms 1042 and **1042S,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons; and Foreign Person's U.S. Source Income Subject to Withholding. Use these forms to report and transmit withheld tax on payments made to nonresident alien individuals, foreign partnerships, or foreign corporations to the extent such payments constitute gross income from sources within the U.S. (see sections 861 through 865). For more information, see sections 1441 and 1442, and **Publication 515,** Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1096, Annual Summary and Transmittal of U.S. Information Returns.

Form 1098, Mortgage Interest Statement. This form is used to report the receipt from any individual of $600 or more of mortgage interest in the course of the corporation's trade or business.

Forms 1099-A, B, DIV, INT, MISC, OID, PATR, S, and **R.** You may have to file these information returns to report abandonments, acquisitions through foreclosure, proceeds from broker and barter exchange transactions, certain dividends, interest payments, medical and dental health care payments, miscellaneous income payments, original issue discount, patronage dividends, total distributions from profit-sharing plans, retirement plans, individual retirement arrangements, insurance contracts, etc., and proceeds from real estate transactions. Also use certain of these returns to report amounts that were received as a nominee on behalf of another person.

Use Form 1099-DIV to report actual dividends paid by the corporation. Only distributions from accumulated earnings and profits are classified as dividends. Do not issue Form 1099-DIV for dividends received by the corporation that are allocated to shareholders on line 4b of Schedule K-1.

For more information, see the separate **Instructions for Forms 1099, 1098, 5498, and W-2G.**

Note: *Every corporation must file information returns if it makes payments of rents, commissions, or other fixed or determinable income (see section 6041) totaling $600 or more to any one person in the course of its trade or business during the calendar year.*

Form 5713, International Boycott Report. Every corporation that had operations in, or related to, a "boycotting" country, company, or national of a country must file Form 5713. 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 foreign tax credit, the deferral of earnings of a controlled foreign corporation, IC-DISC benefits, and FSC benefits.

Form 8264, Application for Registration of a Tax Shelter, is used by tax shelter organizers to register tax shelters with the IRS for the purpose of receiving a tax shelter registration number.

Form 8271, Investor Reporting of Tax Shelter Registration Number, is used by corporations that have acquired an interest in a tax shelter, which is required to be registered, to report the tax shelter's registration number. Form 8271 must be attached to any return on which a deduction, credit, loss, or other tax benefit attributable to a tax shelter is taken or any income attributable to a tax shelter is reported.

Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. This form is used by issuers of publicly offered debt instruments having OID to provide the information required by section 1275(c).

Forms 8288 and **8288-A,** U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests; and Statement of Withholding on Dispositions by Foreign Persons of U.S. Real Property Interests. Use these forms to report and transmit withheld tax on the sale of U.S. real property by a foreign person. See section 1445 and the related regulations for additional information.

Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business. This form is used to report the receipt of more than $10,000 in cash or foreign currency in one transaction (or a series of related transactions).

Form 8594, Asset Acquisition Statement, is to be filed by both the purchaser and seller of a group of assets constituting a trade or business if goodwill or a going concern value attaches, or could attach, to such assets and if the purchaser's basis in the assets is determined only by the amount paid for the assets.

Form 8697, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts. Certain S corporations that are not closely held may have to file Form 8697. Form 8697 is used to figure the interest due or to be refunded under the look-back method of section 460(b)(3) on certain long-term contracts entered into after February 28, 1986, that are accounted for under either the percentage of completion-capitalized cost method or the percentage of completion method. Closely-held corporations should see the instructions for line 21, item m, of Schedule K-1 for details on the Form 8697 information they must provide to their shareholders.

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 corporation that controls a foreign corporation; or that is a 10%-or-more

shareholder of a controlled foreign corporation; or acquires, disposes of, or owns 5% or more in value of the outstanding stock of a foreign corporation, may have to file **Form 5471,** Information Return of U.S. Persons With Respect to Certain Foreign Corporations.

Transfers to Corporation Controlled by Transferor.—If a person acquires stock of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferor and transferee must attach to their respective tax returns the information required by Regulations section 1.351-3.

Amended Return

To correct an error in a Form 1120S already filed, file an amended Form 1120S and check box F(4). If the amended return results in a change to income, or a change in the distribution of any income or other information provided to shareholders, an amended Schedule K-1 (Form 1120S) must also be filed with the amended Form 1120S and given to each shareholder. Be sure to check box F(2) on each Schedule K-1 to indicate that it is an amended Schedule K-1.

Note: *If an S corporation does not meet the small S corporation exception under Temporary Regulations section 301.6241-1T or if it is a small S corporation that has made the election described in Temporary Regulations section 301.6241-1T(c)(2)(v), and such corporation files an amended return, the amended return will be a request for administrative adjustment and* **Form 8082,** *Notice of Inconsistent Treatment or Amended Return (Administrative Adjustment Request (AAR)), must be filed by the Tax Matters Person. See the Temporary Regulations under section 6241 for more information.*

Attachments

Attach **Form 4136,** Credit for Federal Tax on Fuels, after page 4, Form 1120S. Attach schedules in alphabetical order and other forms in numerical order after Form 4136.

To assist us in processing the return, **please complete every applicable entry space on Form 1120S and Schedule K-1.** Do not attach statements and write "See attached" in lieu of completing the entry spaces on Form 1120S and Schedule K-1.

If you need more space on the forms or schedules, attach separate sheets and show the same information in the same order as on the printed forms. **But show your totals on the printed forms.** Please use sheets that are the same size as the forms and schedules. Attach these separate sheets after all the schedules and forms. Be sure to put the corporation's name and employer identification number (EIN) on each sheet.

Net Operating Loss and Special Deductions

An S corporation may not take the deduction for net operating losses provided by section 172 or the special deductions in sections 241 through 250 (except the election to amortize organizational expenditures under section 248). Subject to limitations, the corporation's net operating loss is allowed as a deduction from the shareholders' gross income. (See section 1366.)

Passive Activity Limitations

In general, section 469 limits the amount of losses, deductions, and credits that shareholders may claim from "passive activities." The passive activity limitations do not apply to the S corporation. Instead, they apply to each shareholder's share of any income or loss and credit attributable to a passive activity. Because the treatment of each shareholder's share of S corporation income or loss and credit depends upon the nature of the activity that generated it, the S corporation must report income or loss and credits separately for each activity.

The instructions below (pages 4 through 7) and the instructions for Schedules K and K-1 (pages 11 through 17) explain the applicable passive activity limitation rules and specify the type of information the S corporation must provide to its shareholders for each activity. If the S corporation had more than one activity, it must report information for each activity on an attachment to Schedules K and K-1.

Generally, passive activities include: **(a)** activities that involve the conduct of a trade or business in which the shareholder does not materially participate; and **(b)** any rental activity (see definition below) even if the shareholder materially participates. The level of each shareholder's participation in an activity must be determined by the shareholder.

The passive activity rules provide that losses and credits from passive activities can generally be applied only against income and tax from passive activities. Thus, passive losses and credits cannot be applied against income from salaries, wages, professional fees, or a business in which the shareholder materially participates; against "portfolio income" (see definition on page 5); or against the tax related to any of these types of income.

Special provisions apply to certain activities. First, special transitional rules apply to losses with respect to corporate interests acquired and activities commenced before October 23, 1986. Second, special rules apply with respect to losses incurred by investors in qualified low-income housing projects. Third, special rules require that net income from certain activities that would otherwise be treated as passive income must be recharacterized as nonpassive income for purposes of the passive activity limitations.

To allow each shareholder to apply the passive activity limitations at the individual level, the corporation must report income or loss and credits separately for each of the following: trade or business activities, rental real estate activities, rental activities other than rental real estate, and portfolio income. For definitions of each type of activity or income, see **Types of Activities and Income,** on page 5. For details on the special reporting requirements for passive activities, see **Passive Activity Reporting Requirements** on page 6.

Identifying Activities

Generally, each undertaking the corporation owns is a separate activity.

An undertaking includes all the business or rental operations owned at the same location. Operations not actually conducted at the same location are treated as conducted at the location with which they are most closely associated under all the facts and circumstances. For example, if a business sends employees from a central office to perform services at the customer's home, the operations are treated as conducted at the central office. If the corporation conducts all its business or rental operations at the same location directly or through one entity, the corporation has only one undertaking and one activity.

Rental undertakings.—If the corporation owns an undertaking that conducts both rental and nonrental operations, it must treat the two types of operations as two separate undertakings unless: **(1)** the rental operations, if treated as a separate activity, would not be a rental activity (see **Rental activities** on page 5); or **(2)** one type of operation produces more than 80% of the combined undertaking's gross income.

Combining corporate undertakings into activities.—Once corporate undertakings are identified, treat each undertaking as a separate activity unless one of the following rules requires or permits the corporation to combine undertakings into a larger activity:

1. Trade or business undertakings.—Generally, the corporation must combine trade or business undertakings into a larger activity if the undertakings are similar and commonly controlled. For details, see Temporary Regulations sections 1.469-4T(f) and (j). Trade or business undertakings include all nonrental undertakings except professional service undertakings (described in the next paragraph) and oil or gas wells treated as separate undertakings under Temporary Regulations section 1.469-4T(e). Trade or business activities that constitute an integrated business may have to be combined into an even larger activity under Temporary Regulations section 1.469-4T(g).

2. Professional service undertakings.—Professional service undertakings principally provide services in the fields of health, law, engineering, architecture, accounting, actuarial science, the performing arts, or consulting. Generally, the corporation must combine its interests in professional service undertakings into a single activity if the undertakings provide services in the same field or earn more than 20% of their gross income from serving the same customers; or if the undertakings are controlled by the same interests. For details see Temporary Regulations section 1.469-4T(h).

The corporation can elect to treat combined nonrental undertakings acquired in 1990 as separate activities for purposes other than determining participation in activities. To make this election, the corporation must attach to Form 1120S a statement that: **(a)** gives the corporation name, address, and employer identification number; **(b)** declares that the election is being made under Temporary Regulations section 1.469-4T(o); **(c)** identifies the undertaking that is treated as a separate activity; and **(d)** identifies the rest of the activity from which the undertaking was separated.

If the corporation wants to treat as separate activities any undertakings it acquired in 1990 that these rules would otherwise combine into a larger activity, it must attach this statement to its 1990 return or it will not be able to treat the undertakings as separate activities for 1990 or any later year. For details, see Temporary Regulations section 1.469-4T(o).

If undertakings the corporation owned in 1989 were combined into a larger activity on its 1989 return, those undertakings cannot be divided into separate activities in 1990 or any later year.

3. Rental real estate undertakings.—A rental real estate undertaking is a rental undertaking in which at least 85% of the unadjusted basis of the property made available for use by customers is real property. The corporation may treat a single rental real estate undertaking as a single activity, or it may treat any combination of rental real estate undertakings as a single activity. Under certain circumstances, the corporation may also elect to divide a single rental real estate undertaking into separate

undertakings. For details, see Temporary Regulations section 1.469-4T(k)(2)(iii).

Generally, the corporation must attach a statement to Form 1120S if it combines separate rental real estate undertakings or portions of undertakings into the same activity or divides a single rental real estate undertaking into separate undertakings. If the corporation wants to divide a single rental real estate undertaking if acquired in 1990 into separate undertakings, it must attach this statement to its 1990 Form 1120S or it will not be able to treat the undertaking as separate undertakings for 1990 or any later year.

If the corporation divided a single rental real estate undertaking it owned in 1989 into separate undertakings on its 1989 return, it must treat the undertakings as separate undertakings in 1990 and any later year.

Futhermore, if the corporation combined rental real estate undertakings it owned in 1989 into a larger activity on its 1989 return, the larger activity cannot be divided into separate activities in 1990 or any later year.

Types of Activities and Income

1. Trade or business activities.—A trade or business activity involves the conduct of a trade or business within the meaning of section 162.

If the shareholder does not materially participate in the activity, a trade or business activity of the corporation is a passive activity for the shareholder.

Note: *The section 469(c)(3) exception for a working interest in oil and gas properties is not applicable to an S corporation because state law generally limits the liability of corporate shareholders, including shareholders of an S corporation.*

Accordingly, an activity of holding a working interest in oil or gas properties is a trade or business activity and the material participation rules apply to determine if the activity is a passive activity. See Temporary Regulations section 1.469-1T(e)(4).

The determination whether or not a shareholder materially participated in an activity must be made by each shareholder. As a result, while the corporation's overall trade or business income (loss) is reported on page 1 of Form 1120S, the specific income and deductions from each separate trade or business activity must be reported on attachments to Form 1120S. Similarly, while each shareholder's allocable share of the corporation's overall trade or business income (loss) is reported on line 1 of Schedule K-1, each shareholder's allocable share of the income and deductions from each trade or business activity must be reported on attachments to each Schedule K-1. See **Passive Activity Reporting Requirements** on page 6 for more information.

2. Rental activities.—In reporting the corporation's income or losses and credits from rental activities, the corporation must separately report: **(a)** rental real estate activities, and **(b)** rental activities other than rental real estate activities.

Definition of rental activities.— Generally, except as noted below, if the gross income from an activity consists of amounts paid principally for the use of real or personal tangible property held by the corporation, the activity is a rental activity. There are several exceptions to this general rule. Under these exceptions, an activity involving the use of real or personal tangible property is not a rental activity if: **(a)** the average period of customer use (see definition below) for such property is 7 days or less; **(b)** the average period of customer use for such property is 30 days or less and significant personal services (see definition below) are provided by or on behalf of the corporation; **(c)** extraordinary personal services (see definition below) are provided by or on behalf of the corporation; **(d)** the rental of such property is treated as incidental to a nonrental activity of the corporation under Temporary Regulations section 1.469-1T(e)(3)(vi); or **(e)** the corporation customarily makes the property available during defined business hours for nonexclusive use by various customers. In addition, if a corporation owns an interest in a partnership that conducts a nonrental activity, and the corporation provides property for use in that activity in the corporation's capacity as an owner of an interest in the partnership, the provision of the property is not a rental activity. Consequently, the corporation's distributive share of income from the activity is not income from a rental activity. A guaranteed payment described in section 707(c) is not income from a rental activity under any circumstances.

Whether the corporation provides property used in an activity of a partnership in the corporation's capacity as an owner of an interest in the partnership is based on all the facts and circumstances.

Average period of customer use.—The average period of customer use of property is computed by dividing the total number of days in all rental periods by the number of rentals during the tax year. If the activity involves renting more than one class of property, multiply the average period of customer use of each class by the ratio of the gross rental income from that class to the activity's total gross rental income. The activity's average period of customer use equals the sum of these class-by-class average periods weighted by gross income. See Temporary Regulations section 1.469-1T(e)(3)(iii).

Significant personal services.—Personal services include only services performed by individuals. In determining whether personal services are significant personal services, all of the relevant facts and circumstances are taken into consideration. Relevant facts and circumstances include the frequency that the services are provided, the type and amount of labor required to perform the services, and the value of the services in relation to the amount charged for the use of the property. The following services are excluded from consideration in determining whether personal services are significant: **(a)** services necessary to permit the lawful use of the rental property; **(b)** services performed in connection with improvements or repairs to the rental property that extend the useful life of the property substantially beyond the average rental period; and **(c)** services provided in connection with the use of any improved real property that are similar to those commonly provided in connection with long-term rentals of high-grade commercial or residential property (e.g., cleaning and maintenance of common areas, routine repairs, trash collection, elevator service, and security at entrances).

Extraordinary personal services.— Services provided in connection with making rental property available for customer use are extraordinary personal services only if the services are performed by individuals and the customers' use of the rental property is incidental to their receipt of the services. For example, a patient's use of a hospital room generally is incidental to the care that the patient receives from the hospital's medical staff. Similarly, a student's use of a dormitory room in a boarding school is incidental to the personal services provided by the school's teaching staff.

Rental property incidental to a nonrental activity.—An activity is not a rental activity if the rental of the property is incidental to a nonrental activity, such as the activity of holding property for investment, a trade or business activity, or the activity of dealing in property.

Rental property is incidental to an activity of holding property for investment if the main purpose for holding the property is to realize a gain from the appreciation of the property and the gross rental income from such property for the tax year is less than 2% of the smaller of the unadjusted basis of the property or the fair market value of the property.

Rental property is incidental to a trade or business activity if: **(a)** the corporation owns an interest in the trade or business at all times during the year; **(b)** the rental property was mainly used in the trade or business activity during the tax year or during at least two of the five preceding tax years; and **(c)** the gross rental income from the property is less than 2% of the smaller of the unadjusted basis of the property or the fair market value of the property.

The sale or exchange of property that is also rented during the tax year (where the gain or loss is recognized) is treated as incidental to the activity of dealing in property if, at the time of the sale or exchange, the property was held primarily for sale to customers in the ordinary course of the corporation's trade or business.

See Temporary Regulations section 1.469-1T(e)(3) for more information on the definition of rental activities for purposes of the passive activity limitations.

2(a). Rental real estate activities.—Shareholders who actively participate in a rental real estate activity may be able to deduct part or all of their rental real estate losses (and the deduction equivalent of rental real estate credits) against income (or tax) from nonpassive activities. Generally, the combined amount of rental real estate losses and the deduction equivalent of rental real estate credits from all sources (including rental real estate activities not held through the corporation) that may be claimed is limited to $25,000.

Special transitional rules apply to investors in qualified low-income housing projects. See section 502 of the 1986 Act and **Publication 925,** Passive Activity and At-Risk Rules, for more information.

Rental real estate activity income (loss) is reported on line 2 of Schedules K and K-1 rather than on page 1 of Form 1120S.

Credits related to rental real estate activities are reported on lines 12c and 12d of Schedules K and K-1. Low-income housing credits are reported on line 12b of Schedules K and K-1.

2(b). Rental activities other than rental real estate activities.— Income (loss) from rental activities other than rental real estate is reported on line 3 of Schedules K and K-1, and credits related to rental activities other than rental real estate are reported on line 12e of Schedules K and K-1.

3. Portfolio income.—Generally, portfolio income includes all gross income, other than income derived in the ordinary course of a trade or business, that is attributable to: interest; dividends; royalties; income from a real estate investment trust, a regulated investment company, a real estate mortgage investment conduit, a common trust fund, a controlled foreign corporation, a qualified electing fund, or a cooperative; income from the disposition of property that produces income of a type defined as portfolio income; and income from the disposition of property held for investment.

Solely for purposes of the preceding paragraph, gross income derived in the ordinary course of a trade or business includes **(and portfolio income, therefore, does not include)** only the following types of income: **(a)** interest income on loans and investments made in the ordinary course of a trade or business of lending money; **(b)** interest on accounts receivable arising from the performance of services or the sale of property in the ordinary course of a trade or business of performing such services or selling such property, but only if credit is customarily offered to customers of the business; **(c)** income from investments made in the ordinary course of a trade or business of furnishing insurance or annuity contracts or reinsuring risks underwritten by insurance companies; **(d)** income or gain derived in the ordinary course of an activity of trading or dealing in any property if such activity constitutes a trade or business (unless the dealer held the property for investment at any time before such income or gain is recognized); **(e)** royalties derived by the taxpayer in the ordinary course of a trade or business of licensing intangible property; **(f)** amounts included in the gross income of a patron of a cooperative by reason of any payment or allocation to the patron based on patronage occurring with respect to a trade or business of the patron; and **(g)** other income identified by the IRS as income derived by the taxpayer in the ordinary course of a trade or business.

See Temporary Regulations section 1.469-2T(c)(3) for more information on portfolio income.

Portfolio income is reported on line 4 of Schedules K and K-1, rather than on page 1 of Form 1120S.

Expenses related to portfolio income are reported on line 9 of Schedules K and K-1.

Recharacterization of Passive Income

Under the provisions of Temporary Regulations section 1.469-2T(f), net passive income from certain passive activities must be treated as nonpassive income. Income from the following activities is subject to recharacterization: **(1)** significant participation passive activities, **(2)** activities of renting substantially nondepreciable property, **(3)** passive equity-financed lending activities, **(4)** rental activities incidental to a development activity, **(5)** activities of renting property to a nonpassive activity, and **(6)** acquisition of an interest in a passthrough entity that licenses intangible property.

Any net passive income from an activity of renting substantially nondepreciable property from an equity-financed lending activity, or from an activity related to an interest in a passthrough entity that licenses intangible property that is recharacterized as nonpassive income, is treated as investment income for purposes of computing investment interest expense limitations. "Net passive income" means the excess of passive activity gross income from the activity over passive activity deductions (current year deductions and prior year unallowed losses) from the activity.

1. Significant participation passive activities.—A significant participation passive activity is any trade or business activity in which the shareholder both participates for more than 100 hours during the tax year and does not materially participate. Because each shareholder must determine his or her level of participation, the corporation will not be able to identify significant participation passive activities.

2. Certain nondepreciable rental property activities.—Net passive income from a rental activity is nonpassive income if less than 30% of the unadjusted basis of the property used or held for use by customers in the activity is subject to depreciation under section 167.

3. Passive equity-financed lending activities.—If the corporation has net income from a passive equity-financed lending activity, the lesser of the net passive income or equity-financed interest income from the activity is nonpassive income.

Note: *The amount of income from the activities in items 1 through 3, above, that any shareholder will be required to recharacterize as nonpassive income may be limited under Temporary Regulations section 1.469-2T(f)(8). Since the corporation will not have information regarding all of a shareholder's activities, it must identify all corporate activities meeting the definitions in items 1 through 3 as activities that may be subject to recharacterization.*

4. Rental activities incidental to a development activity.—Net rental activity income is nonpassive income for a shareholder if all of the following apply: **(a)** the corporation recognizes gain from the sale, exchange, or other disposition of the rental property during the tax year; **(b)** the use of the item of property in the rental activity started less than 12 months before the date of disposition (the use of an item of rental property begins when substantially all of the property is first held out for rent and is in a state of readiness for rental); and **(c)** the shareholder materially participated or significantly participated for any tax year in an activity that involved the performance of services for the purpose of enhancing the value of the property (or any other item of property, if the basis of the property disposed of is determined in whole or in part by reference to the basis of that item of property). "Net rental activity income" means the excess of passive activity gross income from renting or disposing of property over passive activity deductions (current year deductions and prior year unallowed losses) that are reasonably allocable to the rented property.

Because the corporation cannot determine a shareholder's level of participation, the corporation must identify net income from property described in items (a) and (b) above as income that may be subject to recharacterization.

5. Activities involving property rented to a nonpassive activity.—If a taxpayer rents property to a trade or business activity in which the taxpayer materially participates, the taxpayer's net rental activity income from the property is nonpassive income. "Net rental activity income" means the excess of passive activity gross income from renting or disposing of property over passive activity deductions (current year deductions and prior year unallowed losses) that are reasonably allocable to the rented property.

6. Acquisition of an interest in a passthrough entity that licenses intangible property.—Generally, net royalty income from intangible property is nonpassive income if the taxpayer acquired an interest in the passthrough entity after the passthrough entity created the intangible property or performed substantial services or incurred substantial costs in developing or marketing the intangible property. "Net royalty income" means the excess of passive activity gross income from licensing or transferring any right in intangible property over passive activity deductions (current year deductions and prior year unallowed losses) that are reasonably allocable to the intangible property.

See Temporary Regulations section 1.469-2T(f)(7)(iii) for exceptions to this rule.

Passive Activity Reporting Requirements

To allow shareholders to correctly apply the passive activity loss and credit limitation rules, any corporation that carries on more than one activity must:

1. Provide an attachment for each activity conducted through the corporation that identifies the type of activity conducted (trade or business, rental real estate, rental activity other than rental real estate, or investment).

2. On the attachment for each activity, provide a schedule, using the same line numbers as shown on Schedule K-1, detailing the net income (loss), credits, and all items required to be separately stated under section 1366(a)(1) from each trade or business activity, from each rental real estate activity, from each rental activity other than a rental real estate activity, and from investments.

3. With respect to each separately identified activity, identify any activity that is a pre-enactment activity conducted through the corporation. See the instructions for items D and E of Schedule K-1, and the instructions for Form 8582 for rules applicable to pre-enactment interests in corporate activities.

4. Identify the net income (loss) and the shareholder's share of corporation interest expense from each activity of renting a dwelling unit that the shareholder also uses for personal purposes during the year for more than the greater of 14 days or 10% of the number of days that the residence is rented at fair rental value.

5. Identify the net income (loss) and the shareholder's share of interest expense from each activity of trading personal property conducted through the corporation.

6. With respect to any gain (loss) from the disposition of an interest in an activity or of an interest in property used in an activity (including dispositions before 1987 from which gain is being recognized after 1986):

(a) identify the activity in which the property was used at the time of disposition;

(b) if the property was used in more than one activity during the 12 months preceding the disposition, identify the activities in which the property was used and the adjusted basis allocated to each activity; and

(c) with respect to gain only, if the property was substantially appreciated at the time of the disposition and the applicable holding period specified in Temporary Regulations section 1.469-2T(c)(2)(ii)(A) was not satisfied, identify the amount of the nonpassive gain and indicate whether or not the gain is investment income under the provisions of Temporary Regulations section 1.469-2T(c)(2)(iii)(E).

7. Specify the amount of gross portfolio income, the interest expense properly allocable to portfolio income, and expenses other than interest expense that are clearly and directly allocable to portfolio income.

8. Identify the ratable portion of any section 481 adjustment (whether a net positive or a net negative adjustment) allocable to each corporate activity.

9. Identify any gross income from sources that are specifically excluded from passive activity gross income, including: income from intangible property if the shareholder is an individual and the shareholder's personal efforts significantly contributed to the creation of the property; income from a qualified low-income housing project (as defined in section

502 of the 1986 Act) conducted through the corporation; income from state, local, or foreign income tax refunds; and income from a covenant not to compete (in the case of a shareholder who is an individual and who contributed the covenant to the corporation).

10. Identify any deductions that are not passive activity deductions.

11. If the corporation makes a full or partial disposition of its interest in another entity, identify the gain (loss) allocable to each activity conducted through the entity, and the gain allocable to a passive activity that would have been recharacterized as nonpassive gain had the corporation disposed of its interest in property used in the activity (because the property was substantially appreciated at the time of the disposition, and the gain represented more than 10% of the shareholder's total gain from the disposition).

12. Identify the following items with respect to activities which may be subject to the recharacterization rules under Temporary Regulations section 1.469-2T(f):

(a) net income from an activity of renting substantially nondepreciable property;

(b) the lesser of equity-financed interest income or net passive income from an equity-financed lending activity;

(c) net rental activity income from property that was developed (by the shareholder or the corporation), rented, and sold within 12 months after the rental of the property commenced;

(d) net rental activity income from the rental of property by the corporation to a trade or business activity in which the shareholder had an interest (either directly or indirectly); and

(e) net royalty income from intangible property if the shareholder acquired the shareholder's interest in the corporation after the corporation created the intangible property or performed substantial services or incurred substantial costs in developing or marketing the intangible property.

13. With respect to credits, identify separately the credits from the corporation that are associated with each activity conducted by or through the corporation.

14. With respect to credits being taken on a qualified progress expenditure basis, identify the activity in which the property will be placed in service upon completion of the expenditures.

Specific Instructions

Name, Address, and Employer Identification Number.—Use the label on the package that was mailed to the corporation. If the corporation's name, address, or employer identification number is wrong on the label, mark through it and write the correct information on the label.

If the corporation does not have a package with a label, print or type the corporation's true name (as set forth in the corporate charter or other legal document creating it), address, and employer identification number on the appropriate lines.

Include the suite, room, or other unit number after the street address. If a pre-addressed label is used, please include the information on the label. If the Post Office does not deliver to the street address and the corporation has a P.O. box, show the P.O. box number instead of the street address.

Item B. Business Code No.—See **Codes for Principal Business Activity** on page 19 of these instructions.

Item E. Total Assets.—Enter the total assets, as determined by the accounting method regularly used in maintaining the corporation's books and records, at the end of the corporation's tax year. If there are no assets at the end of the tax year, enter the total assets as of the beginning of the tax year.

Item F. Initial Return, Final Return, Change in Address, and Amended Return.—If this is the corporation's first return, check box F(1). If the corporation has ceased to exist, check box F(2). Also check box F(1) on each Schedule K-1 to indicate that it is a final Schedule K-1. Indicate a change in address by checking box F(3). If the corporation has a change of mailing address after filing its return, it can notify IRS by filing **Form 8822**, Change of Address. If this amends a previously filed return, check box F(4).

Item G. Consolidated Audit Procedures.—With certain exceptions, the tax treatment of S corporation items is determined at the S corporation level in a consolidated audit proceeding, rather than in separate proceedings with individual shareholders. Check the box for item G if any of the following apply:

1. The S corporation had more than 5 shareholders at any time during the tax year (for this purpose a husband and wife, and their estates, are treated as one shareholder); or

2. Any shareholder was other than a natural person or estate; or

3. The small S corporation (5 or fewer shareholders) has elected as provided in Temporary Regulations section 301.6241-1T(c)(2)(v) to be subject to the rules for consolidated proceedings.

Note: *The S corporation does not make the section 301.6241-1T(c)(2)(v) election when it checks the box for item G. This election must be made separately.*

For more information on the consolidated audit procedures for S corporations, see sections 6241 through 6245, Temporary Regulations section 301.6241-1T, and **Publication 556**, Examination of Returns, Appeal Rights, and Claims for Refund.

Gross Income

Caution: *Report only trade or business activity income or loss on lines 1a through 6.* ***Do not report rental activity income or portfolio income or loss on these lines.*** *(See the instructions on* ***Passive Activity Limitations*** *beginning on page 4 for definitions of rental income and portfolio income.) Rental activity income and portfolio income are reported on Schedules K and K-1 (rental real estate activities are also reported on Form 8825).*

Note: *Do not include any income that is tax exempt on lines 1 through 5, or any nondeductible expenses on lines 7 through 19. However, these income and expense items are used in figuring the accumulated adjustments account and the other adjustments account in Schedule M-2. Also, see instructions for line 18 of Schedule K and line 21 of Schedule K-1.*

A corporation that receives any exempt income other than interest, or holds any property or engages in an activity that produces exempt income, must attach to its return an itemized statement showing the amount of each type of exempt income and the expenses allocated to each type.

Line 1

Gross receipts or sales

Enter gross receipts or sales from all trade or business operations except those you report on lines 4 and 5. For reporting advance payments, see Regulations section 1.451-5. To report income from long-term contracts, see section 460.

Generally, the installment method cannot be used for dealer dispositions of property. A "dealer disposition" means any disposition of personal property by a person who regularly sells or otherwise disposes of personal property of the same type on the installment plan or any disposition of real property held for sale to customers in the ordinary course of the taxpayer's trade or business. The disposition of property used or produced in a farming business is not included as a dealer disposition. See section 453(l) for details and exceptions. For dealer dispositions of property before March 1, 1986, dispositions of property used or produced in the trade or business of farming, and certain dispositions of timeshares and residential lots reported under the installment method, enter on line 1a 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

Net gain (loss) from Form 4797

Caution: *Include only ordinary gains or losses from the sale, exchange, or involuntary conversion of assets used in a trade or business activity. Ordinary gains or losses from the sale, exchange, or involuntary conversions of assets of rental activities must be reported separately on Schedule K as part of the net income (loss) from the rental activity in which the property was used.*

In addition to the ordinary gains or losses reported on line 4 from the corporation's attached **Form 4797**, Sales of Business Property, a corporation that is a partner in a partnership must include its partnership share of ordinary gains (losses) from sales, exchanges, or involuntary or compulsory conversions (other than casualties or thefts) of the partnership's trade or business assets.

Do not include any recapture of expense deduction for recovery property (section 179). See the instructions for Schedule K-1, line 21, item e, and for Form 4797 for more information.

Line 5

Other income

Enter on line 5 trade or business income (loss) that is not included on lines 1a through 4. Examples of such income include: **(1)** interest income derived in the ordinary course of the corporation's trade or business, such as interest charged on receivable balances; **(2)** recoveries of bad debts deducted in earlier years under the specific charge-off method; **(3)** taxable income from insurance proceeds; and **(4)** the amount of credit figured on **Form 6478**, Credit for Alcohol Used as Fuel.

Also include on line 5 all section 481 income adjustments resulting from changes in accounting methods. Specific examples of section 481 adjustments that may be required include those that result from: **(1)** a required change from the reserve method to the specific charge-off method of accounting for bad debts; **(2)** a required change from the reserve method of accounting for vacation pay; and **(3)** a required change to the capitalization of past service pension costs under the uniform capitalization rules of section 263A. Show the computation of the section 481 adjustment on an attached

schedule. Do not include items requiring separate computations by shareholders that must be reported on Schedule K. (See the instructions for Schedules K and K-1.) Do not offset current year's taxes with tax refunds.

The corporation must include as other income the recapture amount for section 280F if the business use of listed property drops to 50% or less. See section 280F(b)(3). To figure the recapture amount, the corporation must complete Part V of Form 4797.

If "other income" consists of only one item, identify it by showing the account caption in parentheses on line 5. A separate schedule need not be attached to the return in this case.

Do not net any expense item (such as interest) with a similar income item. Report all trade or business expenses on lines 7 through 19.

Deductions

Caution: *Report only trade or business activity expenses on lines 7 through 19.* ***Do not report rental activity expenses or deductions allocable to portfolio income on these lines.*** *Rental activity expenses are separately reported on Form 8825 or line 3 of Schedules K and K-1. Deductions allocable to portfolio income are separately reported on line 9 of Schedules K and K-1. See the instructions on* ***Passive Activity Limitations*** *beginning on page 4 for more information on rental activities and portfolio income.*

Limitations on deductions

a. Section 263A Uniform Capitalization Rules.—The uniform capitalization rules of section 263A require corporations to capitalize or include in inventory certain costs incurred in connection with the production of real and personal tangible property held in inventory or held for sale in the ordinary course of business. Tangible personal property produced by a corporation includes a film, sound recording, video tape, book, or similar property. The rules also apply to personal property (tangible and intangible) acquired for resale. Corporations subject to the rules are required to capitalize not only direct costs but an allocable portion of most indirect costs (including taxes) that benefit the assets produced or acquired for resale. Interest expense paid or incurred during the production period of certain property must be capitalized and is governed by special rules. For more information, see Notice 88-99, 1988-2 C.B. 422. The uniform capitalization rules also apply to the production of property constructed or improved by a corporation for use in its trade or business or in an activity engaged in for profit.

Section 263A does not apply to personal property acquired for resale if the taxpayer's annual average gross receipts are $10 million or less. It does not apply to timber or to most property produced under a long-term contract. Special rules apply to certain corporations engaged in farming (see below). The rules do not apply to property which is produced for use by the taxpayer if substantial construction occurred before March 1, 1986.

In the case of inventory, some of the indirect costs that must be capitalized are: administration expenses; taxes; depreciation; insurance; compensation paid to officers attributable to services; rework labor; and contributions to pension, stock bonus, and certain profit-sharing, annuity, or deferred compensation plans.

The costs required to be capitalized under section 263A are not deductible until the property to which the costs relate is sold, used, or otherwise disposed of by the corporation.

Research and experimental costs under section 174, intangible drilling costs for oil and gas and geothermal property, and mining exploration and development costs are separately reported to shareholders for purposes of determinations under section 59(e). Temporary Regulations section 1.263A-1T specifies other indirect costs that may be currently deducted and those that must be capitalized with respect to production or resale activities. For more information, see Temporary Regulations section 1.263A-1T; Notice 88-86, 1988-2 C.B. 401; and Notice 89-67, 1989-1 C.B. 723.

Special rules for certain corporations engaged in farming.—For S corporations not required to use the accrual method of accounting, the rules of section 263A do not apply to expenses of raising: **(a)** any animal or **(b)** any plant that has a preproductive period of 2 years or less. Shareholders of S corporations not required to use the accrual method of accounting may elect to currently deduct the preproductive period expenses of certain plants that have a preproductive period of more than 2 years. Because the election to deduct these expenses is made by the shareholder, the farming corporation should not capitalize such preproductive expenses but should separately report these expenses on line 18 of Schedule K, and each shareholder's share on line 21 of Schedule K-1. See sections 263A(d) and (e) and Temporary Regulations section 1.263A-1T(c) for definitions and other details. Also see Notice 88-24, 1988-1 C.B. 491 and Notice 89-67.

b. Transactions Between Related Taxpayers.—Generally, an accrual basis S corporation may deduct business expenses and interest owed to a related party (including any shareholder) **only** in the tax year of the corporation that includes the day on which the payment is includible in the income of the related party. See section 267 for details.

c. Section 291 Limitations.—If the S corporation was a C corporation for any of the 3 immediately preceding years, the corporation may be required to adjust deductions allowed to the corporation for depletion of iron ore and coal, and the amortizable basis of pollution control facilities. See section 291 to determine the amount of the adjustment.

d. Business Start-Up Expenses.—Business start-up expenses are required to be capitalized unless an election is made to amortize them over a period of not less than 60 months. See section 195.

Line 7

Compensation of officers

Enter on line 7 the total compensation of all officers except compensation reported elsewhere on the return, such as amounts included in cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement.

Line 8

Salaries and wages

Enter on line 8a the amount of salaries and wages paid or incurred for the tax year. Do not include salaries and wages reported elsewhere on the return, such as amounts included in cost of goods sold, elective contributions to a section 401(k) cash or deferred arrangement, or amounts contributed under a salary reduction SEP agreement.

Enter on line 8b the applicable jobs credit from **Form 5884**, Jobs Credit. See the instructions for Form 5884 for more information.

If a shareholder or a member of the family of one or more shareholders of the corporation renders services or furnishes capital to the corporation for which reasonable compensation is not paid, the IRS may make adjustments in the items taken into account by such individuals and the value of such services or capital. See section 1366(e).

Line 9

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, but only to the extent that such repairs relate to a trade or business activity and are not claimed elsewhere on the return. New buildings, machinery, or permanent improvements that increase the value of the property are not deductible. They are chargeable to capital accounts and may be depreciated or amortized.

Do not include any section 179 expense deduction on this line. See instructions for line 8 of Schedules K and K-1 for details on reporting these items to shareholders.

Line 10

Bad debts

Enter the total debts that became worthless in whole or in part during the year, but only to the extent such debts relate to a trade or business activity.

Caution: *Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income.*

Line 11

Rents

If the corporation rented or leased a vehicle, enter the total annual rent or lease expense paid or incurred in the trade or business activities of the corporation. Also complete Part V of **Form 4562**, Depreciation and Amortization. If the corporation leased a vehicle for a term of 30 days or more, the deduction for vehicle lease expense may have to be reduced by an amount called the **inclusion amount.** You may have an inclusion amount if—

The lease term began:	And the vehicle's fair market value on the first day of the lease exceeded:
After 12/31/86	$12,800
After 4/2/85 but before 1/1/87	$23,000
After 6/18/84 but before 4/3/85	$34,500

Note: *If the corporation leased a vehicle during 1986, and the tax year beginning in 1990 is the first tax year the vehicle was used 50% or less for business, you will need to figure an additional inclusion amount. You must figure this additional amount even if the corporation had no inclusion amount using the table shown above.*

See **Publication 917,** Business Use of a Car, for instructions on how to figure the inclusion amount and the additional inclusion amount.

Line 12

Taxes

Enter taxes paid or incurred in the trade or business activities of the corporation, if not reflected in cost of goods sold. Federal import duties and Federal excise and stamp taxes are deductible only if paid or incurred in carrying on the trade or business of the corporation. Taxes incurred in the production or collection of income, or for the management, conservation, or maintenance of property held for the production of income are not deductible on line 12. Report these taxes separately on Schedules K and K-1, line 10.

Do not deduct taxes, including state and local sales taxes, paid or accrued in connection with the acquisition or disposition of business property. These taxes must be added to the cost of the property, or in the case of a disposition, subtracted from the amount realized. See section 164.

Do not deduct taxes assessed against local benefits that increase the value of the property assessed (such as for paving, etc.); Federal income taxes; estate, inheritance, legacy, succession, and gift taxes; or taxes reported elsewhere on the return.

Do not deduct section 901 foreign taxes. These taxes are reported separately on line 15e, Schedule K.

See section 263A(a) for information on capitalization of allocable costs (including taxes) for any property.

Line 13

Interest

Include on line 13 only interest incurred in the trade or business activities of the corporation that is not claimed elsewhere on the return.

Do not include interest expense on debt used to purchase rental property or debt used in a rental activity. Interest allocable to a rental real estate activity is reported on Form 8825 and is used in arriving at net income (loss) from rental real estate activities on line 2 of Schedules K and K-1. Interest allocable to a rental activity other than a rental real estate activity is included on line 3b of Schedule K and is used in arriving at net income (loss) from a rental activity (other than a rental real estate activity). This net amount is reported on line 3c of Schedule K and line 3 of Schedule K-1.

Do not include interest expense that is clearly and directly allocable to portfolio or investment income. This interest expense is reported separately on line 11a of Schedule K.

Do not include interest on debt proceeds allocated to distributions made to shareholders during the tax year. Instead, report such interest on line 10 of Schedules K and K-1. To determine the amount to allocate to distributions to shareholders, see Notice 89-35, 1989-1 C.B. 675.

Do not include interest expense on debt required to be allocated to the production of qualified property. Interest that is allocable to certain property produced by an S corporation for its own use or for sale must be capitalized. The corporation must also capitalize any interest on debt that is allocable to an asset used to produce the above property. A shareholder may have to capitalize interest that the shareholder incurs during the tax year for the production expenditures of the S corporation. Similarly, interest incurred by an S corporation may have to be capitalized by a shareholder for the shareholder's own production expenditures. The information required by the shareholder to properly capitalize interest for this purpose must be provided by the corporation in an attachment for line 21 of Schedule K-1 (see the instructions for Schedule K-1, line 21, item (I)). See section 263A(f) and Notice 88-99 for additional information.

Temporary Regulations section 1.163-8T gives rules for allocating interest expense among activities so that the passive activity limitation, investment interest limitation, and the personal interest limitation can be properly figured. Generally, interest expense is allocated in the same manner as debt is allocated. Debt is allocated by tracing disbursements of the debt proceeds to specific expenditures. These regulations give rules for tracing debt proceeds to expenditures.

See Temporary Regulations section 1.163-8T for special rules on allocation of interest expense, transitional rules, and other details.

Certain interest paid or accrued by the corporation (directly or indirectly) to a related person may be limited if no tax is imposed on such interest. See section 163(j) for more detailed information.

Generally, prepaid interest can only be deducted over the period to which the prepayment applies. See section 461(g) for details.

Line 14

Depreciation

Enter on line 14a only the depreciation claimed on assets used in a trade or business activity. See the Instructions for Form 4562 or **Publication 534,** Depreciation, to figure the amount of depreciation to enter on this line. For depreciation, you must complete and attach Form 4562 only if the corporation placed property in service during 1990 or claims depreciation on any car or other listed property.

Do not include any section 179 expense deduction on this line. This amount is not deductible by the corporation. Instead, it is passed through to the shareholders on line 8 of Schedule K-1.

Line 15

Depletion

If the corporation claims a deduction for timber depletion, complete and attach **Form T,** Forest Industries Schedules.

Caution: *Do not report depletion deductions for oil and gas properties on this line. Each shareholder figures depletion on these properties under section 613A(c)(13). See the instructions for line 21 of Schedule K-1 for information on oil and gas depletion that must be supplied to the shareholders by the corporation.*

Line 17

Pension, profit-sharing, etc., plans

Enter the deductible contributions not claimed elsewhere on the return made by the corporation for its employees under a qualified pension, profit-sharing, annuity, or Simplified Employee Pension (SEP) plan, and under any other deferred compensation plan.

If the corporation contributes to an Individual Retirement Arrangement (IRA) for employees, include the contribution in salaries and wages on page 1, line 8a or Schedule A, line 3, and not on line 17.

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:

Form 5500, Annual Return/Report of Employee Benefit Plan (with 100 or more participants).

Form 5500-C/R, Return/Report of Employee Benefit Plan (with fewer than 100 participants).

Form 5500EZ, Annual Return of One-Participant (Owners and Their Spouses) Pension Benefit Plan. Complete this form for a one-participant plan.

There are penalties for failure to file these forms on time and for overstating the pension plan deduction.

Line 18

Employee benefit programs

Enter amounts for fringe benefits paid or incurred on behalf of employees owning 2% or less of the corporation's stock. These fringe benefits include: **(a)** up to $5,000 paid by reason of an employee's death to his estate or beneficiary, **(b)** employer contributions to certain accident and health plans, **(c)** the cost of up to $50,000 of group-term life insurance on an employee's life, and **(d)** meals and lodging furnished for the employer's convenience.

Do not deduct amounts that are an incidental part of a pension, profit-sharing, etc. plan included on line 17 or amounts reported elsewhere on the return.

Report amounts paid on behalf of more than 2% shareholders separately on line 10 of Schedules K and K-1. A shareholder is considered to own more than 2% of the corporation's stock if that person owns on any day during the tax year more than 2% of the outstanding stock of the corporation or stock possessing more than 2% of the combined voting power of all stock of the corporation. See section 1372 for more information.

Line 19

Other deductions

Attach a separate sheet listing all allowable deductions related to any trade or business activity for which there is no line on page 1 of the return. Enter the total on this line. Do not include those items that must be reported separately on Schedules K and K-1.

Do not include qualified expenditures to which an election under section 59(e) may apply. See instructions for lines 16a and 16b of Schedule K-1 for details on treatment of these items.

Include on line 19 the deduction taken for amortization. See instructions for Form 4562 for more information. You must complete and attach Form 4562 if the corporation is claiming amortization of costs that begins during its 1990 tax year.

In most cases, you may not take a deduction for any part of any item allocable to a class of exempt income. (See section 265 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.

Section 464(f) limits the deduction for certain expenditures of S corporations engaged in farming that use the cash method of accounting, and whose prepaid expenses for feed, seed, fertilizer, and other farm supplies, and the cost of poultry are more than 50% of other deductible farming expenses. Generally, any excess (amount over 50%) may be deducted only in the tax year the items are actually used or consumed. See section 464(f) for more information.

Generally, the corporation can deduct only 80% of the amount otherwise allowable for meals and entertainment expenses paid or incurred in its trade or business. In addition, meals must not be lavish or extravagant; a bona fide business discussion must occur during, immediately before, or immediately after the meal; and an employee of the corporation must be present at the meal. See section 274(k)(2) for exceptions.

Additional limitations apply to deductions for gifts, skybox rentals, luxury water travel,

Worksheet for Line 22a

1. Enter gross receipts for the tax year. (see section 1362(d)(3)(C) for gross receipts from the sale of capital assets)* _____
2. Enter passive investment income as defined in section 1362(d)(3)(D)* _____
3. Enter 25% of line 1 (If line 2 is less than line 3, stop here. You are not liable for this tax.) _____
4. Excess passive investment income—Subtract line 3 from line 2 _____
5. Enter deductions directly connected with the production of income on line 2 (see 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 _____ x
8. Excess net passive income—Multiply line 6 by line 7 _____
9. Enter taxable income (see instructions for taxable income below) _____
10. Enter smaller of line 8 or line 9 _____
11. Excess net passive income tax—Enter 34% of line 10. Enter here and on line 22a, page 1, Form 1120S _____

*Income and deductions on lines 1, 2, and 5 are from total operations for the tax year. This includes applicable income and expenses from page 1, Form 1120S, as well as those reported separately on Schedule K. See sections 1362(d)(3)(D) and 1375(b)(4) for exceptions regarding lines 2 and 5.

Line 9 of Worksheet.—Taxable Income.—

Line 9 taxable income is defined in Regulations section 1.1374-1A(d). Figure this income by completing lines 1 through 28 of **Form 1120,** U.S. Corporation Income Tax Return. Include the Form 1120 computation with the worksheet computation you attach to Form 1120S. You do not have to attach the schedules, etc., called for on Form 1120. However, you may want to complete certain Form 1120 schedules, such as Schedule D (Form 1120), if you have capital gains or losses.

convention expenses, and entertainment tickets. See section 274 and **Publication 463,** Travel, Entertainment, and Gift Expenses, for details.

Generally, a corporation can deduct all other ordinary and necessary travel and entertainment expenses paid or incurred in its 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 for an activity that is usually considered entertainment, amusement, or recreation.

Note: *The corporation may be able to deduct the expense if the amount is treated as compensation and reported on Form W-2 for an employee or on Form 1099-MISC for an independent contractor.*

Do not deduct penalties imposed on the corporation such as those included in the General Instruction on **Interest and Penalties.**

Line 21

Ordinary Income (loss)

This is nonseparately computed income or loss as defined in section 1366(a)(2) attributable to trade or business activities of the corporation. This income or loss is entered on line 1 of Schedule K.

Line 21 income is not used in figuring the tax on line 22a or 22b. See instructions for line 22a for figuring taxable income for purposes of line 22a or 22b tax.

Line 22a

Excess net passive income tax

If the corporation has always been an S corporation, the excess net passive income tax does not apply to the corporation. If the corporation has subchapter C earnings and profits (defined in section 1362(d)(3)(B)) at the close of its tax year, has passive investment income for the tax year 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 and line 9 of the worksheet on page 10 to make this determination. If line 2 is greater than line 3 and the corporation has taxable income (see instructions for line 9 of worksheet), it must pay the tax. Complete a separate schedule using the format of lines 1 through 11 of the worksheet above to figure the tax. Enter the tax on line 22a, page 1, Form 1120S, and attach the computation schedule to Form 1120S.

Reduce each item of passive income passed through to shareholders by its portion of tax on line 22a. See section 1366(f)(3).

Line 22b

Tax from Schedule D (Form 1120S)

If the corporation elected to be an S corporation before 1987 (or elected to be an S corporation during 1987 or 1988 and qualifies for transitional relief from the built-in gains tax), see instructions for Part III of Schedule D (Form 1120S) to determine if the corporation is liable for the Part III— Capital Gains Tax.

If the corporation made its election to be an S corporation after 1986, see the instructions for Part IV of Schedule D to determine if the corporation is liable for the Part IV— Built-In Gains Tax.

Note: *For purposes of line 13 of Part III and line 17 of Part IV of Schedule D, taxable income is defined in section 1375(b)(1)(B) and is generally figured in the same manner as taxable income for line 9 of the worksheet above for line 22a of Form 1120S.*

Line 22c

Include in the total for line 22c the following:

Section 47 recapture tax.—Section 1371(d) provides that an S corporation is liable for investment credit recapture attributable to credits allowed for tax years for which the corporation was not an S corporation.

Include the corporation's section 47 recapture tax in the total amount to be entered on line 22c. Write to the left of the line 22c total the amount of recapture tax and the words "section 47 tax," and attach **Form 4255,** Recapture of Investment Credit, to Form 1120S.

LIFO recapture tax.—If the corporation used the LIFO inventory pricing method for its last tax year as a C corporation, the corporation may be liable for the additional tax due to LIFO recapture under section 1363(d).

The LIFO recapture tax is figured for the last tax year the corporation was a C corporation. See the Instructions for Forms 1120 and 1120-A for details. The LIFO tax is paid in 4 equal installments. The first installment is due with the corporation's Form 1120 (or 1120-A) for the corporation's last tax year as a C corporation, and each of the remaining installments is paid with the corporation's Form 1120S for the 3 succeeding tax years. Include this year's installment in the total amount to be entered on line 22c, page 1, Form 1120S. Write to the left of the total on line 22c the installment amount and the words "LIFO tax".

Line 23d

If the S corporation is a beneficiary of a trust and the trust makes a section 643(g) election to credit its estimated tax overpayments to its beneficiaries, include the corporation's share of the overpayment (reported to the corporation on Schedule K-1 (Form 1041)) in the total amount entered on line 23d. Also, to the left of the line 23d, write "T" and the amount of the overpayment.

Schedule A

Cost of Goods Sold

Inventory valuation methods

Inventories can be valued at: **(a)** cost, **(b)** cost or market value (whichever is lower), or **(c)** any other method approved by the Commissioner 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. To make this change, file Form 3115. For more information, see Regulations section 1.446-1(e)(3) and Rev. Proc. 84-74, 1984-2 C.B. 736; Notice 88-78, 1988-2 C.B. 394; and Notice 89-67.

On 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 and Notice 88-86, 1988-2 C.B. 401 (section IV(N)).

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 showing the information required by Form 970, with Form 1120S and check the LIFO box in line 8b. On line 8c, enter the amount or percent (estimates may be used) of total closing inventories covered under section 472.

If you have changed or extended your inventory method to LIFO and have had to "write up" your opening inventory to cost in the year of election, report the effect of this writeup as income (line 5, page 1) proportionately over a 3-year period that begins in the tax year you made this election. (See section 472(d).)

Section 263A uniform capitalization rules.—The uniform capitalization rules of section 263A are discussed under **Limitations on deductions** on page 8. See those instructions before completing Schedule A.

Line 4a.—An entry is required on this line only for corporations that have elected a simplified method of accounting. For corporations that have elected the simplified production method, additional section 263A costs are generally those costs, other than interest, that were not capitalized or included in inventory costs under the corporation's method of accounting immediately prior to the effective date in Temporary Regulations section 1.263A-1T that are now required to be capitalized under section 263A. For corporations that have elected a simplified resale method, additional section 263A costs are generally those costs incurred with respect to the following categories: off-site storage or warehousing; purchasing; handling, processing, assembly and repackaging; and general and administrative costs (mixed service costs). Enter on line 4a the balance of section 263A costs paid or incurred during the tax year not included on lines 2 and 3. See Temporary Regulations section 1.263A-1T for more information.

Line 4b.—Enter on line 4b any other inventoriable costs paid or incurred during the tax year not entered on lines 2 through 4a.

Line 6.—See Temporary Regulations section 1.263A-1T for details on figuring the amount of additional section 263A costs to be capitalized and added to ending inventory.

Additional Information Required

Be sure to answer the questions and provide other information in items I through S.

Question L

Foreign financial accounts

Check the "Yes" box if either **a** or **b** below applies to the corporation. Otherwise, check the "No" box.

a. At any time during the year, the corporation had an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account); AND

- The combined value of the accounts was more than $10,000 during the year; AND
- The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

b. The corporation owns more than 50% of the stock in any corporation that would answer "Yes" to item **a** above.

Get form **TD F 90-22.1**, Report of Foreign Bank and Financial Accounts, to see if the corporation is considered to have an interest in or signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account).

If "Yes" is checked for this question, file form TD F 90-22.1 by June 30, 1991, with the Department of the Treasury at the address shown on the form. Form TD F 90-22.1 is not a tax return, so do not file it with Form 1120S. Form TD F 90-22.1 may be obtained from IRS Forms Distribution Centers.

Also, if "Yes" is checked for this question, enter the name of the foreign country or countries. Attach a separate sheet if you need more space.

Item R

Complete item R if the corporation: **(1)** filed its election to be an S corporation after 1986; **(2)** was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation; and **(3)** has net unrealized built-in gain (defined below) in excess of the net recognized built-in gain from prior years.

The corporation is liable for section 1374 tax if (1), (2), and (3) above apply and it has a net recognized built-in gain (section 1374(d)(2)) for its tax year.

Section 633(d)(8) of the Tax Reform Act of 1986 provides transitional relief from the built-in gains for certain corporations that elected to be S corporations in 1987 or 1988. However, the relief rule does **not** apply to ordinary gains or losses (determined without regard to section 1239), gains or losses from the disposition of capital assets held 6 months or less, and gains from the disposition of any asset acquired by the corporation with a substituted basis if a principal purpose for acquiring the asset was to secure transitional relief from the built-in gains tax. See the instructions for Part IV of Schedule D (Form 1120S) for more information.

The corporation's "net unrealized built-in gain" is the amount, if any, by which the fair market value of the assets of the corporation at the beginning of its first S corporation year (or as of the date the assets were acquired, for any asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation) exceeds the aggregate adjusted basis of such assets at that time.

Enter in item R the corporation's net unrealized built-in gain reduced by the net recognized built-in gain for prior years. See sections 1374(c)(2) and (d)(1).

Item S

Check the box in item S if the corporation was a C corporation in a prior year and has subchapter C earnings and profits (E&P) at the close of its 1990 tax year. For this purpose, "subchapter C E&P" means E&P of any corporation for any tax year when it was not an S corporation. See sections 1362(d)(3)(B) and 312 for other details. If the corporation has subchapter C E&P, it may be liable for tax imposed on excess net passive income. See the instructions for line 22a, page 1, of Form 1120S for details on this tax.

Designation of Tax Matters Person (TMP)

If the S corporation is subject to sections 6241 through 6245 (consolidated audit procedures), it may designate a shareholder as the TMP for the tax year for which the return is filed by completing the **Designation of Tax Matters Person** section at the bottom of page 2 of Form 1120S. Temporary Regulations section 301.6241-1T provides an exception to the consolidated provisions for small S corporations with 5 or fewer shareholders each of whom is a natural person or an estate. See the instructions for **Item G, Consolidated Audit Procedures**, on page 7, sections 6241 through 6245, and Temporary Regulations section 301.6241-1T for other details.

Schedule K and Schedule K-1

Shareholder's Share of Income, Credits, Deductions, Etc.

Purpose of Schedules

Schedule K is a summary schedule of all the shareholders' shares of the corporation's income, deductions, credits, etc. Schedule K-1 shows each shareholder's separate share. A copy of each shareholder's Schedule K-1 must be attached to the Form 1120S filed with the IRS. A copy is kept as a part of the corporation's records, and the corporation must give each shareholder a separate copy.

Be sure to give each shareholder a copy of the Shareholder's Instructions for Schedule K-1 (Form 1120S). These instructions are available, separately from Schedule K-1, at most IRS offices.

Note: *Instructions that apply only to line items reported on Schedule K-1 may be prepared and given to each shareholder in lieu of the instructions printed by IRS.*

General Instructions

The corporation is liable for taxes on lines 22a, b, and c, page 1, Form 1120S. Shareholders are liable for income tax on their shares of the corporation's income (reduced by any taxes paid by the corporation on income) and must include their share of the income on their tax return whether or not it is distributed to them. Unlike most partnership income, S corporation income is **not** self-employment income and is **not** subject to self-employment tax.

The total pro rata share items (column (b)) of all Schedules K-1 should equal the amount reported on the same line of Schedule K. Lines 1 through 17 of Schedule K correspond to lines 1 through 17 of Schedule K-1. Other lines do not correspond, but instructions will explain the differences.

Substitute Forms

You do not need IRS approval to use a substitute Schedule K-1 if it is an exact facsimile of the IRS schedule, or if it contains only those lines the taxpayer is required to use, and the lines have the same numbers and titles and are in the same order as on the comparable IRS Schedule K-1. In either case, your substitute schedule must include the OMB number, and either: **(1)** the Shareholder's Instructions for Schedule K-1 (Form 1120S), or **(2)** instructions that apply to the items reported on Schedule K-1 (Form 1120S).

Other substitute Schedules K-1 require approval. You may apply for approval of a substitute form by writing to: Internal Revenue Service, Attention: Substitute Forms Program Coordinator, R:R:R, 1111 Constitution Avenue, NW, Washington, DC 20224.

You may be subject to a penalty if you file a substitute Schedule K-1 that does not conform to the specifications of Rev. Proc. 90-8, 1990-1 C.B. 434.

Shareholder's Pro Rata Share Items

Items of income, loss, deductions, etc., are allocated to a shareholder on a daily basis, according to the number of shares of stock held by the shareholder on each day during the tax year of the corporation. See item A on page 12.

A transferee shareholder (rather than the transferor) is considered to be the owner of stock on the day it is transferred.

Special rule—If a shareholder terminates his or her interest in a corporation during the tax year, the corporation, with the consent of all shareholders (including the one whose interest is terminated), may elect to allocate income and expenses, etc. as if the corporation's tax year consisted of 2 tax years, the first of which ends on the date of the shareholder's termination. To make the election, the corporation must file a statement of election with the return for the tax year of election and attach a statement of consent signed by all shareholders. If the election is made, write "Section 1377(a)(2) Election Made" at the top of each Schedule K-1. See section 1377(a)(2) and Temporary Regulations section 18.1377-1 for details.

Specific Instructions

Schedule K only

Enter the total pro rata share amount for each applicable line item on Schedule K.

Schedule K-1 only

On each Schedule K-1: complete the date spaces at the top; enter the names, addresses, and identifying numbers of the shareholder and corporation; complete items A through F; and enter the shareholder's pro rata share of each item. **Schedule K-1 must be prepared and given to each shareholder on or before the day on which Form 1120S is filed.**

Note: *Space has been provided on line 21 (Supplemental Information) of Schedule K-1 for the corporation to provide additional information to shareholders. This space, if sufficient, should be used in place of any attached schedules required for any lines on Schedule K-1, or other amounts not shown on lines 1 through 20 of Schedule K-1. Please be sure to identify the applicable line number next to the information entered below line 21.*

Item A.—If there was no change in shareholders or in the relative interest in stock the shareholders owned during the tax year, enter the percentage of total stock owned by each shareholder during the tax year. For example, if shareholders X and Y each owned 50% for the entire tax year, enter 50% in item A for each shareholder. Each shareholder's pro rata share items (lines 1 through 21 of Schedule K-1) are figured by multiplying the Schedule K amount on the corresponding line of Schedule K by the percentage in item A.

If there was a change in shareholders or in the relative interest in stock the shareholders owned during the tax year, each shareholder's percentage of ownership is weighted for the number of days in the tax year that stock was owned. For example, A and B each held 50% for half the tax year and A, B, and C held 40%, 40%, and 20%, respectively, for the remaining half of the tax year. The percentage of ownership for the year for A, B, and C is figured as follows and is then entered in item A.

	a.	b.	c. (a × b)	
	% of total stock owned	% of tax year held	% of ownership for the year	
A	50% 40	50% 50	25% + 20	45%
B	50 40	50 50	25 + 20	45%
C	20	50	10	10%
Total				100%

If there was a change in shareholders or in the relative interest in stock the shareholders owned during the tax year, each shareholder's pro rata share items can also be figured on a daily basis, based on the percentage of stock held by the shareholder on each day. See sections 1377(a)(1) and (2) for details.

Item B.—Enter the Internal Revenue Service Center address where the Form 1120S, to which a copy of this K-1 was attached, was or will be filed.

Item C.—If the corporation is a registration-required tax shelter, it must enter its tax shelter registration number in item C(1) and identify the type of shelter in C(2). If the corporation invested in a registration-required shelter, the corporation must also attach a copy of its Form 8271 to Schedule K-1. See Form 8271 for a list of the types of tax shelters and for more information.

Special reporting requirements for corporations with multiple activities.—If items of income, loss, deduction, or credit from more than one activity (determined for purposes of the passive activity loss and credit limitations) are reported on lines 1, 2, or 3 of Schedule K-1, the corporation must provide information for each activity to its shareholders. See **Passive Activity Reporting Requirements** under **Passive Activity Limitations** at the end of the General Instructions for details on the reporting requirements.

Special reporting requirements for at-risk activities.—If the corporation is involved in one or more at-risk activities for which a loss is reported on Schedule K-1, the corporation must report information separately for each at-risk activity. See section 465(c) for a definition of at-risk activities.

For each at-risk activity, the following information must be provided on an attachment to Schedule K-1:

1. A statement that the information is a breakdown of at-risk activity loss amounts.

2. The identity of the at-risk activity; the loss amount for the activity; other income, deductions; and other information that relates to the activity.

Items D and E.— Section 469(m) provides for a phase-in of the disallowance of losses and credits from passive activities. However, the phase-in provisions only apply to losses and credits attributable to pre-enactment interests. Generally, a pre-enactment interest is a qualified interest in a pre-enactment activity. A "qualified interest" means stock in the corporation held on October 22, 1986, and at **all times** thereafter. However, stock acquired after October 22, 1986, pursuant to a binding written contract in effect on that date, is considered acquired on that date.

Except as stated above, an ownership interest attributable to stock acquired after October 22, 1986, is not a pre-enactment interest. Accordingly, passive activity losses and credits attributable to an ownership interest acquired after October 22, 1986, do not qualify for the phase-in provisions.

A "pre-enactment activity" is generally an activity that was conducted by the corporation on October 22, 1986. However, a pre-enactment activity also includes an activity that was acquired or constructed pursuant to a written binding contract in effect on August 16, 1986.

Item D.—Enter in item D the shareholder's weighted percentage increase in stock ownership for the 1990 tax year. Generally, a shareholder has a percentage increase in ownership if his or her stock ownership at any time during the corporation's 1990 tax year was greater than the percentage of ownership held by the shareholder on October 22, 1986, and all times thereafter. If a shareholder disposes of stock after October 22, 1986, and the percentage of ownership immediately after the disposition is less than that owned on that date, this lesser percentage is considered to be the percentage owned on that date. For example, in the case of a calendar year corporation, if shareholder Z had 40% ownership on October 22, 1986, and later disposed of stock on December 1, 1989, which resulted in a 20% ownership immediately afterwards, then any additional ownership in 1990 that is above 20% would result in a percentage increase for Z for 1990.

Any percentage increase is weighted for the number of days in 1990 the increased percentage is held. In the case of Z above, if the 20% owned after December 1, 1989, was increased to 50% for the last 6 months of the corporation's 1990 tax year, the 30% increase (50% less 20% = 30%) is weighted by 50% (6 months of tax year = 50%). The weighted percentage increase for item D would be 15% (30% × 50% = 15%).

Note: *A shareholder does not have to acquire stock in the corporation's 1990 tax year to have a percentage increase for 1990. For example, if stock acquired by shareholder Z in 1989, causes Z's percentage of ownership after the acquisition to be greater than on October 22, 1986, and Z's 1989 increased ownership is held during any part of 1990, then Z will have a percentage increase for 1990, and item D of Schedule K-1 should be completed. The percentage increase is weighted for the number of days in 1990 the stock is held.*

Item E.—Check the box in item E if any line 1, 2, or 3 activity was not a pre-enactment activity (as defined above). Also, if item E is checked, enter the date of startup or acquisition in the date space on line 1, 2, or 3 (or on an attached schedule if income or loss from more than one activity is reported on line 1, 2, or 3). Unless an activity is a pre-enactment activity, the benefits of the phase-in provisions are not allowed regardless of when the shareholder acquires his or her stock. See Regulations section 1.469-11T for other details.

Schedules K and K-1, unless otherwise noted

Lines 1 through 17

Reminder: Before entering income items on Schedule K or K-1, be sure to reduce the items of income for the following:

(1) Built-in gains tax (Schedule D, Part IV, line 23).—Each recognized built-in gain item (within the meaning of section 1374(d)(3)) is reduced by its proportionate share of the built-in gains tax.

(2) Capital gains tax (Schedule D, Part III, line 15).—The net long-term capital gain on line 6 of Schedule D or the section 1231 gain included on line 5 or 6 of Schedule K is reduced by this tax.

(3) Excess net passive income tax (line 22a, page 1, Form 1120S).—Each item of passive investment income (within the meaning of section 1362(d)(3)(D)) is reduced by its proportionate share of the net passive income tax.

Line 1. Ordinary income (loss) from trade or business activities.—Enter the amount from line 21, page 1. Enter the income or loss without reference to: **(1)** shareholders' basis in the stock of the corporation and in any indebtedness of the corporation to the shareholders (section 1366(d)), **(2)** shareholders' section 465 at-risk limitations, and **(3)** shareholders' section 469 passive activity limitations. These limitations, if applicable, are determined at the shareholder level.

If the corporation is involved in more than one trade or business activity, see **Passive Activity Reporting Requirements** on page 6 for details on the information to be reported for each activity. If an at-risk activity loss is reported on line 1, see the **Special reporting requirements for at-risk activities** in the Specific Instructions for Schedules K and K-1.

Date space (line 1, Schedule K-1).—If item E is checked, and a trade or business activity was started after October 22, 1986, enter the date (month, day, year) specified in item E.

Line 2. Net income (loss) from rental real estate activities.—Enter the net income or loss from rental real estate activities of the corporation from **Form 8825,** Rental Real Estate Income and Expenses of a Partnership or an S Corporation. Each Form 8825 has space for reporting the income and expenses of up to 8 properties.

If the corporation has income or loss from more than one rental real estate activity reported on line 2, see **Passive Activity Reporting Requirements** on page 6 for details on the information to be reported for each activity. If an at-risk activity loss is reported on line 2, see the **Special reporting requirements for at-risk activities** in the Specific Instructions for Schedules K and K-1.

If a loss from a qualified low-income housing project is reported on line 2, identify this loss on a statement attached to the Schedule K-1 of each shareholder who is a qualified investor in the project. Any loss sustained by a qualified investor in a qualified low-income housing project for any tax year in the relief period is not subject to the passive activity loss limitations under section 502 of the Tax Reform Act of 1986. See Act section 502 for definitions and other information on qualified low-income housing projects.

Date space (lines 2 and 3 of Schedule K-1).— If item E is checked and a rental activity was started or acquired after October 22, 1986, enter the date (month, day, year) specified in item E.

Line 3. Income and expenses of other rental activities.—Enter on lines 3a and 3b of Schedule K (line 3 of Schedule K-1) the income and expenses of rental activities other than the income and expenses reported on Form 8825. If the corporation has more than one rental activity reported on line 3, see **Passive Activity Reporting Requirements** on page 6 for details on the information to be reported for each activity. If an at-risk activity loss is reported on line 3, see the **Special reporting requirements for at-risk activities.** Also see **Rental activities other than rental real estate activities** under **Passive Activity Limitations** in the General Instructions for a definition and other details on other rental activities.

Lines 4a through 4f. Portfolio income (loss).—Enter portfolio income (loss) on lines 4a through 4f. See **Portfolio income** under **Passive Activity Limitations** in the General Instructions for a definition of portfolio income. Do not reduce portfolio income by expenses allocated to it. Such expenses (other than interest expense) are reported on line 9 of Schedules K and K-1. Interest expense allocable to portfolio income is generally investment interest expense and is reported on line 11a of Schedules K and K-1.

Lines 4a and 4b.—Enter only taxable interest and dividends that are portfolio income. Interest income derived in the ordinary course of the corporation's trade or business, such as interest charged on receivable balances, is reported on line 5, page 1, Form 1120S. See Temporary Regulations section 1.469-2T(c)(3).

Lines 4d and 4e.—Enter on line 4d the net short-term capital gain or loss (reduced by any applicable taxes) from line 3 of Schedule D (Form 1120S) that is portfolio income. Enter on line 4e the net long-term capital gain or loss (reduced by any applicable taxes) from line 6 of Schedule D (Form 1120S) that is portfolio income. If any gain or loss from lines 3 and 6 of Schedule D is not portfolio income (e.g., gain or loss from the disposition of nondepreciable personal property used in a trade or business), do not report this income or loss on lines 4d and 4e. Instead, report it on line 6 of Schedules K and K-1. If the income or loss is attributable to more than one activity, report the income or loss amount separately for each activity on an attachment to Schedule K-1 and identify the activity to which the income or loss relates.

Line 4f.—Enter any other portfolio income not reported on lines 4a through 4e.

If the corporation holds a residual interest in a REMIC, report on an attachment for line 4f each shareholder's share of taxable income (net loss) from the REMIC (line 1b of Schedule Q (Form 1066)); excess inclusion (line 2c of Schedule Q (Form 1066)); and section 212 expenses (line 3b of Schedule Q (Form 1066)). Because Schedule Q (Form 1066) is a quarterly statement, the corporation must follow the Schedule Q (Form 1066) Instructions for Residual Holder to figure the amounts to report to shareholders for the corporation's tax year.

Line 5.—Enter the gain (loss) under section 1231 shown on line 7 of Form 4797. Do not include net gains or losses from involuntary conversions due to casualties or thefts on this line. Instead, report them on line 6.

Line 6.—Enter any other item of income or loss not included on lines 1 through 5, such as:

a. Wagering gains and losses (section 165(d)).

b. Recovery of tax benefit items (section 111).

c. Any gain or loss from a section 1256 contract.

d. Net gain (loss) from involuntary conversions due to casualty or theft.

Line 7.—Enter the amount of charitable contributions paid by the corporation during its tax year. Attach an itemized list that separately shows the corporation's charitable contributions subject to the 50%, 30%, and 20% limitations.

If the corporation contributes property other than cash and the aggregate amount claimed exceeds $500, **Form 8283,** Noncash Charitable Contributions, must be completed and attached to Form 1120S. The corporation must give a copy of its Form 8283 to every shareholder if the total deduction for any item or group of similar items of contributed property exceeds $5,000, even though the amount allocated to each shareholder is $5,000 or less. For property that does not meet the $5,000 filing requirement, the corporation does not have to furnish the shareholders with a copy of its Form 8283. However, the corporation must provide shareholders with their share of the fair market value of contributed property to enable individual shareholders to complete their own Form 8283. See the Instructions for Form 8283 for more information.

If the corporation made a qualified conservation contribution under section 170(h), also include the fair market value of the underlying property before and after the donation, as well as the type of legal interest contributed, and describe the conservation purpose furthered by the donation. Give a copy of this information to each shareholder.

Line 8.—An S corporation may elect under section 179 to expense part of the cost of certain tangible property that the corporation purchased during the tax year for use in its trade or business or rental activities. The section 179 expense deduction is limited to $10,000. Certain other limitations also apply. See the instructions for Form 4562 for more information.

Complete Part I of Form 4562 to figure the corporation's section 179 expense deduction. The corporation does not deduct the expense itself but passes the expense through to its shareholders. Show the total section 179 expense deduction on line 8 of Schedule K and attach Form 4562 to Form 1120S. The limitations of Part I of Form 4562 apply separately to the S corporation and to its shareholders.

Report each individual shareholder's pro rata share of the total expense deduction on line 8 of Schedule K-1. Do not complete line 8 of Schedule K-1 for shareholders that are estates or trusts. In addition, show on an attachment to Schedule K-1 the following information:

a. The shareholder's pro rata share of: **(1)** the items of section 179 property the corporation elects to treat as an expense, **(2)** the portion of the cost of each item treated as an expense, and **(3)** the portion of the cost of each item treated as a carryover amount.

b. If the shareholder's section 179 expense deduction is attributable to more than one activity, identify the activities and any section 179 property associated with the activities.

See the Instructions for line 21 of Schedule K-1, item e, for any recapture of a section 179 amount.

Line 9.—Enter on line 9 the deductions clearly and directly allocable to portfolio income (other than interest expense). Interest expense related to portfolio income is investment interest expense and is reported on line 11a of Schedules K and K-1. Generally, the line 9 expenses are section 212 expenses and are subject to section 212 limitations at the shareholder level.

Note: *Section 274(h)(7) provides that no deduction is allowed under section 212 for expenses allocable to a convention, seminar, or similar meeting. Because these expenses are not deductible by shareholders, the corporation does not report these expenses on line 9 or line 10. The expenses are nondeductible and are reported as such on line 18 of Schedule K and line 21 of Schedule K-1.*

Line 10.—Enter any other deductions not included on lines 7, 8, 9, and 15e, such as:

a. Amounts (other than investment interest required to be reported on line 11a of Schedules K and K-1) paid by the corporation that would be allowed as itemized deductions on a shareholder's income tax return if they were paid directly by a shareholder for the same purpose. These amounts include, but are not limited to, expenses under section 212 for the production of income other than from the corporation's trade or business.

b. Any penalty on early withdrawal of savings not reported on line 9 because the corporation withdrew funds from its time savings deposit before its maturity.

c. Soil and water conservation expenditures (section 175).

d. Expenditures paid or incurred for the removal of architectural and transportation barriers to the elderly and disabled that the corporation has elected to treat as a current expense. See section 190.

e. Interest expense allocated to debt-financed distributions. See Notice 89-35 for more information.

f. Any amounts paid during the tax year for insurance which constitutes medical care for a more than 2% shareholder, that shareholder's spouse, and that shareholder's dependents. Under the provisions of section 162(l), a more than 2% shareholder may be allowed a deduction up to 25% of such amounts.

g. Other fringe benefit expenditures for more than 2% shareholders. See the instructions for line 18, page 1, of Form 1120S for details on section 1372 fringe benefit expenditures to be separately reported.

h. If there was a gain (loss) from a casualty or theft to property not used in a trade or business or for income producing purposes, provide each shareholder with the needed information to complete **Form 4684,** Casualties and Thefts.

Investment Interest

Lines 11a and 11b

Lines 11a and 11b must be completed for all shareholders.

Line 11a. Investment Interest Expense.—Include on this line the interest properly allocable to debt on property held for investment purposes. Property held for investment includes property that produces investment income (interest, dividends, annuities, royalties, etc.).

Investment interest expense **does not** include interest expense allocable to a passive activity.

Report investment interest expense only on line 11a of Schedules K and K-1.

The amount on line 11a will be deducted by individual shareholders on Form 1040 after applying the investment interest expense limitations of section 163(d). The section 163(d) limitations are figured on **Form 4952,** Investment Interest Expense Deduction.

Lines 11b(1) and 11b(2). Investment Income and Expenses.—Enter on line 11b(1) only the investment income included on line 4 of Schedule K-1. Enter on line 11b(2) only the investment expense included on line 9 of Schedule K-1.

If there are items of investment income or expense included in the amounts that are required to be passed through separately to the shareholders on Schedule K-1 (items other than the amounts included on lines 4 and 9 of Schedule K-1), give each shareholder a schedule identifying these amounts.

Investment income includes gross income from property held for investment, gain attributable to the disposition of property held for investment, and other amounts that are gross portfolio income. Generally, investment income and investment expenses do not include any income or expenses from a passive activity. See Temporary Regulations section 1.469-2T(f)(10) for exceptions.

Property subject to a net lease is not treated as investment property because it is subject to the passive loss rules. Do not reduce investment income by losses from passive activities.

Investment expenses are deductible expenses (other than interest) directly connected with the production of investment income. See the Instructions for Form 4952 for more information on investment income and expenses.

Credits

Note: *If the corporation has credits from more than one trade or business activity on line 12a or 13, or more than one rental activity on line 12b, 12c, 12d, or 12e, it must report separately on an attachment to Schedule K-1, the amount of each credit and provide any other applicable activity information listed in* ***Passive Activity Reporting Requirements*** *under the General Instructions for* ***Passive Activity Limitations.***

Line 12a.—Enter on line 12a of Schedule K the credit for alcohol used as fuel computed by the corporation that is attributable to a trade or business activity. Enter on line 12d or 12e, the credit for alcohol used as fuel attributable to rental activities. The credit for alcohol used as fuel is figured on **Form 6478,** Credit for Alcohol Used as Fuel, and the form is attached to Form 1120S. The credit must be included as income on page 1, line 5, of Form 1120S. See section 40(f) for an election the corporation can make to have the credit not apply.

Enter each shareholder's share of the credit for alcohol used as fuel on line 12a, 12d, or 12e of Schedule K-1.

Line 12b.—Section 42 provides for a low-income housing credit that may be claimed by owners of low-income residential rental buildings. If shareholders are eligible to claim the low-income housing credit, complete the applicable parts of **Form 8586,** Low-Income Housing Credit, and attach it to Form 1120S. Enter the credit figured by the corporation on Form 8586, and any low-income housing credit received from other entities in which the corporation is allowed to invest on the applicable line as explained below. The corporation must also complete and attach **Form 8609,** Low-Income Housing Credit Allocation Certification, and **Schedule A (Form 8609),** Annual Statement, to Form 1120S. See the Instructions for Form 8586 and Form 8609 for information on completing these forms.

Note: *No credit may be claimed for any building in a qualified low-income housing project for which any person was allowed to claim a loss from the project by reason of not being subject to the passive activity limitations of section 469 (see section 502 of the Tax Reform Act of 1986 for details).*

Line 12b(1).—If the corporation invested in a partnership to which the provisions of section 42(j)(5) apply, report on line 12b(1) the credit the partnership reported to the corporation on line 13b(1) of Schedule K-1 (Form 1065). If the corporation invested **before 1990** in a section 42(j)(5) partnership, also include on this line any credit the partnership reported to the corporation on line 13b(3) of Schedule K-1 (Form 1065).

Line 12b(2).—Report on line 12b(2) any low-income housing credit for property placed in service before 1990 and not reported on line 12b(1). This includes any credit from a building placed in service before 1990 in a project owned by the corporation and any credit from a partnership reported to the corporation on line 13b(2) of Schedule K-1 (Form 1065). Also include on this line any credit from a partnership reported to the corporation on line 13b(4) of Schedule K-1 (Form 1065), **if the corporation invested in that partnership before 1990.**

Line 12b(3).—**If the corporation invested after 1989** in a partnership to which the provisions of section 42(j)(5) apply, report on line 12b(3) the credit the partnership reported to the corporation on line 13b(3) of Schedule K-1 (Form 1065).

Line 12b(4).—Report on line 12b(4) any low-income housing credit for property placed in service after 1989 and not reported on any other line. This includes any credit from a building placed in service after 1989 in a project owned by the corporation and any credit from a partnership reported to the corporation on line 13b(4) of Schedule K-1 (Form 1065), if the corporation invested in that partnership **after 1989.**

Line 12c.—Enter total qualified rehabilitation expenditures related to rental real estate activities of the corporation, and for line 12c of Schedule K, complete the applicable lines of **Form 3468,** Investment Credit, that apply to qualified rehabilitation expenditures for property related to rental real estate activities of the corporation for which income or loss is reported on line 2 of Schedule K. See Form 3468 for details on qualified rehabilitation expenditures. Attach Form 3468 to Form 1120S.

For line 12c of Schedule K-1, enter each shareholder's pro rata share of the expenditures. On the dotted line to the left of the entry space for line 12c, enter the line number of Form 3468 on which the shareholder should report the expenditures. If there is more than one type of expenditure, or the expenditures are from more than one line 2 activity, report this information separately for each expenditure or activity on an attachment to Schedules K and K-1.

Note: *Qualified rehabilitation expenditures for property that is not related to rental real estate activities must be listed separately on line 21 of Schedule K-1.*

Line 12d.—Enter on line 12d any other credit (other than credits on lines 12b and 12c) related to rental real estate activities. On the dotted line to the left of the entry space for line 12d, identify the type of credit. If there is more than one type of credit or the credit is from more than one line 2 activity, report this information separately for each credit or activity on an attachment to Schedules K and K-1. These credits may include any type of credit listed in the instructions for line 13.

Line 12e.—Enter on line 12e any credit related to other rental activities for which income or loss is reported on line 3 of Schedules K and K-1. On the dotted line to the left of the entry space for line 12e, identify the type of credit. If there is more than one type of credit or the credit is from more than one line 3 activity, report this information separately for each credit or activity on an attachment to Schedules K and K-1. These credits may include any type of credit listed in the instructions for line 13.

Line 13.—Enter on line 13 any other credit (other than credits or expenditures shown or listed for lines 12a through 12e of Schedules K and K-1). On the dotted line to the left of the entry space for line 13, identify the type of credit. If there is more than one type of credit or the credit is from more than one activity, report this information separately for each credit or activity on an attachment to Schedules K and K-1.

The credits to be reported on line 13 and other required attachments are listed below:

- Jobs credit. Complete and attach **Form 5884,** Jobs Credit, to Form 1120S.
- Orphan drug credit or credit for increasing research activities. Complete and attach **Form 6765,** Credit for Increasing Research Activities (or for claiming the orphan drug credit), to Form 1120S.
- Disabled access credit. Complete and attach **Form 8826,** Disabled Access Credit, to Form 1120S.

• Nonconventional source fuel credit. This 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 29 for computation provisions and other special rules for figuring this credit.

• Unused regular or business energy investment credit from cooperatives. If the corporation is a member of a cooperative that passes an unused regular or business energy investment credit through to its members, these credits are in turn passed through to the corporation's shareholders.

• Credit for backup withholding on dividends, interest, or patronage dividends.

See the instructions for line 18 (Schedule K) and line 21 (Schedule K-1) to report the corporation's investment in property qualifying for the regular or business energy investment credit (other than from cooperatives).

Adjustments and Tax Preference Items

Lines 14a through 14f.—Enter items of income and deductions that are adjustments or tax preference items. See **Form 6251**, Alternative Minimum Tax—Individuals, and **Publication 909**, Alternative Minimum Tax for Individuals, to determine the amounts to enter and for other information.

Do not include as a tax preference item any qualified expenditures to which an election under section 59(e) may apply. Because these expenditures are subject to an election by each shareholder, the corporation cannot compute the amount of any tax preference related to them. Instead, the corporation must pass through to each shareholder on lines 16a and 16b of Schedule K-1 the information needed to compute the deduction. Each shareholder computes both the deduction he or she will claim and the resulting tax preference item, if any.

Line 14c.—Figure the adjustment for line 14c based only on tangible property placed in service after 1986 (and tangible property placed in service after July 31, 1986 and before 1987 for which the corporation elected to use the General Depreciation System).

Refigure depreciation as follows: For property other than real property and property on which the straight line method was used, use the 150% declining balance method, switching to straight line method for the 1st tax year when that method gives a better result. (For property on which the straight line method was used, use the straight line method.) Use the class life (instead of the recovery period) and the same conventions as the corporation used on Form 4562. For personal property having no class life, use 12 years. For residential rental and nonresidential real property, use the straight line method over 40 years. Determine the depreciation adjustment by subtracting the recomputed depreciation from the depreciation claimed on Form 4562. If the recomputed depreciation exceeds the depreciation claimed on Form 4562, enter the difference as a negative amount. See the instructions for Form 6251 and Form 4562 for more information.

Line 14d.—Do not include any depletion on oil and gas wells. The shareholders must compute their depletion deductions separately under section 613A.

In the case of mines, wells, and other natural deposits, other than oil and gas wells, enter the amount by which the deduction for depletion under section 611 (including percentage depletion for geothermal deposits) is more than the adjusted basis of such property at the end of the tax year. Figure the adjusted basis without regard to the depletion deduction and figure the excess separately for each property.

Lines 14e(1) and 14e(2).—Generally, the amounts to be entered on these lines are only the income and deductions for oil, gas, and geothermal properties that are used to figure the amount on line 21, page 1, Form 1120S.

If there are any items of income or deductions for oil, gas, and geothermal properties included in the amounts that are required to be passed through separately to the shareholders on Schedule K-1, give each shareholder a schedule for the line on which the income or deduction is included and which shows the amount of income or deductions included in the total amount for that line. Do not include any of these direct passthrough amounts on line 14e(1) or 14e(2). The shareholder is told in the Shareholder's Instructions for Schedule K-1 (Form 1120S) to adjust the amounts on lines 14e(1) and 14e(2) for any other income or deductions from oil, gas, or geothermal properties included on lines 2 through 10 and 21 of Schedule K-1 in order to determine the total income and deductions from oil, gas, and geothermal properties for the corporation.

Figure the amounts for lines 14e(1) and 14e(2) separately for oil and gas properties which are not geothermal deposits and for all properties which are geothermal deposits.

Give the shareholders a schedule that shows the separate amounts that are included in the computation of the amounts on lines 14e(1) and 14e(2).

Line 14e(1).—Enter the aggregate amount of gross income (within the meaning of section 613(a)) from all oil, gas, and geothermal properties received or accrued during the tax year and included on page 1, Form 1120S.

Line 14e(2).—Enter the amount of any deductions allocable to oil, gas, and geothermal properties reduced by the excess intangible drilling costs that were included on page 1, Form 1120S, on properties for which the corporation made an election to expense intangible drilling costs in tax years beginning before 1983. Do not include nonproductive well costs included on page 1.

Figure excess intangible drilling costs as follows: From the allowable intangible drilling and development costs (except for costs in drilling a nonproductive well), subtract the amount that would have been allowable if the corporation had capitalized these costs and either amortized them over the 120 months that started when production began, or treated them according to any election the corporation made under section 57(b)(2).

See section 57(a)(2) for more information.

Line 14f.—Attach a schedule that shows each shareholder's share of other items not shown on lines 14a through 14e(2) that are adjustments or tax preference items or that the shareholder needs to complete Form 6251 or Form 8656. See these forms and their instructions to determine the amount to enter. Other adjustments or tax preference items include the following:

• Amortization of certified pollution control facilities.—The deduction allowable under section 169 for any facility placed in service after 1986 must be refigured using the alternative depreciation system under section 168(g).

• Long-term contracts entered into after February 28, 1986.—Except for certain home construction contracts, the taxable income from these contracts must be figured using the percentage of completion method of accounting for alternative minimum tax purposes.

• Installment sales of inventory or stock in trade after March 1, 1986.—Generally, the installment method may not be used for these sales in computing alternative minimum taxable income.

• Charitable contributions of appreciated property.—Generally, the deduction for charitable contributions claimed on line 7 of Schedules K and K-1 is reduced by the difference between the fair market value and the adjusted basis of the capital gain and section 1231 property donated to a charitable organization.

• Losses from tax shelter farm activities.—No loss from any tax shelter farm activity is allowed for alternative minimum tax purposes.

Foreign Taxes

Lines 15a through 15g.—In addition to the instructions below, see **Form 1116**, Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual), and the related instructions.

Line 15a.—Enter the type of income from outside the U.S. as follows:

• Passive income
• High withholding tax interest
• Financial services income
• Shipping income
• Dividends from a DISC or former DISC
• Certain distributions from a foreign sales corporation (FSC) or former FSC
• Dividends from each noncontrolled section 902 corporation
• Taxable income attributable to foreign trade income (within the meaning of section 923(b))
• General limitation income (all other income from sources outside U.S., including income from sources within U.S. possessions)

If, for the country or U.S. possession shown on line 15b, the corporation had more than one type of income, enter "See attached" and attach a schedule for each type of income for lines 15b through 15g.

Line 15b.—Enter the name of the foreign country or U.S. possession. If, for the type of income shown on line 15a, the corporation had income from, or paid taxes to, more than one foreign country or U.S. possession, enter "See attached" and attach a schedule for each country for lines 15a and 15c through 15g.

Line 15c.—Enter in U.S. dollars the total gross income from sources outside the U.S. Attach a schedule that shows each type of income listed in the instructions for line 15a.

Line 15d.—Enter in U.S. dollars the total applicable deductions and losses attributable to income on line 15c. Attach a schedule that shows each type of deduction or loss as follows:

• Expenses directly allocable to each type of income listed above
• Pro rata share of all other deductions not directly allocable to specific items of income
• Pro rata share of losses from other separate limitation categories

Line 15e.—Enter in U.S. dollars the total foreign taxes (described in section 901) that were paid or accrued by the corporation to foreign countries or U.S. possessions. Attach a schedule that shows the dates the taxes were paid or accrued, and the amount in both foreign currency and in U.S. dollars, as follows:

• Taxes withheld at source on dividends
• Taxes withheld at source on rents and royalties
• Other foreign taxes paid or accrued

Line 15f.—Enter in U.S. dollars the total reduction in taxes available for credit. Attach a schedule that shows separately the:

• Reduction for foreign mineral income
• Reduction for failure to furnish returns required under section 6038
• Reduction for taxes attributable to boycott operations (section 908)
• Reduction for foreign oil and gas extraction income (section 907(a))
• Reduction for any other items (specify)

Line 15g.—Enter in U.S. dollars any items not covered on lines 15c, 15d, 15e, and 15f.

Other Items

Lines 16a and 16b.—Generally, section 59(e) allows each shareholder to make an election to deduct the shareholder's pro rata share of the corporation's otherwise deductible qualified expenditures ratably over 10 years (3 years for circulation expenditures), beginning with the tax year in which the expenditures were made (or for intangible drilling and development costs, over the 60-month period beginning with the month in which such costs were paid or incurred). The term "qualified expenditures" includes only the following types of expenditures paid or incurred during the tax year: circulation expenditures, research and experimental expenditures, intangible drilling and development costs, and mining exploration and development costs. If a shareholder makes this election, these items are not treated as tax preference items.

Because the shareholders are generally allowed to make this election, the corporation cannot deduct these amounts or include them as adjustments or tax preference items on Schedule K-1. Instead, on lines 16a and 16b of Schedule K-1, the corporation passes through the information the shareholders need to compute their separate deductions.

Enter on line 16a the qualified expenditures paid or incurred during the tax year to which an election under section 59(e) may apply. Enter this amount for all shareholders whether or not any shareholder makes an election under section 59(e). On line 16b, enter the type of expenditure claimed on line 16a. If the expenditure is for intangible drilling and development costs, enter the month in which the expenditure was paid or incurred (after the type of expenditure on line 16b). If there is more than one type of expenditure included in the total shown on line 16a (or intangible drilling and development costs were paid or incurred for more than one month), report this information separately for each type of expenditure (or month) on an attachment to Schedules K and K-1.

Line 17 (Schedule K-1).—Enter total distributions made to each shareholder other than dividends reported on line 19 of Schedule K. Noncash distributions of appreciated property are valued at fair market value. See Schedule M-2 instructions for ordering rules on distributions.

Line 18 (Schedule K).—Attach a statement to Schedule K to report the corporation's total income, expenditures, or other information for items a through n of the line 21 (Schedule K-1) instruction below.

Line 19 (Schedule K).—Enter total dividends paid to shareholders from accumulated earnings and profits. Report these dividends to shareholders on Form 1099-DIV. Do not report them on Schedule K-1.

Recapture of Tax Credits (Schedule K-1 only)

Lines 19a and 19b.—If recapture of part or all of the low-income housing credit is required because: (1) prior year qualified basis of a building decreased, or (2) the corporation disposed of a building or part of its interest in a building, see **Form 8611**, Recapture of Low-Income Housing Credit. The instructions for Form 8611 indicate when Form 8611 is completed by the corporation and what information is provided to shareholders when recapture is required.

Note: *If a shareholder's ownership interest in a building decreased because of a transaction at the shareholder level, the corporation must provide the necessary information to the shareholder to enable the shareholder to compute the recapture.*

If the corporation posted a bond as provided in section 42(j)(6) to avoid recapture of the low-income housing credit, no entry should be made on line 19 of Schedule K-1.

See Form 8586, Form 8611, and section 42 for more information.

Line 20.—Complete line 20 when regular or business energy investment credit property is disposed of or ceases to be qualified property, or if there is a decrease in the business percentage, before the end of the "life-years category" or "recovery period" assigned. For more information, see Form 4255 and section 48(q).

The corporation itself is liable for investment credit recapture in certain cases. See instructions for line 22c, page 1; Form 1120S, for details.

Supplemental Information

Line 21 (Schedule K-1).—Enter in the line 21 Supplemental Information space of Schedule K-1, or on an attached schedule if more space is needed, each shareholder's share of any information asked for on lines 1 through 20 that is required to be reported in detail, and items a through n below. Please identify the applicable line number next to the information entered in the Supplemental Information space. Show income or gains as a positive number. Show losses in parentheses.

a. Tax-exempt interest income. Include exempt-interest dividends the corporation received as a shareholder in a mutual fund or other regulated investment company.

b. Nondeductible expenses incurred by the corporation.

c. Taxes paid on undistributed capital gains by a regulated investment company. As a shareholder of a regulated investment company, the corporation will receive notice on **Form 2439**, Notice to Shareholder of Undistributed Long-Term Capital Gains, that the company paid tax on undistributed capital gains.

d. Gross income and other information relating to oil and gas well properties that are reported to shareholders to allow them to figure the depletion deduction for oil and gas well properties. See section 613A(c)(13) for details.

The corporation cannot deduct depletion on oil and gas wells. Each shareholder must determine the allowable amount to report on his or her return. See Publication 535 for more information.

e. Recapture of section 179 expense deduction. For property placed in service after 1986, the section 179 deduction is recaptured at any time the business use of property drops to 50% or less. Enter the amount that was originally passed through and the corporation's tax year in which it was passed through. Inform the shareholder if the recapture amount was caused by the disposition of the section 179 property. See section 179(d)(10) for more information. Do not include this amount on line 4 or 5, page 1, Form 1120S.

f. Investment in property qualifying for the regular or business energy investment credit. Complete the applicable parts of Form 3468 for property that qualifies for the regular or business energy investment credit. Attach Form 3468 to Form 1120S. See the Instructions for Form 3468 for information on eligible property. The corporation also must reduce the basis of regular and business energy investment credit property by any credit allowable for the property. See section 48(q) for adjustments to be made to the basis of investment credit property as well as to the shareholders' adjusted basis of stock in the corporation. Show on an attachment to Schedule K-1 each shareholder's share of the amount of corporation's investment in regular or business energy investment credit property for each activity. Indicate the lines of Form 3468 on which the shareholder should report each amount.

g. Recapture of certain mining exploration expenditures (section 617).

h. Any information or statements the corporation is required to furnish to shareholders to allow them to comply with requirements under section 6111 (registration of tax shelters) or section 6662(d)(2)(B)(ii) (regarding adequate disclosure of items that may cause an understatement of income tax).

i. If the corporation is involved in farming or fishing activities, report the gross income from these activities to shareholders.

j. Any information needed by a shareholder to compute the interest due under section 453A(c). If an obligation arising from the disposition of property to which section 453A applies is outstanding at the close of the year, each shareholder's tax liability must be increased by the tax due under section 453(c) on the shareholder's pro rata share of the tax deferred under the installment method.

k. Any information needed by a shareholder to compute the interest due under section 453(l)(3). If the corporation elected to report the dispositions of certain timeshares and residential lots on the installment method, each shareholder's tax liability must be increased by the shareholder's pro rata share of the interest on tax attributable to the installment payments received during the tax year.

l. Any information needed by a shareholder to properly capitalize interest as required by section 263A(f). See item **a** under **Limitations on deductions** on page 8 for additional information. See Notice 88-99 for more information.

m. If the corporation is a closely-held S corporation (defined in section 460(b)) and it entered into any long-term contracts after February 28, 1986, that are accounted for under either the percentage of completion-capitalized cost method or the percentage of completion method, it must attach a schedule to Form 1120S showing the information required in items (a), (b), and (c) of the line 2 instructions for **Form 8697**, Interest Computation Under the Look-Back Method for

Completed Long-Term Contracts. It must also report the line 2 amounts to its shareholders. See the instructions for Form 8697 for more information.

n. Any other information the shareholders need to prepare their tax returns.

Schedule L

Balance Sheets

The balance sheets should agree with the corporation's books and records. Include certificates of deposit as cash on line 1 of Schedule L.

Line 5. Tax-exempt securities.—Include on this line:

(1) State and local government obligations, the interest on which is excludible from gross income under section 103(a), and

(2) Stock in a mutual fund or other regulated investment company that distributed exempt-interest dividends during the tax year of the corporation.

Line 24. Retained earnings.—If the corporation maintains separate accounts for appropriated and unappropriated retained earnings, it may want to continue such accounting for purposes of preparing its financial balance sheet. Also, if the corporation converts to C corporation status in a subsequent year, it will be required to report its appropriated and unappropriated retained earnings on separate lines of Schedule L of Form 1120.

Schedule M-1

Reconciliation of Income per Books With Income per Return

Line 3b. Travel and entertainment.—Include on this line: 20% of meals and entertainment not allowed under section 274(n); expenses for the use of an entertainment facility; the part of business gifts in excess of $25; expenses of an individual allocable to conventions on cruise ships in excess of $2,000; employee achievement awards in excess of $400; the cost of entertainment tickets in excess of face value (also subject to 20% disallowance); the cost of skyboxes in excess of the face value of non-luxury box seat tickets; the part of the cost of luxury water travel not allowed under section 274(m); expenses for travel as a form of education; and other travel and entertainment expenses not allowed as a deduction.

Schedule M-2

Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed

Column (a).—The "accumulated adjustments account" (AAA) is to be maintained by all S corporations.

At the end of the tax year, if the corporation **does not have accumulated earnings and profits (E&P)**, the AAA is determined by taking into account all items of income, loss, and deductions for the tax year (including nontaxable income and nondeductible losses and expenses). See section 1368 for other details. After the year-end income and expense adjustments are made, the account is reduced by distributions made during the tax year. See the **Distributions** instruction below for distribution rules.

At the end of the tax year, if the corporation **has accumulated E&P**, the AAA is determined by taking into account the taxable income, deductible losses and expenses, and nondeductible losses and expenses for the tax year. Adjustments for nontaxable income are made to the other adjustments account as explained in the column (b) instruction below. See section 1368. After the year-end income and expense adjustments are made, the AAA is reduced by distributions made during the tax year. See the **Distributions** instruction below for distribution rules.

Note: *The AAA may have a negative balance at year end. See section 1368(e).*

Column (b).—The "other adjustments" account is maintained only by corporations that **have** accumulated E&P at year end. The account is adjusted for tax-exempt income (and related expenses) of the corporation. See section 1368. After adjusting for tax-exempt income, the account is reduced for any distributions made during the year. See the **Distributions** instruction below.

Column (c).—The "shareholders' undistributed taxable income previously taxed" account, also called "previously taxed income" (PTI), is maintained only if the corporation had a balance in this account at the start of its 1990 tax year. If there is a beginning balance for the 1990 tax year, no adjustments are made to the account except to reduce the account for distributions made under section 1375(d) (as in effect before the enactment of the Subchapter S Revision Act of 1982). See **Distributions** instruction below for the order of distributions from the account.

Each shareholder's right to nontaxable distributions from PTI is personal and cannot be transferred to another person. The corporation is required to keep records of each shareholder's net share of PTI.

Distributions

Generally, property distributions (including cash) are applied in the following order to reduce accounts of the S corporation that are used to compute the tax effect of distributions made by the corporation to its shareholders:

a. Reduce AAA (but not below zero). If distributions during the tax year exceed the AAA at the close of the tax year, the AAA is allocated pro rata to each distribution made during the tax year. See section 1368(c).

b. Reduce shareholders' PTI account for any section 1375(d) (as in effect before 1983) distributions. A distribution from the PTI account is tax free to the extent of a shareholder's basis in his or her stock in the corporation.

c. Reduce accumulated earnings and profits (E&P). Generally, the S corporation has accumulated E&P only if it has not distributed E&P accumulated in prior years when the S corporation was a C corporation (section 1361(a)(2)) or a small business corporation prior to 1983 (section 1371 of prior law). See section 312 for information on E&P. The only adjustments that can be made to the accumulated earnings and profits of an S corporation are: **(1)** reductions for dividend distributions; **(2)** adjustments for redemptions, liquidations, reorganizations, etc.; and **(3)** reductions for section 47 recapture tax for which the corporation is liable. See sections 1371(c) and (d)(3).

d. Reduce the other adjustments account.

e. Reduce any remaining shareholders' equity accounts.

If the corporation has accumulated E&P and wants to distribute this E&P before making distributions from the AAA, it may elect to do so with the consent of all its affected shareholders (section 1368(e)(3)). If the corporation has PTI and wants to make distributions from retained earnings before making distributions from PTI, it may elect to do so with the consent of all its shareholders. The statement of election must be attached to a timely filed Form 1120S for the tax year during which the distributions are made. The election must be made separately for each tax year.

In the case of either election, after all accumulated earnings and profits in the retained earnings are distributed, the above general order of distributions applies except that item c is eliminated.

Example

The following example for a corporation that has accumulated E&P shows how the Schedule M-2 accounts are adjusted for items of income (loss), deductions, and distributions reported on Form 1120S.

Items per return are:

(1) page 1, line 21 income—$219,000
(2) Schedule K, line 2 loss—($3,000)
(3) Schedule K, line 4a income—$4,000
(4) Schedule K, line 4b income—$16,000
(5) Schedule K, line 7 deduction—$24,000
(6) Schedule K, line 11a deduction—$3,000
(7) Schedule K, line 13 jobs credit—$6,000
(8) Schedule K, line 17 distributions—$65,000, and
(9) Schedule K, line 18 scheduled items:
tax exempt income—$5,000 and
nondeductible expense—$6,000
(reduction in salaries and wages for jobs credit).

Based on return items (1) through (9) and starting balances of zero, the columns for the AAA and the other adjustments account are completed as shown in the Schedule M-2 Worksheet on page 17.

Note: *For the AAA account, the worksheet line 3—$20,000 amount is the total of the Schedule K, lines 4a and 4b incomes of $4,000 and $16,000. The worksheet line 5—$36,000 amount is the total of the Schedule K, line 2 loss of $3,000, line 7 deduction of $24,000, line 11a deduction of $3,000, and the line 18 nondeductible expense item of $6,000. For the other adjustments account, the worksheet line 3 amount is the Schedule K, line 18, tax exempt income of $5,000. Other worksheet amounts are self-explanatory.*

Schedule M-2 Worksheet

	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1 Balance at beginning of tax year	-0-	-0-	
2 Ordinary income from page 1, line 21	219,000		
3 Other additions	20,000	5,000	
4 Loss from page 1, line 21	( )		
5 Other reductions	(36,000)	( )	
6 Combine lines 1 through 5	203,000	5,000	
7 Distributions other than dividend distributions	65,000	-0-	
8 Balance at end of tax year—subtract line 7 from line 6	138,000	5,000	

Codes for Principal Business Activity

These codes for the Principal Business Activity are designed to classify enterprises by the type of activity in which they are engaged to facilitate the administration of the Internal Revenue Code. Though similar in format and structure to the Standard Industrial Classification Codes (SIC), they should not be used as SIC codes.

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 the total of: gross receipts on line 1a, page 1; all other income on lines 4 and 5, page 1; all income on lines 2, 19, and 20a of Form 8825; and income (receipts only) on lines 3a and 4a through 4f of Schedule K.

On page 2, under J, 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."

If, as its principal business activity, the corporation: (1) purchases raw materials, (2) subcontracts out for labor to make a finished product from the raw materials, and (3) retains title to the goods, the corporation is considered to be a manufacturer and must enter one of the codes (2010–3998) under "Manufacturing."

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:
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.
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 Other apparel and accessories.
2390 Miscellaneous fabricated textile products.

Lumber and wood products:
2418 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

Chemicals and allied products:
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.

Primary metal industries:
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 machines.
3598 Other machinery except electrical.

Electrical and electronic equipment:
3630 Household appliances.
3665 Radio, television, and communications 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.
3998 Other manufacturing products.

Transportation and Public Utilities

Code

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.

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 and supplies.
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, garden supplies, and mobile home dealers:
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.
5599 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.

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 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 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 and other real 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:
6744 Small business investment companies.
6749 Other holding and 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; 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.
8099 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).

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SCHEDULE D (Form 1120S)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses and Built-In Gains

► Attach to Form 1120S.
► See separate instructions.

OMB No. 1545-0130

1990

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	(e) Cost or other basis, plus expense of sale	(f) Gain or (loss) ((d) less (e))
1					

2 Short-term capital gain from installment sales from Form 6252, line 22 or 30	2	
3 Net short-term capital gain or (loss)—Combine lines 1 and 2 and enter here. Also enter this amount on Form 1120S, Schedule K, line 4d or line 6 (but first reduce it by any tax shown on line 23 below)	3	

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

4					

5 Long-term capital gain from installment sales from Form 6252, line 22 or 30	5	
6 Net long-term capital gain or (loss)—Combine lines 4 and 5 and enter here. Also enter this amount on Form 1120S, Schedule K, line 4e or line 6 (but first reduce it by any tax shown on lines 15 and 23 below)	6	

Part III Capital Gains Tax (See instructions before completing this part.)

7 Enter section 1231 gain from line 9, Form 4797.	7	
8 Net long-term capital gain or (loss)—Combine lines 6 and 7	8	
Note: *If the corporation is liable for the excess net passive income tax (Form 1120S, page 1, line 22a) or the built-in gains tax (Part IV below), see the line 9 instructions before completing line 9.*		
9 Net capital gain—Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 3)	9	
10 Statutory minimum	10	$25,000
11 Subtract line 10 from line 9	11	
12 Enter 34% of line 11	12	
13 Taxable income (see instructions and attach computation schedule)	13	
14 Enter tax on line 13 amount (see instructions and attach computation schedule)	14	
15 Tax—Enter smaller of line 12 or line 14 here and on Form 1120S, page 1, line 22b	15	

Part IV Built-In Gains Tax (See instructions before completing this part.)

16 Excess of recognized built-in gains over recognized built-in losses (see instructions and attach computation schedule)	16	
17 Taxable income (see instructions and attach computation schedule)	17	
18 Net recognized built-in gain—Enter smaller of line 16 or line 17 (see instructions)	18	
19 Section 1374(b)(2) deduction	19	
20 Subtract line 19 from line 18. (If zero or less, enter zero here and on line 23.)	20	
21 Enter 34% of line 20	21	
22 Business credit and minimum tax credit carryforwards under section 1374(b)(3) from C corporation years	22	
23 Tax—Subtract line 22 from line 21 (if zero or less, enter zero). Enter here and on Form 1120S, page 1, line 22b	23	

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1990

Department of the Treasury
Internal Revenue Service

Instructions for Schedule D (Form 1120S)

Capital Gains and Losses and Built-In Gains

(Section references are to the Internal Revenue Code unless otherwise noted.)

Purpose of Schedule D

Schedule D is used by all S corporations to report: (1) sales or exchanges of capital assets, and (2) gains on distributions to shareholders of appreciated assets that are capital assets (hereinafter referred to as distributions). See definition of capital assets below.

If the corporation filed its election to be an S corporation before 1987 (or filed its election during 1987 or 1988 and qualifies for the transitional relief from the built-in gains tax described in Part IV below), and had net capital gain (line 9) of more than $25,000, it may be liable for a capital gains tax on the gain in excess of $25,000. The tax is figured in Part III of Schedule D.

Generally, if the corporation: (1) filed an election to be an S corporation after 1986, (2) was a C corporation at the time it made the election, and (3) has net recognized built-in gain as defined in section 1374(d)(2), it **is liable** for the built-in gains tax. The tax is figured in Part IV of Schedule D.

Sales, exchanges, and distributions 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 an interest in oil, gas, or geothermal property should be reported on **Form 4797,** Sales of Business Property.

If property is involuntarily converted because of a casualty or theft, use **Form 4684,** Casualties and Thefts.

Parts I and II

Generally, report sales or exchanges (including like-kind exchanges) even if there is no gain or loss. In Part I, report the sale, exchange, or distribution of capital assets held one year or less. In Part II, report the sale, exchange, or distribution of capital assets held more than one year. Use the trade dates for the dates of acquisition and sale of stocks and bonds on an exchange or over-the-counter market.

What Are Capital Assets?— Each item of property the corporation held (whether or not connected with its trade or business) is a capital asset **except:**

1. Assets that can be inventoried or property held mainly for sale to customers.

2. Depreciable or real property used in the trade or business.

3. Certain copyrights; literary, musical, or artistic compositions; letters or memorandums; or similar property.

4. 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.

5. U.S. Government publications, including the Congressional Record, that the corporation received from the Government, other than by purchase at the normal sales price, or that the corporation got from another taxpayer who had received it in a similar way, if the corporation's basis is determined by reference to the previous owner.

Exchange of "Like-Kind" Property.—Use **Form 8824,** Like-Kind Exchanges, to report an exchange of like-kind property. Also report the exchange on Schedule D or on Form 4797, whichever applies. Complete and attach a Form 8824 to the corporation's return for each exchange. The corporation must report an exchange of business or investment property for "like-kind" property even if no gain or loss on the property is recognized.

If Schedule D is used to report a like-kind exchange, write **"From Form 8824"** on the appropriate line (line 1 or 4, column (a)). Skip columns (b) through (e) and enter the gain or loss, if any, from Form 8824 in column (f). Write in the top margin of Schedule D **"Like-Kind Exchange"** or, if an exchange involved a related party, write **"Related Party Like-Kind Exchange."** See Form 8824 and its instructions for details.

Special Rules for the Treatment of Certain Gains and Losses

Note: *For more information, get* ***Publication 544,*** *Sales and Other Dispositions of Assets, and* ***Publication 589,*** *Tax Information on S Corporations.*

• **Loss from a sale or exchange between the corporation and a related person.—** Except for distributions in complete liquidation of a corporation, no loss is allowed from the sale or exchange of property between the corporation and certain related persons. See section 267 for details.

• **Loss from a wash sale.—**The corporation cannot deduct a loss from a wash sale of stock or securities (including contracts or options to acquire or sell stock or securities) unless the corporation is a dealer in stock or securities and the loss was sustained in a transaction made in the ordinary course of the corporation's trade or business. A wash sale occurs if the corporation acquires (by purchase or exchange), or has a contract or option to acquire, substantially identical stock or securities within 30 days before or after the date of the sale or exchange. See section 1091 for more information.

• **Gain on distribution of appreciated property.—**Generally, gain (but not loss) is recognized on a nonliquidating distribution of appreciated property to the extent that the property's fair market value exceeds its adjusted basis. See section 311 for more information.

• **Gain or loss on distribution of property in complete liquidation.—** Generally, gain or loss is recognized by a corporation upon the liquidating distribution of property as if it had sold the property at its fair market value. See section 336 for details and exceptions.

• **Gains and losses on section 1256 contracts and straddles.—**Use **Form 6781,** Gains and Losses From Section 1256 Contracts and Straddles, to report gains and losses from section 1256 contracts and straddles.

• **Gain or loss on certain short-term Federal, state, and municipal obligations.—**Such obligations are treated as capital assets in determining gain or loss. On any gain realized, a portion is treated as ordinary income and the balance is considered as a short-term capital gain. See section 1271.

• **Gain from installment sales.—**If a corporation has a gain this year from the sale of real property or a casual sale of personal property other than inventory and is to receive any payment in a later year, it must use the installment method (unless it elects not to) and file **Form 6252,** Installment Sale Income. Also use Form 6252 if a payment is received this year from a sale made in an earlier year on the installment basis.

The corporation may elect out of the installment method by doing the following on a timely filed return (including extensions):

1. Report the full amount of the sale on Schedule D.

2. If the corporation received a note or other obligation and is reporting it at less than face value (including all contingent obligations), state that fact in the margin and give the percentage of valuation.

The installment method may not be used for sales of stock or securities (or certain other property described in the regulations) traded on an established securities market. See section 453(k).

• **Gain or loss on an option to buy or sell property.—**See sections 1032 and 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.

• **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 582 for the rules on the treatment of securities held by a bank.)

• **Nonrecognition of gain on sale of stock to an ESOP.—**See section 1042 for rules under which a taxpayer may elect not to recognize gain from the sale of certain stock to an employee stock ownership plan (ESOP).

• **Disposition of market discount bonds.—**See section 1276 for rules on the disposition of any market discount bonds that were issued after July 18, 1984.

• **Capital gain distributions.—**Report capital gain distributions paid by mutual funds as long-term capital gain on line 4 regardless of how long the corporation owned stock in the fund.

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, bequest, contribution or gift, bankruptcy, tax-free exchange, involuntary conversion, certain asset acquisitions, or wash sale of stock, see sections 301 (or 1059), 334, 362 (or 358), 1014, 1015, 372 (or 374), 1031, 1033, 1060, and 1091, respectively. Attach an explanation if you use a basis other than actual cash cost of the property.

If the corporation is allowed a charitable contribution deduction because it 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.

See section 852(f) for the treatment of certain load charges incurred in acquiring stock in a mutual fund with a reinvestment right.

Part III—Capital Gains Tax

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, and the corporation elected to be an S corporation before 1987 (or filed its election during 1987 or 1988 and qualifies for the transitional relief from the built-in gains tax described in Part IV below), the corporation may be liable for income tax on the gain.

By answering the following questions, it can be determined whether the corporation is liable for the tax. If answers to questions A, B, and C or A, B, and D are "Yes," the tax applies and Part III of Schedule D must be completed. Otherwise, the corporation is not liable for the tax.

If net capital gain is more than $25,000, and the corporation is not liable for the tax, attach the Part III instructions to Schedule D with questions A through D answered to show why it is not liable for the tax.

A. Is net capital gain (line 9, Schedule D) more than $25,000, and more than 50% of taxable income (see the instructions for line 13, Schedule D)? . . . . . ☐ Yes ☐ No

B. Is taxable income (see the instructions for line 13, Schedule D) more than $25,000? . . . . . ☐ Yes ☐ No

C. Has the corporation been other than an S corporation at any time during the 3 tax years just before this year, or since existence, if it has been in existence for less than 4 years? ☐ Yes ☐ No

D. If the answer to question C is "No," does any long-term capital gain (line 8, Schedule D) represent gain from property described in each of items 1, 2, and 3 that follow? . . . . ☐ Yes ☐ No

1. The property was acquired during the tax year or within 36 months before the beginning of the tax year;

2. The property was acquired, directly or indirectly, from a corporation that was not in existence as an S corporation during the tax year or within 36 months before the tax year up to the time of the acquisition; and

3. The property has a substituted basis to you. (A substituted basis is 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 the net capital gain from property described in question D (reduced by any excess net passive income attributable to this gain—see instruction for line 9) by 34%. If this amount is less than the tax figured on line 14, Part III, enter this amount on line 15, Part III, and write to the right of the amount, "Substituted basis." Attach the computation of the substituted basis amount to Schedule D. (See section 1374(c)(3) as in effect before the enactment of the Tax Reform Act of 1986 ("1986 Act").)

Line 9.—If the corporation is liable for the tax on excess net passive income (line 22a, page 1, Form 1120S) or the built-in gains tax (see Part IV below), and capital gain or loss was included in the computation of either tax, figure the amount to enter on line 9 as follows:

Step 1—Refigure lines 1, 2, and 4 through 7 of Schedule D by:

(a) excluding the portion of any recognized built-in capital gain or loss that does not qualify for transitional relief, and

(b) reducing any capital gain taken into account in determining passive investment income (line 2 of the worksheet for line 22a, page 1 of Form 1120S) by the portion of excess net passive income attributable to such gain. The portion so attributable is figured by multiplying excess net passive income by a fraction, the numerator of which is the amount of the capital gain (less any expenses attributable to such gain), and the denominator of which is net passive income.

Step 2—Refigure lines 3, 8, and 9 of Schedule D using the amounts determined in step 1.

Line 13.—Figure taxable income by completing lines 1 through 28 of **Form 1120,** U.S. Corporation Income Tax Return. Enter the amount from line 28 of Form 1120 on line 13 of Schedule D. Attach to Schedule D the Form 1120 computation or other worksheet used to figure taxable income.

Line 14.—Figure the tax under section 11 on the taxable income shown on line 13 as if the corporation were not an S corporation. You may use Schedule J of Form 1120 to figure the tax. Attach your tax computation to Schedule D.

Part IV—Built-In Gains Tax

Section 1374 provides for a tax on built-in gains that applies to certain corporations that made the election to be an S corporation after 1986. This tax does not apply to any corporation that has been an S corporation for each of its tax years, unless the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation.

Transitional Relief From Built-In Gains Tax.—Section 633(d)(8) of the 1986 Act provides special transitional relief from the built-in gains tax for qualified corporations. A qualified corporation is any corporation that: (1) on August 1, 1986, and all times thereafter before the corporation is completely liquidated, is more than 50% owned by a qualified group, and (2) has an applicable value of $10 million or less.

A "qualified group" is a group of 10 or fewer of any of the following persons: (a) individuals, (b) estates, or (c) trusts described in section 1361(c)(2)(A)(ii) or (iii). The qualified group must have owned (or be treated as having owned) more than 50% (by value) of the corporation's stock at all times during the 5-year period ending on the date of adoption of a plan of complete liquidation (or, if shorter, the period of the corporation's existence). The 5-year requirement does not apply to any corporation that made an S election before March 31, 1988. The term "applicable value" means the fair market value of all of the stock of the corporation on the date a valid S election is made (or, if greater, on August 1, 1986).

The transitional relief rule applies to qualified corporations that elected to be S corporations during 1987 or 1988. However, the relief rule does **not** apply to the following items:

(a) Ordinary gains or losses (determined without regard to section 1239),

(b) Gains or losses from the disposition of capital assets held 6 months or less, and

(c) Gains from the disposition of any asset acquired by the corporation with a substituted basis if a principal purpose for acquiring the asset was to secure transitional relief from the built-in gains tax.

Qualified corporations with an applicable value of between $5 million and $10 million are given only partial relief from the built-in gains tax. The portion of the built-in gain **not** eligible for relief is a fraction, the numerator of which is the amount by which the applicable value of the corporation exceeds $5 million and the denominator of which is $5 million.

Line 16.—Enter the amount that would be the taxable income of the corporation for the tax year if only recognized built-in gains (including any carryover of gain under section 1374(d)(2)(B)) and recognized built-in losses were taken into account.

Section 1374(d)(3) defines a **recognized built-in gain** as any gain recognized during the recognition period (the 10-year period beginning on the 1st day of the 1st tax year for which the corporation is an S corporation, or beginning the date the asset was acquired by the S corporation, for an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation) on the sale or distribution (disposition) of any asset, except to the extent the corporation establishes that:

(a) The asset was not held by the corporation as of the beginning of the 1st tax year the corporation was an S corporation (except that this does not apply to an asset acquired by the S corporation with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation), or

(b) The gain exceeds the excess of the fair market value of such asset as of the beginning of the 1st tax year (or as of the date the asset was acquired by the S corporation, for an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation) over the adjusted basis of the asset at that time.

Section 1374(d)(4) defines a **recognized built-in loss** as any loss recognized during the recognition period (stated above) on the disposition of any asset to the extent the corporation establishes that:

(a) The asset was held by the corporation as of the beginning of the 1st tax year the corporation was an S corporation (except that this does not apply to an asset acquired by the S corporation with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation), and

(b) The loss does not exceed the excess of the adjusted basis of the asset as of the beginning of the 1st tax year (or as of the date the asset was acquired by the S corporation, for an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation), over the fair market value of the asset as of that time.

A qualified corporation must show on an attachment to Schedule D its total net recognized built-in gain and also list separately the gain or loss that is: (1) gain or loss from capital assets held 6 months or less; and (2) gain or loss from assets for which the disposition results in ordinary income or loss. A nonqualified corporation must show on an attachment its total net recognized built-in gain and list separately any capital gain or loss and ordinary gain or loss.

Line 17.—Figure taxable income by completing lines 1 through 28 of Form 1120. Enter the amount from line 28 of Form 1120 on line 17. Attach to Schedule D the Form 1120 computation or other worksheet used to figure taxable income.

Line 18.—Do not enter on line 18 more than the excess (if any) of the net unrealized built-in gain over the net recognized built-in gain for prior years. This is the amount that should have been entered in item R on page 2 of Form 1120S. See section 1374(c)(2). If, for any tax year, the amount on line 16 exceeds the taxable income on line 17, the excess is treated as a recognized built-in gain in the succeeding tax year. This carryover provision applies only in the case of an S corporation that made its election to be an S corporation on or after March 31, 1988. See section 1374(d)(2)(B).

Line 19.—Enter the section 1374(b)(2) deduction. Generally, this is any net operating loss (NOL) carryforward or capital loss carryforward (to the extent of net capital gain included in recognized built-in gain for the tax year) arising in tax years for which the corporation was a C corporation. See section 1374(b)(2) for details.

Form **3800**

Department of the Treasury
Internal Revenue Service

General Business Credit

► Attach to your tax return.
► See separate Instructions.

OMB No. 1545-0895

1990

Attachment Sequence No. **22**

Name(s) as shown on return

Identifying number

Part I Tentative Credit

1	Current year investment credit (Form 3468, Part I)	1	
2	Current year jobs credit (Form 5884, Part I)	2	
3	Current year credit for alcohol used as fuel (Form 6478)	3	
4	Current year credit for increasing research activities (Form 6765, Part III)	4	
5	Current year low-income housing credit (Form 8586, Part I)	5	
6	Current year disabled access credit (Form 8826, Part I)	6	
7	**Current year general business credit**—Add lines 1 through 6	7	
8	Passive activity credits included on lines 1 through 6 (see Instructions)	8	
9	Subtract line 8 from line 7	9	
10	Passive activity credits allowed in 1990 (see Instructions)	10	
11	Carryforward of general business credit, WIN credit or ESOP credit to 1990 (see Instructions)	11	
12	Carryback of general business credit to 1990	12	
13	Tentative general business credit—Add lines 9 through 12	13	

Part II General Business Credit Limitation Based on Amount of Tax

14a	Individuals—Enter amount from Form 1040, line 40		14	
b	Corporations—Enter amount from Form 1120, Schedule J, line 3 (or Form 1120-A Part I, line 1)			
c	Other filers—Enter regular tax before credits from your return			
15	Credits that reduce regular tax before the general business credit—			
a	Credit for child and dependent care expense (Form 2441)	15a		
b	Credit for the elderly or the disabled (Schedule R, Form 1040)	15b		
c	Foreign tax credit (Form 1116 or Form 1118)	15c		
d	Possessions tax credit (Form 5735)	15d		
e	Mortgage interest credit (Form 8396)	15e		
f	Credit for fuel from a nonconventional source	15f		
g	Orphan drug credit (Form 6765)	15g		
h	Total credits that reduce regular tax before the general business credit. Add lines 15a through 15g and enter here		15h	
16	Net regular tax—Subtract line 15h from line 14		16	
17	Tentative minimum tax:			
a	Individuals—Enter amount from Form 6251, line 17		17	
b	Corporations—Enter amount from Form 4626, line 13			
c	Estates and Trusts—Enter amount from Form 8656, line 37			
18	Net income tax:			
a	Individuals—Add line 16 above and line 19 of Form 6251. Enter the total		18	
b	Corporations—Add line 16 above and line 15 of Form 4626. Enter the total			
c	Other filers—See Instructions			
19	If line 16 is more than $25,000, enter 25% of the excess		19	
20	Subtract line 17 or line 19, whichever is greater, from line 18. Enter the result. If less than zero, enter zero		20	
21	**General business credit**—Enter the smaller of line 13 or line 20. Also enter this amount on Form 1040, line 44; Form 1120, Schedule J, line 4e; Form 1120-A, Part I, line 2a; or on the appropriate line of your return. (Individuals, estates, and trusts, see instructions if the credit for increasing research activities is claimed. C corporations, see instructions for Schedule A if the investment credit is claimed or if the corporation has undergone a post-1986 "ownership change.")		21	

For Paperwork Reduction Act Notice, see page 1 of the separate Instructions to this form.

Form **3800** (1990)

Schedule A Additional General Business Credit Allowed By Section 38(c)(2)—Only Applicable to C Corporations

1	Enter the portion of the credit shown on line 13, page 1, that is attributable to the regular investment credit under section 46		1	
2	Tentative minimum tax (from line 17, page 1)	2		
3	Multiply line 2 by 25% (.25)		3	
4	Enter the amount from line 20, page 1	4		
5	Enter the portion of the credit shown on line 13, page 1, that is NOT attributable to the regular investment credit under section 46	5		
6	Subtract line 5 from line 4 (if less than zero, enter zero)		6	
7	Subtract line 6 from line 1 (if less than zero, enter zero)		7	
8	For purposes of this line only, recompute the amount on line 11, Form 4626, by using zero on line 7, Form 4626, and enter the result here	8		
9	Multiply line 8 by 10% (.10)		9	
10	Net income tax (from line 18, page 1)		10	
11	General business credit (from line 21, page 1)		11	
12	Subtract line 11 from line 10		12	
13	Subtract line 9 from line 12		13	
14	Enter the smallest of line 3, line 7, or line 13		14	
15	Subtract line 14 from line 2		15	
16	Enter the greater of line 15, above, or line 19, page 1		16	
17	Subtract line 16 from line 10. DO NOT enter more than the amount on line 13, page 1		17	
18	Enter the lesser of line 17, above, or line 16, page 1. Enter this amount also on line 21, page 1, instead of the amount previously computed on that line. Write "Sec. 38(c)(2)" in the margin next to your entry on line 21, page 1		18	
19	If line 17 is greater than line 18, enter the excess here (see Instructions)		19	

☆ U.S.GPO: 1990-265-318 E.I.43-1410168

1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 3800

General Business Credit

(Section references are to the Internal Revenue Code unless otherwise noted.)

General Instructions

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	10 hrs., 2 min.
Learning about the law or the form	35 min.
Preparing and sending the form to IRS	47 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Items You Should Note

- New disabled access credit (line 6). The Revenue Reconciliation Act of 1990 revised section 38 to provide for the disabled access credit. New **Form 8826,** Disabled Access Credit, has been developed for figuring the credit. See Form 8826 for details.
- If you have a carryforward of the regular investment credit or section 46(b)(2)(C) and (D) energy investment credit to 1990, you must reduce that carryforward by 35% before entering it on line 10. This rule does not apply to the portion of the regular investment credit attributable to qualified timber property. See the line 10 instructions.
- If you have credits from passive activities, see **Form 8810,** Corporate Passive Activity Loss and Credit Limitations (for corporations only), or **Form 8582-CR,** Passive Activity Credit Limitations (for individuals, trusts, and estates), before completing Form 3800.

Purpose of Form.—Use this form to summarize the credits that make up the general business credit. The general business credit consists of the investment credit (Form 3468), jobs credit (Form 5884), credit for alcohol used as fuel (Form 6478), credit for increasing research activities (Form 6765), low-income housing credit (Form 8586), and disabled access credit (Form 8826). If you have more than one of these credits, a carryback or carryforward of any of these credits, or if one of these credits is from a passive activity, you must attach the appropriate credit forms and summarize them here on Form 3800. If you have only one of these credits for 1990, and that credit is not from a passive activity, you do not have to file Form 3800. Instead, use the applicable form to claim the credit. For example, if you have only a 1990 jobs credit, you may use **Form 5884,** Jobs Credit, to claim your credit. You do not have to file Form 3800 in this case.

Carryback and Carryforward of Unused Credit.—If you cannot use part or all of the credit because of the tax liability limitations, you may carry any excess back to each of the 3 preceding tax years, beginning with the earliest. If you have an unused credit after carryback, it may be carried forward to each of the 15 years after the year of the credit. Any "qualified business credits" (as defined in section 196(c)) that are unused after that 15-year carryforward period has expired (or at the time a taxpayer dies or goes out of business) may be taken as a deduction in the first tax year following the expiration of the 15-year carryforward period (or in the tax year in which the taxpayer's death or cessation of business occurs). For purposes of this special deduction, only half of the following credits may be taken into account: (a) unused investment credit (other than a credit to which section 48(q)(3) applies), and (b) unused credit for increasing research activities.

Note: *You cannot carry back the low-income housing credit to years ending before January 1, 1987.*

You cannot carry back the disabled access credit to years ending before November 5, 1990.

Change in Marital Status.—Your general business credit is limited to your tax liability. Therefore, if you filed a joint return in a carryback or carryforward year and your marital status has changed, you may need to figure your separate tax liability in that carryback or carryforward year. This would apply, if:

- You filed as single in the credit year, but filed a joint return in the carryforward or carryback year.
- You filed a joint return in the credit year, but filed a joint return with a different spouse in the carryback or carryforward year.
- You were married and filed a separate return in the credit year, but filed a joint return with the same or a different spouse in the carryback or carryforward year.

Determine your separate tax liability in the carryback or carryover year as follows:

(1) Figure your tax for the carryback or carryforward year as though you were married filing a separate return.
(2) Figure your spouse's tax in that year as though he or she was married filing a separate return.
(3) Add the amounts in steps (1) and (2).
(4) Divide the amount in step (1) by the amount in step (3).
(5) Multiply the decimal in step (4) by the total tax shown on your joint return for the carryback or carryforward year. The result is your separate tax liability and a carryback or carryforward credit is applied against this amount only.

Although your carryback or carryover of the credit is limited to your separate tax liability, your refund may be further limited.

The amount of your refund resulting from the carryback or carryover is limited to your share of the joint overpayment. This is found by subtracting your separate tax liability (as determined above) from your contribution toward the payment.

Unless you have an agreement or clear evidence of each spouse's contribution toward the payment of the joint liability, your contribution includes the tax withheld on your wages and your share of the joint estimated tax or tax paid with the return. Your share of these payments is found by using the same formula used in determining your separate tax liability. Substitute the joint estimated tax, or tax paid with the return, for the tax in step (5). If the original return for the carryback year resulted in an overpayment, reduce your contribution by your share of the refund.

Attach a copy of the computation to your claim showing how you made the allocations.

Credit Ordering Rule.—Although the investment, jobs, alcohol fuel, research, low-income housing and disabled access credits are aggregated as the general business credit, you should keep separate records of these credits to ensure that no credits or deductions are lost. The general business credits are used in the following order as of the close of the tax year in which the credit is used:

- Regular investment credit
- Business energy investment credit
- Employee plan investment credit carryforward
- Rehabilitation investment credit
- Jobs credit
- Credit for alcohol used as fuel
- Credit for increasing research activities
- Low-income housing credit
- Disabled access credit
- WIN credit carryforward
- Employee stock ownership plan (ESOP) credit carryforward

Specific Instructions

Parts I and II

Line 8.—Enter the amount of any credits included on lines 1 through 6 that are from a passive activity. Generally, a passive activity is a trade or business in which you did not materially participate. Rental activities are passive activities, whether or not you materially participate. See Form 8582-CR or Form 8810 for more details.

Line 10.—Enter the passive activity credit allowed for 1990 from Form 8582-CR or Form 8810. See the instructions for the applicable form for more information.

Line 11.—All carryforwards of unused investment, jobs, alcohol fuel, credit for increasing research activities, low-income housing, WIN, and ESOP credits are added together and become a business credit carryforward to 1990.

You must reduce the portion of the business credit carryforward attributable to: the section 46(a)(1) regular investment tax credit (other than the portion of the credit attributable to qualified timber property) and the sections 46(b)(2)(C) and (D) business energy investment credit) by 35%. Use the following worksheet to compute the allowable portion and include the reduced credit on line 11.

1	Carryforward of applicable section 46(a)(1) regular and sections 46(b)(2)(C) and (D) energy ITC from prior year(s)	$ _____
2	Enter 35% of line 1	_____
3	Subtract line 2 from line 1—This is the amount of the applicable regular and energy ITC carryforward you may use. Enter here and include with any other carryforwards on line 11 of Form 3800	$ _____

If you cannot use all of the reduced credit because line 20 is smaller than line 13, you may carry forward to your next tax year in the carryover period the unused portion of the credit and a corresponding portion of the 35% reduction. If, for example, you are able to use only half of the line 3 credit in 1990, you may carry forward the other half of the credit and half of the 35% reduction.

Line 12.—Use only when you amend your 1990 return in subsequent years to carry back unused credits arising in later years.

Line 18c—Other filers.—Enter the sum of line 16 and your alternative minimum tax, if any.

Line 19.—If a husband and wife file separate returns, each must use $12,500 instead of $25,000. But if one of them has no current year credit (or no carryforwards or carrybacks to the current year), then the other may use the entire $25,000 amount.

If you are a member of a controlled group, enter only your apportioned share of the $25,000 amount.

For estates and trusts, the $25,000 limitation is reduced by the same proportionate share of income that was allocated to the beneficiaries.

See section 38(c)(3)(C) and related regulations for limitations on the credit for mutual savings institutions, regulated investment companies, and real estate investment trusts.

Line 21.—*Individuals, Estates, or Trusts:* If you are an individual, estate, or trust, the credit for increasing research activities on line 21 is limited to the amount attributable to your interest in the proprietorship, partnership, S corporation, estate or trust generating the credit. Figure the research credit limitation separately for each business enterprise by using the following formula:

(Line 18 − Line 19) × $\frac{\text{Taxable income attributable to your interest in the unincorporated business, 1065, 1041, or 1120S entity}}{\text{Your taxable income for the year}}$

When using the formula, the result is limited to 100% of line 18 less line 19. If in the current tax year you had no taxable income attributable to a particular business interest, you cannot claim any research credit this year related to that business.

If your credit for increasing research activities is limited by the above formula, enter on line 21 the total of the amount calculated above for the credit for increasing research activities plus the general business credit from other sources. Write "Sec. 41(g)" in the margin next to your entry on line 21.

Schedule A

C Corporations: If you are a C corporation (any corporation other than an S corporation), you may be entitled to a larger general business credit or additional credit against the alternative minimum tax if: **(a)** you are claiming investment credit on line 13, page 1; **(b)** some of that investment credit cannot be used because line 20, page 1, is smaller than line 13, page 1; and **(c)** you are required to file **Form 4626,** Alternative Minimum Tax—Corporations. You should complete Schedule A to determine whether you are entitled to this additional credit.

Line 19.—Reduce the amount of Alternative Minimum Tax you report on your corporate income tax return (line 9a, Schedule J, Form 1120; line 6, Part I, Form 1120-A) by the amount on line 19, Schedule A of Form 3800. See the instructions for the appropriate line of your corporate income tax return for details on reporting.

If you are a C corporation that has undergone a post-1986 "ownership change" (as defined in section 382(g)), section 383 may limit the amount of tax that may be offset by pre-change general business credits. If this limitation applies, attach your computation of the allowable general business credit, enter the amount on line 21, page 1, and write "Sec. 383" on the dotted line to the left of line 21, page 1.

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Form **4562**

Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach this form to your return.

OMB No. 1545-0172

1990

Attachment Sequence No. **67**

Name(s) shown on return | Identifying number

Business or activity to which this form relates

Part I **Election To Expense Certain Tangible Property (Section 179)** *(Note: If you have any "Listed Property," also complete Part V.)*

1 Maximum dollar limitation (see instructions)	1	$10,000
2 Total cost of section 179 property placed in service during the tax year (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	$200,000
4 Reduction in limitation—Subtract line 3 from line 2, but do not enter less than -0-	4	
5 Dollar limitation for tax year—Subtract line 4 from line 1, but do not enter less than -0-	5	

(a) Description of property	(b) Cost	(c) Elected cost
6		

7 Listed property—Enter amount from line 26	7	
8 Total elected cost of section 179 property—Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction—Enter the lesser of line 5 or line 8	9	
10 Carryover of disallowed deduction from 1989 (see instructions)	10	
11 Taxable income limitation—Enter the lesser of taxable income or line 5 (see instructions)	11	
12 Section 179 expense deduction—Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 1991—Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for automobiles, certain other vehicles, cellular telephones, computers, or property used for entertainment, recreation, or amusement (listed property). Instead, use Part V for listed property.*

Part II **MACRS Depreciation For Assets Placed in Service ONLY During Your 1990 Tax Year (Do Not Include Listed Property)**

(a) Classification of property	(b) Mo. and yr. placed in service	(c) Basis for depreciation (Business use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
14 General Depreciation System (GDS) (see instructions):						
a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
h Nonresidential real property			31.5 yrs.	MM	S/L	
			31.5 yrs.	MM	S/L	
15 Alternative Depreciation System (ADS) (see instructions):						
a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

Part III **Other Depreciation (Do Not Include Listed Property)**

16 GDS and ADS deductions for assets placed in service in tax years beginning before 1990 (see instructions)	16	
17 Property subject to section 168(f)(1) election (see instructions)	17	
18 ACRS and other depreciation (see instructions)	18	

Part IV **Summary**

19 Listed property—Enter amount from line 25	19	
20 Total—Add deductions on line 12, lines 14 and 15 in column (g), and lines 16 through 19. Enter here and on the appropriate lines of your return. (Partnerships and S corporations—see instructions)	20	
21 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	21	

For Paperwork Reduction Act Notice, see page 1 of the separate instructions. Form **4562** (1990)

Part V **Listed Property.—Automobiles, Certain Other Vehicles, Cellular Telephones, Computers, and Property Used for Entertainment, Recreation, or Amusement**

If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A.—Depreciation (Caution: *See instructions for limitations for automobiles.*)

22a Do you have evidence to support the business use claimed? ☐ Yes ☐ No 22b If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business use percentage	(d) Cost or other basis	Basis for depreciation (business use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
23 *Property used more than 50% in a trade or business:*								
		%						
		%						
		%						
24 *Property used 50% or less in a trade or business:*								
		%				S/L-		
		%				S/L-		
		%				S/L-		
25 Add amounts in column (h). Enter the total here and on line 19, page 1							25	
26 Add amounts in column (i). Enter the total here and on line 7, page 1								26

Section B.—Information Regarding Use of Vehicles—*If you deduct expenses for vehicles:*

- *Always complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.*
- *If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.*

	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
27 Total business miles driven during the year (DO NOT include commuting miles)						
28 Total commuting miles driven during the year						
29 Total other personal (noncommuting) miles driven						
30 Total miles driven during the year—Add lines 27 through 29						

	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
31 Was the vehicle available for personal use during off-duty hours?												
32 Was the vehicle used primarily by a more than 5% owner or related person?												
33 Is another vehicle available for personal use?												

Section C.—Questions for Employers Who Provide Vehicles for Use by Their Employees

(Answer these questions to determine if you meet an exception to completing Section B. **Note:** *Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)*

	Yes	No
34 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
35 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.)		
36 Do you treat all use of vehicles by employees as personal use?		
37 Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles?		
38 Do you meet the requirements concerning qualified automobile demonstration use (see instructions)? **Note:** *If your answer to 34, 35, 36, 37, or 38 is "Yes," you need not complete Section B for the covered vehicles.*		

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
39 Amortization of costs that begins during your 1990 tax year:					
40 Amortization of costs that began before 1990				40	
41 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				41	

1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 4562

Depreciation and Amortization

(Section references are to the Internal Revenue Code, unless otherwise noted.)

General Instructions

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . . 33 hrs., 43 min.
Learning about the law or the form . . . . 3 hrs., 41 min.
Preparing and sending the form to IRS . . . . 4 hrs., 23 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both IRS and the Office of Management and Budget at the addresses listed in the instructions for the tax return with which this form is filed.

Changes You Should Note

- Cellular telephones placed in service in tax years beginning after 1989 are "listed property" and must be reported in Part V.
- Beginning in 1990, individual and other noncorporate taxpayers (including S corporations) will not be required to complete or attach Form 4562 to their tax returns if their only depreciation deduction is for assets (other than listed property) placed in service before 1990. Instead, these taxpayers will enter their deduction for depreciation directly on the appropriate line of the tax return. See "Who Must File" below.

Purpose of Form

Use Form 4562 to claim your deduction for depreciation and amortization; to make the election to expense certain tangible property (section 179); and to provide information on the business use of automobiles and other listed property.

Who Must File

You must complete and file Form 4562 if you are claiming:

- Depreciation for property placed service during the 1990 tax year;
- A section 179 expense deduction (which may include a carryover from a previous year);
- Depreciation on any listed property (regardless of when it was placed in service); or
- Amortization of costs that begins during the 1990 tax year.

All corporations (other than S corporations) must also file Form 4562 for any depreciation claimed on assets acquired in previous tax years.

You should prepare and submit a separate Form 4562 for each business or activity on your return. If more space is needed, attach additional sheets. However, complete only one Part I in its entirety when computing your allowable section 179 expense deduction.

Definitions

Depreciation.— Depreciation is the annual deduction allowed to recover the cost or other basis of business or income producing property with a determinable useful life of more than one year. However, land and goodwill are not depreciable.

Depreciation starts when you first use the property in your business. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business. For additional information, see **Pub. 534,** Depreciation, and **Pub. 917,** Business Use of a Car.

Amortization.—Amortization is similar to the straight line method of depreciation in that an annual deduction is allowed to recover certain costs over a fixed period of time. You can amortize such items as the costs of starting a business, reforestation, and pollution control facilities. For additional information, see **Pub. 535,** Business Expenses.

"Listed Property".—For a definition of "listed property" see Part V instructions.

Recordkeeping

Except for Part V, relating to listed property, IRS does not require you to submit detailed information with your return regarding the depreciation of assets placed in service in previous tax years. However, the information needed to compute your depreciation deduction (basis, method, etc.) must be part of your permanent records.

Since Form 4562 does not provide for permanent recordkeeping, Pub. 534 contains a blank worksheet and filled-in examples to assist you in maintaining depreciation records. However, the worksheet is designed only for Federal income tax purposes. You may need to keep additional records for accounting and State income tax purposes.

Specific Instructions

Part I.—Election To Expense Certain Tangible Property (Section 179)

Note: *An estate or trust cannot make this election. If you are married filing separately, see section 179(b)(4) for special limitations.*

You may make an irrevocable election to expense part of the cost of certain tangible personal property used in your trade or business and certain other property described in Pub. 534. To do so, you must have purchased the property (as defined in section 179(d)(2)) and placed it in service during the 1990 tax year, or have a carryover of disallowed deduction from 1989. If you elect this deduction, the amount on which you figure your depreciation or amortization deduction must be reduced by the amount of the section 179 expense.

Note: *The following do not qualify as section 179 property: (1) property used 50% or less in your trade or business; (2) property held for investment (section 212 property); (3) most furnishings included in a rental dwelling (see section 48(a)(3)); and (4) portable air conditioners and space heaters.*

The section 179 expense deduction is subject to two separate limitations, both of which are figured in Part I:

(1) a dollar limitation; and

(2) a taxable income limitation.

In the case of a partnership, these limitations apply to the partnership and each partner. In the case of an S corporation, these limitations apply to the S corporation and each shareholder. In the case of a controlled group, all component members are treated as one taxpayer.

Line 1.—The maximum amount of section 179 deduction you can claim is $10,000. If you are married filing separately, your maximum deduction is $5,000, unless you and your spouse elect otherwise. However, the total deduction for both of you cannot be more than $10,000. If you are married filing separately, cross out the pre-printed "$10,000" on line 1 and enter in the margin "$5,000" (or whatever other amount you elect, not to exceed $10,000 for both spouses).

Line 2.—Enter the cost of all section 179 property placed in service during the tax year. Be sure to include amounts from any listed property from Part V.

Line 5.—If you placed $210,000 or more of section 179 property in service during the 1990 tax year, you cannot elect to expense any property. If line 5 is -0-, skip lines 6 through 11, enter -0- on line 12, and enter the carryover of disallowed deduction from 1989, if any, on line 13.

Line 6.—

Column (a)—Enter a brief description of the property for which you are making the election (e.g., truck, office furniture, etc.).

Column (b)—Enter the cost of the property. If you acquired the property through a trade-in, do not include any undepreciated basis of the assets you traded in. See **Pub. 551,** Basis of Assets, for more information.

Column (c)—Enter the amount that you elect to expense. You do not have to elect to expense the entire cost of the property. Whatever amount is not elected to be expensed can be depreciated. See line 14 and line 15 instructions below.

Line 9.—The tentative deduction represents the amount you may expense in 1990 or carry over to 1991. If this amount is less than the taxable income limitation on line 11, you may expense the entire amount. If this amount is more than line 11, you may expense in 1990 only an amount equal to line 11. Any excess may be carried over to 1991.

Line 10.—The carryover of disallowed deduction from 1989 is the amount of section 179 property, if any, elected to be expensed in previous years, but not allowed as a deduction due to the taxable income limitation. If you filed Form 4562 for 1989, enter the amount from line 12 of your 1989 Form 4562. For additional information, see Pub. 534.

Line 11.—The section 179 expense deduction is further limited to the "taxable income" limitation under section 179(b)(3). For an individual, enter the aggregate net income from any active trade or business computed without regard to any section 179 expense deduction or the deduction for one-half of self-employment taxes under section 164(f). For all other entities, enter the taxable income computed without regard to any section 179 expense deduction. In any case, do not enter more than line 5.

Line 12.—The limitations on lines 5 and 11 apply to the taxpayer, and not to each separate business or activity. Therefore, if you have more than one business or activity, you may allocate your allowable section 179 expense deduction among them. To do so, write "Summary" at the top of Part I of the separate Form 4562 you are completing for the aggregate amounts from all businesses or activities. Do not complete the rest of that form. On line 12 of the Form 4562 you prepare for each separate business or activity, enter the amount allocated to the business or activity from the "Summary." No other entry is required in Part I of the separate Form 4562 prepared for each business or activity.

Part II.—MACRS Depreciation For Assets Placed in Service ONLY During Your 1990 Tax Year

Note: *The term "Modified Accelerated Cost Recovery System" (MACRS) includes the General Depreciation System and the Alternative Depreciation System. Generally, MACRS is used to depreciate any tangible property placed in service after 1986. However, MACRS does not apply to films, videotapes, and sound recordings. See section 168(f) for other exceptions.*

Depreciation may be an adjustment for alternative minimum tax (AMT) purposes. See the appropriate AMT form that you are required to file.

Lines 14a through h.—General Depreciation System (GDS).—Note: *Use lines 14a through 14h only for assets placed in service during the tax year beginning in 1990 and depreciated under the General Depreciation System, except for automobiles and other listed property (which are reported in Part V).*

Determine which property you acquired and placed in service during the tax year beginning in 1990. Then, sort that property according to its classification (3-year property, 5-year property, etc.) as shown in column (a) of lines 14a through 14h. The classifications for some property are shown below. For property not shown, see **Determining the Classification** below.

- 3-year property includes: (1) a race horse which is more than 2 years old at the time it is placed in service; and (2) any horse (other than a race horse) which is more than 12 years old at the time it is placed in service.
- 5-year property includes: (1) a light general purpose truck; (2) typewriters, calculators, copiers, and duplicating equipment; (3) any semi-conductor manufacturing equipment; (4) any computer or peripheral equipment; (5) any section 1245 property used in connection with research and experimentation; and (6) certain energy property specified in section 168(e)(3)(B)(vi).
- 7-year property includes: (1) office furniture and equipment; (2) railroad track; and (3) any property that does not have a class life and is not otherwise classified.
- 10-year property includes: (1) vessels, barges, tugs, and similar water transportation equipment; (2) any single purpose agricultural or horticultural structure (see section 48(p)); and (3) any tree or vine bearing fruit or nuts.
- 15-year property includes: (1) any municipal wastewater treatment plant; and (2) any telephone distribution plant and comparable equipment used for 2-way exchange of voice and data communications.
- 20-year property includes any municipal sewers.
- Residential rental property is a building in which 80 percent or more of the total rent is from dwelling units.
- Nonresidential real property is any real property other than residential rental property, or with a class life of less than 27.5 years.
- 50-year property includes any improvements necessary to construct or improve a roadbed or right-of-way for railroad track that qualifies as a railroad grading or tunnel bore under section 168(e)(4). There is no separate line to report 50-year property. Therefore, attach a statement showing the same information as required in columns (a) through (g). Include the deduction in the line 20 "Total" and write "See attachment" in the bottom margin of the form.

Determining the Classification.—If your depreciable property is **not** listed above, determine the classification as follows: First, find the property's class life. The class life of most property can be found in the Table of Class Lives and Recovery Periods in Pub. 534. Next, use the following table to find the classification in column (b) that corresponds to the class life of the property in column (a).

(a) Class life (in years) (See Pub. 534)	(b) Classification
4 or less	3-year property
More than 4 but less than 10	5-year property
10 or more but less than 16	7-year property
16 or more but less than 20	10-year property
20 or more but less than 25	15-year property
25 or more	20-year property

Column (b).—For lines 14g and 14h, enter the month and year the property was placed in service. If property held for personal use is converted to use in a trade or business or for the production of income, treat the property as being placed in service on the date of conversion.

Column (c).—To find the basis for depreciation, multiply the cost or other basis of the property by the percent of business use. From that result, subtract any section 179 expense deduction.

Column (d).—See the "Note" in the line 14, column (f) instructions below, for an election you can make to use the 150% declining balance method (for 3-, 5-, 7-, and 10-year property) of depreciation. If you do not elect to use the 150% method, determine the recovery period from the table below:

In the case of:	The applicable recovery period is:
3-year property	3 yrs.
5-year property	5 yrs.
7-year property	7 yrs.
10-year property	10 yrs.
15-year property	15 yrs.
20-year property	20 yrs.
Residential rental property	27.5 yrs.
Nonresidential real property	31.5 yrs.
Railroad gradings and tunnel bores	50 yrs.

If you elect the 150% declining balance method, you must use the recovery period under the Alternative Depreciation System discussed in the line 15 instructions on page 3. You will not have an adjustment for alternative minimum tax purposes on the property for which you make this election.

Column (e).—The applicable convention determines the portion of the tax year for which depreciation is allowable during a year property is either placed in service or disposed of. There are three types of conventions (discussed below). To select the correct convention, you must know: (1) when you placed the property in service; and (2) the type of property.

Half-year convention (HY).—This convention applies to all property reported on lines 14a through 14f, unless the mid-quarter convention applies. It does not apply to residential rental property, nonresidential real property, and railroad gradings and tunnel bores. It treats all property placed in service (or disposed of) during any tax year as placed in service (or disposed of) on the mid-point of such tax year.

Mid-quarter convention (MQ).—This convention applies instead of the half-year convention if the aggregate bases of property subject to depreciation under section 168 that is placed in service during the last 3 months of your tax year exceeds 40% of the aggregate bases of property subject to depreciation under section 168 that is placed in service during the entire tax year.

The mid-quarter convention treats all property placed in service (or disposed of) during any quarter as placed in service (or disposed of) on the mid-point of such quarter.

In determining whether the mid-quarter convention applies, do not take into account:

- property that is being depreciated under the pre-1987 rules;
- any residential rental property, nonresidential real property, or railroad gradings and tunnel bores; and
- property that is placed in service and disposed of within the same tax year.

Mid-month convention (MM).—This convention applies ONLY to residential rental property, nonresidential real property (lines 14g or 14h), and railroad gradings and

tunnel bores. It treats all property placed in service (or disposed of) during any month as placed in service (or disposed of) on the mid-point of such month.

Enter "HY" for half-year; "MQ" for mid-quarter; or "MM" for mid-month convention.

Column (f).—Applicable depreciation methods are prescribed for each classification of property. For 3-, 5-, 7-, and 10-year property the applicable method is the 200% declining balance method, switching to the straight line method in the first tax year that maximizes the depreciation allowance.

Note: *You may make an irrevocable election to use the 150% declining balance method for one or more classes of property (except for residential rental property, nonresidential real property, any railroad grading or tunnel bore, or any tree or vine bearing fruit or nuts). If you make this election, see "Alternative Depreciation System" below for the recovery period.*

For 15- and 20- year property, and property used in a farming business, the applicable method is the 150% declining balance method, switching to the straight line method in the first tax year that maximizes the depreciation allowance.

For residential rental property, nonresidential real property, any railroad grading or tunnel bore, or any tree or vine bearing fruit or nuts, the only applicable method is the straight line method.

You may also make an irrevocable election to use the straight line method for all property within a classification that is placed in service during the tax year.

Enter "200 DB" for 200% declining balance; "150 DB" for 150% declining balance; or "S/L" for straight line.

Column (g).—To compute the depreciation deduction you may:
(1) Use the optional Tables A through D at the end of these instructions. Multiply the applicable rate from the appropriate table by the property's **unadjusted** basis (column (c))(see Pub. 534 for complete tables); or
(2) Compute the deduction yourself.
To compute the deduction yourself, complete the following steps:

Step 1.—Determine the depreciation rate as follows:

(a) If you are using the 200% or 150% declining balance method in column (f), divide the declining balance rate (use 2.00 for 200 DB or 1.50 for 150 DB) by the number of years in the recovery period in column (d). For example, for property depreciated using the 200 DB method over a recovery period of 5 years, divide 2.00 by 5 for a rate of 40%.

(b) If you are using the straight line method, divide 1.00 by the remaining number of years in the recovery period as of the beginning of the tax year (but not less than one). For example, if there are 6½ years remaining in the recovery period as of the beginning of the year, divide 1.00 by 6.5 for a rate of 15.38%.

Note: *If you are using the 200% or 150% DB method, be sure to switch to the straight line rate in the first year that the straight line rate exceeds the declining balance rate.*

Step 2.—Multiply the percentage rate determined in Step 1 by the property's unrecovered basis (cost or other basis reduced by any section 179 expense deduction and all prior years' depreciation).

Step 3.—For property placed in service or disposed of during the current tax year, multiply the result from Step 2 by the applicable decimal amount from the tables below (based on the convention shown in column (e)).

Half-year (HY) convention	0.5

Mid-quarter (MQ) convention		
Placed in service (or disposed of) during the:	Placed in service	Disposed of
1st quarter	0.875	0.125
2nd quarter	0.625	0.375
3rd quarter	0.375	0.625
4th quarter	0.125	0.875

Mid-month (MM) convention		
Placed in service (or disposed of) during the:	Placed in service	Disposed of
1st month	0.9583	0.0417
2nd month	0.8750	0.1250
3rd month	0.7917	0.2083
4th month	0.7083	0.2917
5th month	0.6250	0.3750
6th month	0.5417	0.4583
7th month	0.4583	0.5417
8th month	0.3750	0.6250
9th month	0.2917	0.7083
10th month	0.2083	0.7917
11th month	0.1250	0.8750
12th month	0.0417	0.9583

Short Tax Years.—See Pub. 534 for rules on how to compute the depreciation deduction for property placed in service in a short tax year.

Line 15.—Alternative Depreciation System (ADS).— Note: *Lines 15a through 15c should be completed for assets, other than automobiles and other listed property, placed in service ONLY during the tax year beginning in 1990 and depreciated under the Alternative Depreciation System. Depreciation on assets placed in service in prior years is reported on line 16.*

Under ADS, depreciation is computed by using the applicable depreciation method, the applicable recovery period, and the applicable convention. The following types of property **must** be depreciated under ADS:

- any tangible property used predominantly outside the U.S.;
- any tax-exempt use property;
- any tax-exempt bond financed property;
- any imported property covered by an executive order of the President of the United States; and
- any property used predominantly in a farming business and placed in service during any tax year in which you made an election under section 263A(d)(3).

Instead of depreciating property under GDS (line 14), you may make an irrevocable election with respect to any classification of property for any tax year to use ADS. For residential rental and nonresidential real property, you may make this election separately for each property.

Note: *See section 168(g)(3)(B) for a special rule for determining the class life for certain property.*

If the property does not have a class life, use line 15b.

For residential rental and nonresidential real property, use line 15c.

For railroad gradings and tunnel bores, the recovery period is 50 years.

Column (b).—For 40-year property, enter the month and year it was placed in service, or converted to use in a trade or business, or for the production of income.

Column (c).—See the instructions for line 14, column (c).

Column (d).—Under ADS, the recovery period is generally the class life. However, when looking up the recovery period in Pub. 534, be sure to look under the heading "Alternate MACRS."

Column (e).—Under ADS, the applicable conventions are the same as those used under GDS. See the instructions for line 14, column (e).

Column (f).—Under ADS, the only applicable method is the straight line method.

Column (g).—The depreciation deduction is computed in the same manner as under GDS except you must apply the straight line method over the ADS recovery period and use the applicable convention.

Part III.—Other Depreciation

Note: *Do not use Part III for automobiles and other listed property. Instead, report this property in Part V on page 2 of Form 4562.*

Use Part III for:

- ACRS property (pre-'87 rules);
- property placed in service before 1981;
- certain public utility property, which does not meet certain normalization requirements;
- certain property acquired from related persons;
- property acquired in certain nonrecognition transactions; and
- certain sound recordings, movies, and videotapes.

Line 16.—GDS and ADS deduction for assets placed in service in tax years beginning before 1990.—For assets placed in service after 1986, and depreciated under post-'86 rules, enter the GDS and ADS deduction for the current year. To compute the deduction, see the instructions for column (g), line 14.

Line 17.—Property subject to section 168(f)(1) election.—Report property that you elect, under section 168(f)(1), to depreciate by the unit-of-production method or any other method not based on a term of years (other than the retirement-replacement-betterment method).

Attach a separate sheet, showing:
(1) a description of the property and the depreciation method you elect that excludes the property from ACRS or MACRS; and (2) the depreciable basis (cost or other basis reduced, if applicable, by salvage value, investment credit, and the section 179 expense deduction).

Line 18.—ACRS and other depreciation.—Enter the total depreciation attributable to assets, other than automobiles and other listed property, placed in service before 1981 (pre-ACRS), property subject to ACRS, or property that cannot otherwise be depreciated under ACRS. For ACRS property, unless you use an alternate percentage, multiply the

property's unadjusted basis by the applicable percentage as follows:

3-year property—1st year (25%), 2nd year (38%), 3rd year (37%);

5-year property—1st year (15%), 2nd year (22%), 3rd through 5th year (21%);

10-year property—1st year (8%), 2nd year (14%), 3rd year (12%), 4th through 6th year (10%), 7th through 10th year (9%);

15-year public utility property—1st year (5%), 2nd year (10%), 3rd year (9%), 4th year (8%), 5th and 6th year (7%), 7th through 15th year (6%);

15-year, 18-year, and 19-year real property and low-income housing—Use the tables in Pub. 534.

If you elected an alternate percentage for any property listed above, use the straight line method over the recovery period you chose in the prior year. See Pub. 534 for more information and tables.

Note: *Taxpayers placing property in service after 1986 who are covered by transitional rules should figure their depreciation using the rules for assets placed in service before 1987. See sections 203 and 204 of the Tax Reform Act of 1986 as amended by the Technical and Miscellaneous Revenue Act of 1988 for more information.*

Include any amounts attributable to the Class Life Asset Depreciation Range (CLADR) system. If you previously elected the CLADR system, you must continue to use it to depreciate assets left in your vintage accounts. You must continue to meet recordkeeping requirements.

If you elect CLADR for assets that do not qualify for ACRS, attach a statement that specifies the items that still apply to those listed in Regs. section 1.167(a)-11(f)(2).

Prior years' depreciation, plus current year's depreciation, can never exceed the depreciable basis of the property.

The basis and amounts claimed for depreciation should be part of your permanent books and records. **No attachment is necessary.**

Line 20.—A partnership or S corporation does not include any section 179 expense deduction (line 12) on this line. Any section 179 expense deduction is passed through separately to the partners and shareholders on the appropriate line of their Schedules K-1.

Line 21—Section 263A Uniform Capitalization Rules.—If you are subject to the uniform capitalization rules of section 263A, enter the increase in basis from costs that are required to be capitalized. For a detailed discussion of who is subject to these rules, which costs must be capitalized, and allocation of costs among activities, see Temp. Regs. section 1.263A-1T.

Part V.— Automobiles and Other Listed Property

All taxpayers claiming any depreciation for automobiles and other listed property, regardless of the tax year such property was placed in service, must provide the information requested in Part V. However, employees claiming the standard mileage allowance or actual expenses (including depreciation) must use **Form 2106,** Employee Business Expense, instead of

Part V. Listed property includes, but is not limited to:

- Passenger automobiles weighing 6,000 pounds or less.
- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pick-up trucks, etc.
- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment).
- Cellular telephones (or other similar telecommunications equipment).
- Computers or peripheral equipment.

Listed property does not include: (1) photographic, phonographic, communication, or video equipment used exclusively in a taxpayer's trade or business or regular business establishment; (2) any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment; or (3) an ambulance, hearse, or vehicle used for transporting persons or property for hire.

If any "listed property" placed in service after June 18, 1984, was used more than 50% in a trade or business in the year it was placed in service, and used 50% or less in a later year, part of the depreciation, section 179 expense deduction, and investment credit may have to be recaptured in the later year. Figure the depreciation and section 179 expense deduction to be recaptured on **Form 4797,** Sales of Business Property. Figure the investment credit to be recaptured on **Form 4255,** Recapture of Investment Credit.

Section A.—Depreciation

Lines 23 and 24.—

Column (a).—List on a property-by-property basis all of your listed property in the following order:
(1) Automobiles and other vehicles; and
(2) Other listed property (computers and peripheral equipment, etc.).

In column (a), list the make and model of automobiles, and give a general description of the listed property.

If you have more than five vehicles used 100% in your trade or business, you may group them by tax year. Otherwise, list all vehicles separately.

Column (b).—Enter the date the property was placed in service. If property held for personal use is converted to use in a trade or business or for the production of income, treat the property as placed in service on the date of conversion.

Column (c).—Enter the percentage of business use. For automobiles and other "vehicles," this is determined by dividing the number of miles the vehicle is driven for trade or business purposes during the year (not to include any commuting mileage) by the total number of miles the vehicle is driven for any purpose. Treat vehicles used by employees (who are not more than 5% owners) as being used 100% in the trade or business if the value of personal use is included in the employees' gross income, or the employees reimburse the employer for the personal use.

Employers who report the amount of personal use of the vehicle in the employee's gross income, and withhold the appropriate taxes, should enter "100%" for the percentage of business use. For more information, see Pub. 917. For listed property (such as computers or video equipment), allocate the use based on the most appropriate unit of time the property is actually used. See Temp. Regs. 1.280F-6T.

If you have property that is used solely for personal use that is converted to business use during the tax year, figure the percentage of business use only for the number of months the property is used in your business. Multiply that percentage by the number of months the property is used in your business, and divide the result by 12.

Column (e).— Multiply column (d) by the percentage in column (c). From that result, subtract any section 179 expense deduction and half of any investment credit taken before 1986 (unless you took the reduced credit). For automobiles and other listed property placed in service after 1985 (i.e., "transition property"), reduce the depreciable basis by the entire investment credit.

Column (f).—Enter the recovery period. For property placed in service after 1986 and used more than 50% in your trade or business, use the table in the line 14, column (d) instructions. For property placed in service after 1986 and used 50% or less in your trade or business, you must use the Alternative Depreciation System. Enter 5 years for automobiles and computers placed in service after 1986. If placed in service before 1987, enter 5 years for automobiles and 12 years for computers.

Column (g).—Enter the method of figuring your depreciation deduction. Write "200 DB," "150 DB," or "S/L," for the depreciation method, and "HY," "MM," or "MQ," for half-year, mid-month, or mid-quarter conventions, respectively. For property placed in service before 1987, write "PRE" if you used the prescribed percentages under ACRS. If you elected an alternate percentage, enter "S/L."

Column (h).—Caution: *See "Limitations for automobiles" below before entering an amount in column (h).*

If column (c) shows more than 50% use in a trade or business (line 23), and the property was placed in service after 1986, figure column (h) by following the instructions for line 14, column (g). If placed in service before 1987, multiply column (e) by the applicable percentages given in the line 18 instructions for ACRS property. If the recovery period for the property ended before your tax year beginning in 1990, enter your unrecovered basis, if any, in column (h).

If column (c) shows 50% or less use in a trade or business (line 24), and the property was placed in service after 1986, figure column (h) by dividing column (e) by column (f) and using the same conventions as discussed in the instructions for line 14, column (e). For automobiles placed in service: (1) during your tax year beginning in 1986, multiply column (e) by 20%; (2) during your tax year beginning in 1985, multiply column (e) by 10%; or (3) after June 18, 1984, and before your tax year beginning in 1985, enter your unrecovered basis, if any, in column (h). For computers placed in service after June 18, 1984, and before 1987, multiply column (e) by 8.333%.

For property used 50% or less in a qualified trade or business, no section 179 expense deduction is allowed.

For property placed in service before 1987 that was disposed of during the year, enter zero.

Limitations for automobiles.—The depreciation deduction plus section 179 expense deduction for automobiles is limited for any tax year. The limitation depends on when you placed the property in service. Use Table E on page 5 to determine the limitation. For any automobile you list on line 23 or 24, the total of columns (h) and (i) for that automobile cannot exceed the limit shown in Table E.

Note: *These limitations are further reduced when the business use percentage (column (c)) is less than 100%. For example, if an automobile placed in service in 1990 is used 60% for business, then the first year depreciation plus section 179 expense deduction is limited to 60 percent of $2,660, which is $1,596.*

Column (i).—Enter the amount you choose to expense for property used more than 50% in a qualified business use (subject to the limitations for automobiles noted above). Be sure to include the total cost of such property on line 2, page 1.

Section B.—Information Regarding Use of Vehicles

The information requested in Questions 27 through 33 must be completed for each vehicle identified in Section A.

Employees must provide their employers with the information requested in Questions 27 through 33 for each automobile or vehicle provided for their use.

Employers providing more than five vehicles to their employees, who are not more than 5% owners or related persons, are not required to complete Questions 27 through 33 for such vehicles. Instead, they must obtain this information from their employees, check "Yes" to Question 37, and retain the information received as part of their permanent records.

Section C.—Questions For Employers Who Provide Vehicles For Use By Their Employees

For employers providing vehicles to their employees, a written policy statement regarding the use of such vehicles, if initiated and kept by the employer, will relieve the employee of keeping separate records for substantiation.

There are two types of written policy statements that will satisfy the employer's substantiation requirements under section 274(d).

Line 34.—Prohibits Personal Use (including commuting):

This policy must meet the following conditions:

- The vehicle is owned or leased by the employer and is provided to one or more employees for use in the employer's trade or business;
- When the vehicle is not used in the employer's trade or business, it is kept on the employer's business premises, unless it is temporarily located elsewhere, for example, for maintenance or because of a mechanical failure;

Table A.—General Depreciation System
Method: 200% declining balance switching to straight line
Convention: half-year

	If the recovery period is:			
Year	3 yrs.	5 yrs.	7 yrs.	10 yrs.
1	33.33%	20.00%	14.29%	10.00%
2	44.45%	32.00%	24.49%	18.00%
3	14.81%	19.20%	17.49%	14.40%
4	7.41%	11.52%	12.49%	11.52%
5		11.52%	8.93%	9.22%

Table B.—General and Alternative Depreciation System
Method: 150% declining balance switching to straight line
Convention: half-year

	If the recovery period is:					
Year	5 yrs.	7 yrs.	10 yrs.	12 yrs.	15 yrs.	20 yrs.
1	15.00%	10.71%	7.50%	6.25%	5.00%	3.750%
2	25.50%	19.13%	13.88%	11.72%	9.50%	7.219%
3	17.85%	15.03%	11.79%	10.25%	8.55%	6.677%
4	16.66%	12.25%	10.02%	8.97%	7.70%	6.177%
5	16.66%	12.25%	8.74%	7.85%	6.93%	5.713%

Table C.—General Depreciation System
Method: Straight line
Convention: Mid-month
Recovery period: 27.5 years

	The month in the 1st recovery year the property is placed in service:											
Year	1	2	3	4	5	6	7	8	9	10	11	12
1	3.485	3.182	2.879	2.576	2.273	1.970	1.667	1.364	1.061	0.758	0.455	0.152%
2-8	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636	3.636%

Table D.—General Depreciation System
Method: Straight line
Convention: Mid-month
Recovery period: 31.5 years

	The month in the 1st recovery year the property is placed in service:											
Year	1	2	3	4	5	6	7	8	9	10	11	12
1	3.042	2.778	2.513	2.249	1.984	1.720	1.455	1.190	0.926	0.661	0.397	0.132%
2-7	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175	3.175%

Table E.—Limitations for automobiles

		If placed in service—				
Year of Deduction	after: but before:	6/18/84 1/1/85	12/31/84 4/3/85	4/2/85 1/1/87	12/31/86 1/1/89	12/31/88 1/1/91
1st tax year		4,000	4,100	3,200	2,560	2,660
2nd tax year		6,000	6,200	4,800	4,100	4,200
3rd tax year		6,000	6,200	4,800	2,450	2,550
each succeeding tax year		6,000	6,200	4,800	1,475	1,475

- No employee using the vehicle lives at the employer's business premises;
- No employee may use the vehicle for personal purposes, other than *de minimis* personal use (such as a stop for lunch between two business deliveries); and
- Except for *de minimis* use, the employer reasonably believes that no employee uses the vehicle for any personal purpose.

Line 35.—Prohibits Personal Use (except for commuting). This policy is NOT available if the commuting employee is an officer, director, or 1% or more owner.

This policy must meet the following conditions:

- The vehicle is owned or leased by the employer and is provided to one or more employees for use in the employer's trade or business and is used in the employer's trade or business;
- For bona fide noncompensatory business reasons, the employer requires the employee to commute to and/or from work in the vehicle;
- The employer establishes a written policy under which the employee may not use the vehicle for personal purposes, other than commuting or *de minimis* personal use (such as a stop for a personal errand between a business delivery and the employee's home);
- Except for *de minimis* use, the employer reasonably believes that the employee does

not use the vehicle for any personal purpose other than commuting; and
- The employer accounts for the commuting use by including an appropriate amount in the employee's gross income.

For both written policy statements, there must be evidence that would enable the IRS to determine whether use of the vehicle meets the conditions stated above.

Line 38.—An automobile is considered to have qualified demonstration use if the employer maintains a written policy statement that:

- prohibits its use by individuals other than full-time automobile salesmen;
- prohibits its use for personal vacation trips;
- prohibits storage of personal possessions in the automobile; and
- limits the total mileage outside the salesmen's normal working hours.

Part VI.—Amortization

Each year you may elect to deduct part of certain capital costs over a fixed period. If you amortize property, the part you amortize does not qualify for the election to expense certain tangible property or depreciation.

For individuals reporting amortization of bond premium for bonds acquired before October 23, 1986, do not report the deduction here. See the instructions for Schedule A (Form 1040).

For taxpayers (other than corporations) claiming a deduction for amortization of bond premium for bonds acquired after October 22, 1986, but before January 1, 1988, the deduction is treated as interest expense and is subject to the investment interest limitations. Use **Form 4952,** Investment Interest Expense Deduction, to compute the allowable deduction.

For taxable bonds acquired after 1987, the amortization offsets the interest income. See **Pub. 550,** Investment Income and Expenses.

Line 39.—Complete line 39 only for those costs for which the amortization period begins during your tax year beginning in 1990.

Column (a).—Describe the costs you are amortizing. You may amortize —
- Pollution control facilities (section 169, limited by section 291 for corporations).
- Certain bond premiums (section 171).
- Research and experimental expenditures (section 174).
- Qualified forestation and reforestation costs (section 194).
- Business start-up expenditures (section 195).
- Organizational expenditures for a corporation (section 248) or partnership (section 709).
- Optional write off of certain tax preferences over the period specified in section 59(e).

Column (b).—Enter the date the amortization period begins under the applicable Code section.

Column (c).—Enter the total amount you are amortizing. See the applicable Code section for limits on the amortizable amount.

Column (d).—Enter the Code section under which you amortize the costs.

Column (f).—Compute the amortization deduction by: (1) dividing column (c) by the number of years over which the costs are to be amortized; or (2) multiplying column (c) by the percentage in column (e).

Attach any other information the Code and regulations may require to make a valid election. See Pub. 535 for more information.

Line 40.—Enter the amount of amortization attributable to those costs for which the amortization period began before 1990.

☆ U.S.G.P.O. 1990—265—332

Form **4626**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax—Corporations (Including environmental tax)

► See separate instructions.
► Attach to your tax return.

OMB No. 1545-0175

1990

Name

Employer identification number

1	Taxable income or (loss) before net operating loss deduction. (**Important:** See instructions if you are subject to the environmental tax.)		1
2	**Adjustments:**		
a	Depreciation of tangible property placed in service after 1986	2a	
b	Amortization of certified pollution control facilities placed in service after 1986	2b	
c	Amortization of mining exploration and development costs paid or incurred after 1986	2c	
d	Amortization of circulation expenditures paid or incurred after 1986 (personal holding companies only)	2d	
e	Basis adjustments in determining gain or loss from sale or exchange of property	2e	
f	Long-term contracts entered into after February 28, 1986	2f	
g	Installment sales of certain property	2g	
h	Merchant marine capital construction funds	2h	
i	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i	
j	Tax shelter farm activities (personal service corporations only)	2j	
k	Passive activities (closely held corporations and personal service corporations only)	2k	
l	Certain loss limitations	2l	
m	Other adjustments	2m	
n	Combine lines 2a through 2m		2n
3	**Tax preference items:**		
a	Depletion	3a	
b	Tax-exempt interest from private activity bonds issued after August 7, 1986	3b	
c	Appreciated property charitable deduction	3c	
d	Intangible drilling costs	3d	
e	Reserves for losses on bad debts of financial institutions	3e	
f	Accelerated depreciation of real property placed in service before 1987	3f	
g	Accelerated depreciation of leased personal property placed in service before 1987 (personal holding companies only)	3g	
h	Amortization of certified pollution control facilities placed in service before 1987	3h	
i	Add lines 3a through 3h		3i
4	Pre-adjustment AMTI. Combine lines 1, 2n, and 3i		4
5	**Adjusted current earnings adjustment:**		
a	Enter your adjusted current earnings	5a	
b	Subtract line 4 from line 5a (even if one or both of these figures is a negative number). Enter zero if the result is zero or less (see instructions for examples)	5b	
c	Multiply line 5b by 75%		5c
6	Combine lines 4 and 5c. If zero or less, stop here (you are not subject to the alternative minimum tax)		6
7	Alternative tax net operating loss deduction. (Do not enter more than 90% of line 6.)		7
8	Alternative minimum taxable income (subtract line 7 from line 6)		8
9	**Exemption phase-out computation (members of a controlled group, see instructions for lines 9a through 9c):**		
a	Tentative exemption amount. Enter $40,000	9a	
b	Enter $150,000	9b	
c	Subtract line 9b from line 8. If zero or less, enter zero	9c	
d	Multiply line 9c by 25%	9d	
e	Exemption. Subtract line 9d from line 9a. If zero or less, enter zero		9e
10	Subtract line 9e from line 8. If zero or less, enter zero		10
11	Multiply line 10 by 20%		11
12	Alternative minimum tax foreign tax credit (see instructions for limitation)		12
13	Tentative minimum tax (subtract line 12 from line 11)		13
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit		14
15	**Alternative minimum tax**—Subtract line 14 from line 13. If the result is zero or less, enter zero. Also enter the result on line 9a, Schedule J, Form 1120, or on the comparable line of other income tax returns		15
16	**Environmental tax**—Subtract $2,000,000 from line 6 (computed without regard to your environmental tax deduction), and multiply the result, if any, by 0.12% (.0012). Enter on line 9b, Schedule J, Form 1120, or on the comparable line of other income tax returns (members of a controlled group, see instructions)		16

For Paperwork Reduction Act Notice, see separate instructions.

Form **4626** (1990)

1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 4626

Alternative Minimum Tax—Corporations

(Section references are to the Internal Revenue Code unless otherwise noted.)

General Instructions

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us this information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	10 hrs., 31 min.
Learning about the law or the form	11 hrs., 49 min.
Preparing and sending the form to IRS	12 hrs., 31 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions for the tax return with which this form is filed.

Changes you should note:

(1) Lines 5 through 5c were modified to reflect the change from the book income adjustment to the adjusted current earnings adjustment.

(2) Line 14 of the 1989 Form 4626, which was entitled "general business credit allowed against alternative minimum tax," was deleted. This amount is now requested as a "write-in" entry on the dotted line to the left of the entry space on line 9a, Schedule J, Form 1120 (or on the comparable line of other income tax returns).

Who Must File.—You must file this form if your taxable income or (loss) before the net operating loss **(NOL)** deduction when combined with your adjustments and tax preference items (including the adjusted current earnings adjustment) totals more than the lesser of: (a) $40,000, or (b) your allowable exemption amount.

Short Period Return.—If this is a short period return, use the formula in section 443(d) to determine your alternative minimum taxable income **(AMTI)** and your alternative minimum tax **(AMT).**

Apportionment of Differently Treated Items in Case of Certain Entities.—If you are preparing Form 4626 for a regulated investment company, real estate investment trust, or a common trust fund, see section 59(d).

Credit for Prior Year Minimum Tax.—See **Form 8801,** Credit for Prior Year Minimum Tax, for details concerning the computation of the credit.

Line-by-Line Instructions

Line 1.—Enter your taxable income or (loss) before the NOL deduction. For example, if you file Form 1120, subtract line 29b from line 28.

Important: *If you are subject to the environmental tax, you will generally need to figure that tax on line 16 before completing line 1 (see instructions for line 16).*

Line 2a—Depreciation of tangible property placed in service after 1986 (or after 7/31/86 if you made the transitional election under section 203(a)(1)(B) of the Tax Reform Act of 1986).

Caution: *If you have a depreciation adjustment attributable to a passive activity or a tax shelter farm activity, do not include that adjustment on line 2a. Instead, include the adjustment on line 2j or 2k.*

The depreciation expense allowable for regular tax purposes under section 167 with respect to any tangible property placed in service after 1986 must be recomputed for AMT purposes under the alternative depreciation system **(ADS)** described in section 168(g) as follows:

(1) For any real property described in section 1250(c) (generally nonresidential real and residential rental), use the straight line method over 40 years using the same mid-month convention you used for regular tax purposes;

(2) For any tangible property (other than the real property described in (1) above) with respect to which depreciation for regular tax purposes is determined using the straight line method, recompute your depreciation expense using the straight line method over the property's "class life" using the same convention you used for regular tax purposes;

(3) For all tangible property other than property described in (1) or (2) above, use the 150% declining balance method, switching to the straight line method the first tax year it gives a larger deduction, over the property's class life. Use the same convention you used for regular tax purposes.

In applying the above rules:

(1) The "class life" to be used for AMT purposes has a different meaning than the recovery period used for regular tax purposes (although these periods could possibly be the same in some instances). The class lives you need to use for AMT purposes can be found in Rev. Proc. 87-56, 1987-2 C.B. 674, or in **Publication 534,** Depreciation. Use 12 years for any tangible personal property that does not have an assigned class life;

(2) See Rev. Proc. 87-57, 1987-2 C.B. 687, for optional tables (14 through 18) that can be used in computing depreciation for AMT purposes. (These optional tables have been reproduced in Publication 534.);

(3) Do not make an adjustment for: **(a)** property for which you made a section 168(g)(7) election (to use the ADS of section 168(g)) for regular tax purposes, **(b)** property expensed under section 179 for regular tax purposes, or **(c)** property described in sections 168(f)(1) through (4); and

(4) You must take into consideration the transitional rules (described in section 56(a)(1)(C)) and the normalization rules (described in section 56(a)(1)(D)).

Subtract your recomputed AMT expense from the depreciation expense you claimed for regular tax purposes and enter the result on line 2a. If the total recomputed AMT expense exceeds the depreciation expense you claimed for regular tax purposes, enter the difference as a negative amount.

Note: *Depreciation that is capitalized to inventory under the uniform capitalization rules must be refigured using the rules described above.*

Line 2b—Amortization of certified pollution control facilities placed in service after 1986.—The amortization deduction you claimed for regular tax purposes is not allowed for AMT purposes.

For AMT purposes, you must use the ADS described in section 168(g). As such, use the straight line method over the facility's class life (which may be found in Rev. Proc. 87-56 or in Publication 534). **Note:** *Section 168(g) applies to 100% of the asset's amortizable basis. Do not reduce your AMT basis by the 20% section 291 adjustment that applied for regular tax purposes.*

Subtract your recomputed AMT expense from the expense you claimed for regular tax purposes and enter the result on line 2b. If your recomputed AMT expense is greater than the expense you claimed for regular tax purposes, enter the difference as a negative amount.

Line 2c—Amortization of mining exploration and development costs paid or incurred after 1986.—*If, for regular tax purposes, you elected the optional 10-year writeoff under section 59(e) for all assets in this category, skip this line (no adjustment is necessary).*

The deduction you claimed for regular tax purposes under sections 616(a) and 617(a) is not allowed for AMT purposes. Instead, you must capitalize such costs and amortize them ratably over a 10-year period beginning with the tax year in which you made them. **Note:** *The 10-year amortization applies to 100% of the mining development and exploration costs paid or incurred during the tax year. Do not reduce your AMT basis by the 30% section 291 adjustment that applied for regular tax purposes.*

Subtract your recomputed AMT expense from the expense you claimed for regular tax purposes and enter the result on line 2c. If your recomputed AMT expense is greater than the expense you claimed for regular tax purposes, enter the difference as a negative amount. See section 56(a)(2)(B) if you had a loss with respect to any mine or other natural deposit (other than an oil, gas, or geothermal well).

Line 2d—Amortization of circulation expenditures paid or incurred after 1986 (personal holding companies only).—*If, for regular tax purposes, you elected the optional 3-year writeoff under section 59(e) for all of these expenditures, skip this line (no adjustment is necessary).*

The deduction you claimed for regular tax purposes (under section 173) for these expenditures incurred after 1986 is not allowed for AMT purposes. For AMT purposes, you must capitalize these expenditures and amortize them ratably over a 3-year period beginning with the tax year in which you made them.

Subtract your recomputed AMT expense from the expense you claimed for regular tax purposes and enter the result on line 2d. If your recomputed AMT expense is greater than the expense you claimed for regular tax purposes, enter the difference as a negative amount. See section 56(b)(2)(B) if you had a loss with respect to circulation expenditures deducted under section 173.

Line 2e—Basis adjustments in determining gain or loss from sale or exchange of property.—If, during the tax year, you disposed of property for which you are making (or have previously made) any of the adjustments described in lines 2a through 2d above, you must recompute the property's adjusted basis for AMT purposes. You must then recompute the property's gain or loss.

For AMT purposes, the property's adjusted basis is its cost less all applicable depreciation or amortization deductions allowed during the current tax year and previous tax years for AMT purposes. This recomputed basis is subtracted from the sales price to arrive at gain or loss for AMT purposes.

Note: *You may also have gains or losses from lines 2j, 2k, and 2l that must be taken into consideration on line 2e. For example, if for regular tax purposes, you report a loss from the disposition of an asset used in a passive activity, you include the loss in your computations for line 2j to determine whether any passive activity loss is limited for AMT purposes. You then include the portion of the AMT passive activity loss allowed that pertains to the disposition of the asset on line 2e in determining your AMT basis adjustment. In this respect, it may be helpful to refigure Form 8810 and related worksheets and Schedule D (Form 1120), Form 4684 (Section B), or Form 4797 for AMT purposes.*

Enter the difference between the gain or loss reported on your tax return for regular tax purposes and your recomputed gain or loss for AMT purposes. If the gain recomputed for AMT purposes is less than the gain computed for regular tax purposes OR if the loss recomputed for AMT purposes is more than the loss computed for regular tax purposes OR if you recomputed a loss for AMT purposes and computed a gain for regular tax purposes, enter the difference as a negative amount.

Line 2f—Long-term contracts entered into after February 28, 1986.—For AMT purposes, you must use the percentage of completion method rules described in section 460(b) to determine the taxable income from any "long-term contract" (defined in section 460(f)) you entered into after 2/28/86. However, this rule does not apply to: **(1)** any "home construction contract" (as defined in section 460(e)(6)) you entered into after 6/20/88 with respect to which you meet the "small" home construction contract requirements of section 460(e)(1)(B) or **(2) any** home construction contract you entered into in a tax year beginning after 9/30/90, regardless of whether you meet the "small" home construction contract requirements of section 460(e)(1)(B).

Note: *In the case of a contract described in section 460(e)(1), the percentage of the contract completed is to be determined using the simplified procedures for allocating costs outlined in section 460(b)(4).*

Subtract the income you reported for regular tax purposes from the income you recomputed for AMT purposes and enter the difference on line 2f. If the recomputed AMT income is less than the income you reported for regular tax purposes, enter the difference as a negative amount.

Line 2g—Installment sales of certain property.—With respect to any disposition of inventory (as defined in section 1221(1)) after 3/1/86, the installment method of accounting cannot be used in determining income for AMT purposes (except for certain dispositions of timeshares or residential lots for which you elected to pay interest under section 453(l)(2)(B)).

Application of rules in computing adjustment:

(1) Dealer dispositions: For dealer dispositions occurring after 3/1/86 but before 1/1/88, you will have adjustments if you used the installment method for regular tax purposes but were required for AMT purposes to report the entire gain in the year of disposition. In such cases, enter the income you reported for regular tax purposes for the current year with respect to those dispositions on line 2g as a negative amount.

For dealer dispositions occurring after 1987, generally no adjustments are necessary since the installment method of accounting generally cannot be used for either regular tax purposes or for AMT purposes.

(2) Nondealer dispositions: For nondealer dispositions occurring after 3/1/86 but before the first day of your tax year that began in 1987, you will have adjustments if you used the installment method for regular tax purposes but were required for AMT purposes to report the entire gain in the year of disposition. In such cases, enter the income you reported for regular tax purposes for the current year with respect to those dispositions on line 2g as a negative amount.

For nondealer dispositions occurring on or after the first day of your tax year that began in 1987, generally no adjustments are necessary since you are allowed to use the installment method of accounting for both regular tax purposes and AMT purposes.

Line 2h—Merchant marine capital construction funds.—Amounts deposited in these funds (established under section 607 of the Merchant Marine Act of 1936) after 1986 are not deductible for AMT purposes. Furthermore, earnings on these funds are not excludable from gross income for AMT purposes. Therefore, if you deducted these amounts or excluded them from income for regular tax purposes, you must add them back on line 2h. See section 56(c)(2) for more information.

Line 2i—Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only).—This deduction is not allowed for AMT purposes. Therefore, if you took this deduction for regular tax purposes, you must add it back on line 2i.

Line 2j—Tax shelter farm activities (personal service corporations only).—Complete line 2j only if you have a gain or loss from a tax shelter farm activity (as defined in section 58(a)(2)) that is **not** a passive activity. If the tax shelter farm activity **is** a passive activity, you must include the gain or loss in your computations for line 2k below.

Recompute all gains and losses you reported for regular tax purposes from tax shelter farm activities by taking into account your AMT adjustments and tax preference items.

Important: *To avoid duplication, any AMT adjustment or tax preference item taken into account on line 2j must not be included in the amounts to be entered on any other line of this form.*

Determine your tax shelter farm activity gain or loss for AMT purposes using the same rules you used for regular tax purposes with the following modification: No recomputed loss is allowed, except to the extent the personal service corporation is insolvent (see section 58(c)(1)). Furthermore, a recomputed loss may not be used in the current tax year to offset gains from other tax shelter farm activities. Instead, any recomputed loss must be suspended and carried forward indefinitely until: **(1)** you have a gain in a subsequent tax year from that same tax shelter farm activity, OR **(2)** the activity is disposed of.

Note: *The amount of any tax shelter farm activity loss that is not deductible (and is therefore carried forward) for AMT purposes is likely to differ from the amount (if any) that is carried forward for regular tax purposes. Therefore, it is essential that you retain adequate records for both AMT purposes and regular tax purposes.*

Enter on line 2j the difference between the gain or loss you recomputed for AMT purposes and the gain or loss you reported for regular tax purposes. If you reported a loss for AMT purposes and a gain for regular tax purposes OR if you recomputed a loss for AMT purposes that exceeds the loss you reported for regular tax purposes OR if you reported a gain for regular tax purposes that exceeds the gain you recomputed for AMT purposes, enter the difference as a negative amount.

Line 2k—Passive activities (closely held corporations and personal service corporations only).—Recompute all passive activity gains and losses you reported for regular tax purposes by taking into account your AMT adjustments, tax preference items, and AMT prior year unallowed losses.

Important: *To avoid duplication, any AMT adjustment or tax preference item taken into account on line 2k must not be included in the amounts to be entered on any other line of this form.*

Determine your passive activity gain or loss for AMT purposes using the same rules you used for regular tax purposes with the following modifications: **(1)** Do not use the phase-in of disallowance rules of section 469(m); and **(2)** If the corporation is insolvent, see section 58(c)(1).

Disallowed losses of a personal service corporation are suspended until the corporation has income from that (or any other) passive activity or until the passive activity is disposed of (i.e., its passive losses cannot offset "net active income" (defined in section 469(e)(2)(B)) or "portfolio income"). Disallowed losses of a closely held corporation that is not a personal service corporation are treated the same except that, in addition, they may be used to offset "net active income."

Note: *The amount of any passive activity loss that is not deductible (and is therefore carried forward) for AMT purposes is likely to differ from the amount (if any) that is carried forward for regular tax purposes. Therefore, it is essential that you retain adequate records for both AMT purposes and regular tax purposes.*

Enter on line 2k the difference between the gain or loss you recomputed for AMT purposes and the gain or loss you reported for regular tax purposes. If you reported a loss for AMT purposes and a gain for regular tax purposes OR if you recomputed a loss for AMT purposes that exceeds the loss you reported for regular tax purposes OR if you reported a gain for regular tax purposes that exceeds the gain you recomputed for AMT purposes, enter the difference as a negative amount.

Tax shelter farm activities that are passive activities.—Recompute all gains and losses you reported for regular tax purposes by taking into account your AMT adjustments, tax preference items, and AMT prior year unallowed losses.

Important: *To avoid duplication, any AMT adjustment or tax preference item taken into account here must not be included in the amounts to be entered on any other line of this form.* These recomputed gains and losses should enter into the determination of your passive activity gain or loss for AMT purposes described above. Use the same rules outlined above, with the following additional modification: Recomputed gains from tax shelter farm activities that are passive activities may be used to offset recomputed losses from other passive activities; however, recomputed losses from tax shelter farm activities that are passive activities may not be used to offset recomputed gains from other passive activities. (Recomputed losses from tax shelter farm activities that are passive activities are disallowed and must be suspended and carried forward as explained in the instructions for line 2j.)

Line 2l—Certain loss limitations.—Recompute gains and losses you reported for regular tax purposes from at-risk activities and partnerships by taking into account your AMT adjustments and tax preference items. If you have recomputed losses that must (in accordance with section 59(h)) be limited for AMT purposes by section 465 or by section 704(d) OR if, for regular tax purposes, you reported losses from at-risk activities or partnerships that were limited by those sections, compute the difference between the loss limited for AMT purposes and the loss limited for regular tax purposes with respect to each applicable at-risk activity or partnership. If the loss limited for regular tax purposes exceeds the loss limited for AMT purposes, enter the difference as a negative amount.

Line 2m—Other adjustments.—Include on this line:

(1) Income eligible for the possessions tax credit—The corporation's AMTI is not to include any income (from the sources described in section 936(a)(1)) that is eligible for the possessions tax credit of section 936. Therefore, if you included this type of income in your taxable income for regular tax purposes, enter the amount on line 2m as a negative amount.

(2) Income with respect to the alcohol fuel credit—The corporation's AMTI is not to include any amount with respect to the alcohol fuel credit that was included in your gross income in accordance with section 87. Therefore, if you included this type of income in your income for regular tax purposes, enter the amount on line 2m as a negative amount.

(3) Income as a beneficiary of an estate or trust—If the corporation is a beneficiary, enter the amount from Schedule K-1 (Form 1041), line 7.

Line 3a—Depletion.—In the case of mines, wells, and other natural deposits, enter the amount by which your depletion deduction under section 611 exceeds the adjusted basis of the property at the end of your tax year. In computing the year-end adjusted basis, use the rules of section 1016; however, do not reduce basis by the current year's depletion deduction.

Figure the excess separately for each property. If the depletion deduction for any property does not exceed the property's year-end adjusted basis, the shortfall is not to be considered on line 3a. (In other words, do not use a shortfall for one property to offset the excess of depletion deduction over adjusted basis for any other property.)

Note: *In the case of iron ore and coal (including lignite), the section 291 adjustment is to be applied before figuring this tax preference item.*

Line 3b—Tax-exempt interest from private activity bonds issued after August 7, 1986.—Enter the interest you earned on "specified private activity bonds" reduced by any deduction that would have been allowable if the interest were includible in gross income for regular tax purposes. Generally, the term "specified private activity bonds" means any private activity bond (as defined in section 141) issued after 8/7/86. See section 57(a)(5) for exceptions and for more information.

Line 3c—Appreciated property charitable deduction.—Enter the amount by which your contribution deduction allowable under section 170 would be reduced if all capital gain and section 1231 property were taken into account at its adjusted basis (rather than its fair market value).

Line 3d—Intangible drilling costs.—*If, for regular tax purposes, you elected the optional 60-month writeoff under section 59(e) for all assets in this category, skip this line (no adjustment is necessary).*

Intangible drilling costs **(IDCs)** from oil, gas, and geothermal properties are a tax preference item to the extent that "excess IDCs" exceed 65% of the "net income" from the properties. The tax preference item is computed separately for geothermal deposits, and for oil and gas properties that are not geothermal deposits.

"Excess IDCs" are the excess of: **(1)** the amount of IDCs you paid or incurred with respect to oil, gas, or geothermal properties that you elected to expense for regular tax purposes under section 263(c) (not including any section 263(c) deduction for nonproductive wells) reduced by the section 291 adjustment for integrated oil companies; over **(2)** the amount that would have been allowed had you amortized that amount over a 120-month period starting with the month the well was placed in production. **Note:** *If you prefer not to use the 120-month period, you can elect to use any method that is permissible in determining cost depletion.*

"Net income" is the gross income you received or accrued from all oil, gas, and geothermal wells less the deductions allocable to these properties (reduced by the excess IDCs).

Line 3e—Reserves for losses on bad debts of financial institutions.—Enter the excess of: **(1)** the deduction allowable for a reasonable addition to a reserve for bad debts of a financial institution to which section 593 applies (reduced by the section 291 adjustment) over **(2)** the amount that would have been allowable had the financial institution maintained its bad debt reserve for all tax years on the basis of actual experience.

Line 3f—Accelerated depreciation of real property placed in service before 1987.—Enter the excess of the depreciation claimed for the property for regular tax purposes over the depreciation allowable for AMT purposes as refigured using the straight line method. Figure this amount separately for each property and include only positive adjustments on line 3f. For 15-, 18-, or 19-year real property, use the straight line method over 15, 18, or 19 years, respectively. For low-income housing property, use the straight line method over 15 years.

Line 3g—Accelerated depreciation of leased personal property placed in service before 1987 (personal holding companies only).—For leased personal property, other than recovery property, enter the excess of the depreciation claimed for the property for regular tax purposes over the depreciation allowable for AMT purposes as refigured using the straight line method. Figure this amount separately for each property and include only positive adjustments on line 3g.

For leased recovery property, other than 15-, 18-, or 19-year real property, or low-income housing, enter the amount by which your depreciation deduction determined for regular tax purposes is more than the deduction allowable for AMT purposes using the straight line method over the following recovery period:

3-year property	5 years
5-year property	8 years
10-year property	15 years
15-year public utility property	22 years

Line 3h—Amortization of certified pollution control facilities placed in service before 1987.—If, for regular tax purposes, you made an election under section 169 to amortize the basis of a certified pollution control facility over a 60-month period, your tax preference with respect to each such facility is computed as follows:

(1) Reduce the current year amortization deduction by the 20% section 291 adjustment;

(2) Reduce the result in (1) above by the deduction you would have been allowed under section 167; and

(3) Multiply the result in (2) above by 59 ⁵/₆%. Include only positive adjustments on line 3h.

Line 5a—Adjusted current earnings.—*If you are preparing Form 4626 for a regulated investment company or a real estate investment trust, skip lines 5a through 5c (they do not apply).*

*If you are preparing Form 4626 for an affiliated group that has filed a consolidated tax return for the current tax year under the rules of section 1501, you must determine adjusted current earnings (**ACE**) on a consolidated basis.*

Your ACE is your line 4 pre adjustment AMTI, with the following additional adjustments:

(1) ACE depreciation adjustment. This adjustment is computed in the following two steps:

(a) Add back all current year depreciation expense you deducted for AMT purposes in arriving at your line 4 pre-adjustment AMTI.

(b) Subtract your current year ACE depreciation expense, which is computed as follows: For each asset, compute your current year depreciation expense for ACE purposes based on the method of depreciation described after the appropriate classification (see (i) through (iv) below) for such asset:

(i) Property placed in service after 1989. Depreciate the basis of such property using the ADS described in section 168(g).

(ii) Property placed in service in a tax year beginning before 1990 to which the modified accelerated cost recovery system **(MACRS)** applies (i.e., generally property placed in service in tax years beginning after 1986 and before 1990). Depreciate the adjusted basis of such property (which, for these purposes, is the adjusted basis of such property for AMT purposes as of the close of the last tax year beginning before 1990) using the straight line method over the remainder of the recovery period applicable to such property under the ADS of section 168(g). In doing so, use the applicable convention that would have applied to the property under section 168(g).

(iii) Property placed in service in a tax year beginning before 1990 to which the original accelerated cost recovery system **(ACRS)** applies (i.e., generally property placed in service in tax years beginning after 1980 and before 1987). Depreciate the adjusted basis of such property (which, for these purposes, is the adjusted basis of such property for regular tax purposes as of the close of the last tax year beginning before 1990) using the straight line method over the remainder of the recovery period applicable to such property under the ADS of section 168(g). In doing so, use the convention that would have applied to the property under section 168(g).

(iv) Property placed in service before 1981 and property described in sections 168(f)(1) through (4). Use the depreciation expense you claimed for regular tax purposes.

(2) Adjustments based on general rules for computing earnings and profits **(E & P)**:

(a) Any income item that is not "taken into account" (defined below) in determining your line 4 pre-adjustment AMTI but that is "taken into account" in determining your E&P must be included in determining your ACE. Any such income item may be reduced by all items that relate to such income item and that would be deductible in computing your pre-adjustment AMTI if the income items to which they relate were included in your pre-adjustment AMTI for the tax year. Examples of adjustments for such income items include: **(i)** interest income from tax-exempt obligations excluded under section 103 less any costs incurred in carrying such tax-exempt obligations; and **(ii)** proceeds of life insurance contracts excluded under section 101 less the basis in the contract for purposes of ACE.

Note: *Do not make an adjustment for any income from discharge of indebtedness excluded from gross income under section 108 (or any corresponding provision of prior law repealed by the Bankruptcy Tax Act of 1980).*

An income item is considered "taken into account" without regard to the timing of its inclusion in your pre-adjustment AMTI or your E&P. Therefore, only income items that are "permanently excluded" from your pre-adjustment AMTI are included in your ACE. An income item will not be considered "taken into account" merely because the proceeds from that item might eventually be reflected in your pre-adjustment AMTI (for example, that of a shareholder) on the liquidation or disposal of a business.

Adjustment for buildup in life insurance contracts. Include in your ACE the income on life insurance contracts (as determined under section 7702(g)) for the tax year less the portion of any premium that is attributable to insurance coverage.

(b) Generally, no deduction is allowed in computing your ACE for items not "taken into account" (defined below) for purposes of computing your E&P for the tax year. Therefore, these amounts increase your ACE to the extent they are deductible in computing your line 4 pre-adjustment AMTI (i.e., they would be positive adjustments to your line 4 pre-adjustment AMTI in arriving at your ACE). However, there are exceptions. Do not add back: **(i)** any deduction allowable under section 243 or 245 for any dividend that qualifies for a 100% dividends-received deduction under section 243(a), 245(b), or 245(c); and **(ii)** any dividend received from a "20-percent owned corporation" (as defined in section 243(c)(2)), but only to the extent such dividend is attributable to income of the paying corporation that is subject to federal income tax. Also see sections 56(g)(4)(C)(iii) and (iv) for special rules for dividends from section 936 companies and certain dividends received by certain cooperatives.

An item is considered "taken into account" without regard to the timing of its deductibility in computing your line 4 pre-adjustment AMTI or your E&P. Therefore, only deduction items that are "permanently disallowed" in computing your E&P are disallowed in computing your ACE.

(c) Generally, no deduction is allowed for an item in computing your ACE if the item is not deductible in computing your line 4 pre-adjustment AMTI (even if the item is deductible for purposes of computing your E&P). The only exceptions to this general rule are the related reductions to an income item described in the second sentence of item (2)(a) above. Deductions that are not allowed in computing your ACE include: **(i)** capital losses in excess of capital gains; **(ii)** bribes, fines, and penalties disallowed under section 162; **(iii)** charitable

contributions in excess of the limitations of section 170; **(iv)** expenditures for meals and entertainment in excess of the limitations of section 274; **(v)** Federal taxes disallowed under section 275; and **(vi)** golden parachute payments in excess of the limitation of section 280G. **Note:** *No adjustment is necessary for these items since they were not allowed in computing your line 4 pre-adjustment AMTI.*

(3) Other adjustments based on specific rules for computing E&P:

(a) Intangible drilling costs. For purposes of computing your ACE, determine your deduction for intangible drilling costs (as defined in section 263(c)) in the manner provided in section 312(n)(2)(A).

(b) Certain amortization provisions do not apply. For purposes of computing your ACE, section 173 (relating to circulation expenditures) and section 248 (relating to organizational expenditures) do not apply to amounts paid or incurred in tax years beginning after 1989.

(c) LIFO inventory adjustments. The adjustments provided in section 312(n)(4) apply in computing your ACE.

(d) Installment sales. For any installment sale in a tax year beginning after 1989, you generally cannot use the installment method for purposes of computing your ACE. However, the installment method may be used with respect to the applicable percentage (as determined under section 453A) of the gain from any installment sale to which section 453A(a)(1) applies.

(4) Disallowance of loss on exchange of debt pools. For purposes of computing your ACE, you may not recognize any loss on the exchange of any pool of debt obligations for another pool of debt obligations having substantially the same effective interest rates and maturities.

(5) Acquisition expenses of certain life insurance companies. For purposes of computing your ACE, acquisition expenses of life insurance companies (other than "small insurance companies," defined below) must be capitalized and amortized in accordance with the treatment generally required under generally accepted accounting principles (and in such a manner as if this rule applied to all applicable tax years).

A "small insurance company" is any insurance company that meets the requirements of section 806(a)(3), except that section 806(c)(2) does not apply.

Note: *This adjustment was repealed by the Revenue Reconciliation Act of 1990; however, it applies in full to tax years beginning after December 31, 1989 but before September 30, 1990, and in part to tax years that include September 30, 1990 (see section 11301(d)(2)(B) for a special proration rule for tax years that include September 30, 1990).*

See new section 848(i) for a special rule for the treatment of qualified foreign contracts under the ACE adjustment.

(6) Depletion. For purposes of computing your ACE, the allowance for depletion with respect to any property placed in service in a tax year beginning after 1989 must be determined under the cost depletion method of section 611.

(7) Treatment of certain ownership changes. If a corporation undergoes an ownership change (within the meaning of section 382) in a tax year beginning after 1989, and such corporation has a net unrealized built-in loss (within the meaning of section 382(h)), then the adjusted basis of each asset of such corporation (immediately after the ownership change) must be adjusted to its proportionate share (determined on the basis of respective fair market values) of the fair market value of the assets of such corporation (determined under section 382(h)) immediately before the ownership change. For purposes of determining whether you have a built-in loss, you must use the aggregate adjusted basis of your assets that is used in computing ACE. **Note:** *These new adjusted bases must be subsequently used for all ACE calculations (such as depreciation and gain or loss on disposition of an asset).*

Line 5b.—*If you are preparing Form 4626 for an affiliated group that has filed a consolidated tax return for the current tax year under the rules of section 1501, you must figure line 5b on a consolidated basis.*

The following examples illustrate the calculation to be performed on line 5b:

Example 1: Corporation C determines its line 5a ACE to be $25,000. If its line 4 pre-adjustment AMTI were $10,000, it would enter the $15,000 difference on line 5b. If its line 4 amount were instead $30,000, it would enter zero on line 5b since the difference is less than zero. Finally, if its line 4 amount were a negative $100,000, it would enter the difference of $125,000 on line 5b.

Example 2: Corporation D determines its line 5a ACE to be a negative $25,000. If its line 4 pre-adjustment AMTI were a negative $30,000, it would enter the difference of $5,000 on line 5b.

Line 7—Alternative tax net operating loss deduction.— Your alternative tax net operating loss deduction **(ATNOLD)** is the NOL you determined for regular tax purposes under section 172, except that:

(1) In the case of a loss year beginning after 1986, the NOL you determined for regular tax purposes from such year must be: **(a)** reduced by the positive AMT adjustments and increased by the negative AMT adjustments provided in sections 56 and 58, and **(b)** reduced by the tax preference items you determined under section 57 (but only to the extent they increased the NOL you determined for regular tax purposes).

(2) In applying the rules outlined in section 172(b)(2) (regarding the determination of the amount of carrybacks and carryovers), you must use the modification to those rules described in section 56(d)(1)(B)(ii).

(3) If, for any tax year beginning before 1987, you had minimum tax that was deferred under section 56(b) (as in effect before the enactment of the Tax Reform Act of 1986) and that deferred tax has not been paid, the amount of NOL carryovers that you may carry over to this year for AMT purposes must be reduced by your tax preference items that gave rise to the deferred add-on minimum tax. (Section 701(f)(2)(B) of the Tax Reform Act of 1986.)

(4) Your ATNOLD is limited to 90% of your AMTI computed without regard to your ATNOLD. Therefore, enter on line 7 the smaller of the ATNOLD or 90% of the amount on line 6.

Note: *The amount of any NOL that is not deductible for AMT purposes may be carried back or carried over in accordance with the rules outlined in section 172(b). The amount carried back or carried over for AMT purposes is likely to differ from the amount (if any) that is carried back or carried over for regular tax purposes; therefore, it is essential that you retain adequate records for both AMT purposes and regular tax purposes.*

Line 9a. Tentative exemption amount .—All members of a controlled group of corporations are limited to one $40,000 exemption, which must be divided equally among the members (unless all of the members consent to an unequal allocation). If you are preparing Form 4626 for a member of a controlled group, enter such member's share of the $40,000 exemption on line 9a.

Lines 9b and 9c .—In computing the reduction of the tentative exemption amount, the line 8 AMTI of all members of a controlled group of corporations must be taken into account and any decrease of the tentative exemption amount must be divided equally among the members (unless all of the members consent to an unequal allocation). If you are preparing Form 4626 for a member of a controlled group, enter such member's share of the $150,000 floor on line 9b, and subtract that line 9b amount from such member's share of the combined line 8 AMTI of all members of the controlled group of corporations and enter the difference on line 9c. See section 1561 for additional information.

Line 12—Alternative minimum tax foreign tax credit.—Refigure the foreign tax credit you claimed for regular tax purposes as follows:

(1) For each separate limitation, recompute both the numerator (foreign source taxable income) and the denominator (worldwide taxable income) of the limitation fraction by taking into account your AMT adjustments and tax preference items;

(2) Substitute line 11 of Form 4626 for the "total U.S. income tax against which the credit is allowed";

(3) For each separate limitation, multiply the fraction in (1) above by the amount in (2) above to determine your recomputed limitation;

(4) For each separate limitation, take the lesser of the total foreign taxes paid with respect to that separate limitation and the recomputed limitation from (3) above; and

(5) Add the credits you recomputed for each separate limitation and enter the result on line 12.

Note: *For purposes of determining whether any income is high-taxed in applying the separate income category limitations for the AMT foreign tax credit, the AMT rate is to be used instead of the regular rate.*

Your AMT foreign tax credit is subject to a 90% limit (i.e., the credit cannot be more than the amount on line 11 less 10% of the amount that would be on that line if Form 4626 were recomputed using zero on line 7). For tax years beginning after March 31, 1990, the 90% limit does not apply to certain corporations that meet the requirements of section 59(a)(2)(C). For tax years that include March 31, 1990, these corporations should see section 7612 of the Revenue Act of 1989 for a special proration rule.

Note: *With respect to any separate limitation, any AMT foreign tax credit you cannot claim (because of the limitation fraction or the 90% limit discussed above) may be carried back or carried over in accordance with the rules outlined in section 904(c). However, foreign taxes paid or accrued in a tax year beginning after 1986 that were carried back (for regular tax purposes) to offset tax in a tax year beginning before 1987 may not be used in computing the AMT foreign tax credit for the current tax year.*

Note also: *The amount of any foreign tax credit that you cannot claim (and is therefore carried back or carried over) for AMT purposes is likely to differ from the amount (if any) that is carried back or carried over for regular tax purposes. Therefore, it is essential that you retain adequate records for both AMT purposes and regular tax purposes.*

Line 14.—Enter your regular tax liability for the tax year (as defined in section 26(b)) less your foreign tax credit and your possessions tax credit. Be sure to include any tax on accumulation distribution of trusts you computed on Form 4970. **Do not include** any recapture of investment credit you computed on Form 4255 or any recapture of low-income housing credit you computed on Form 8611. If you file Form 1120, this is line 3, Schedule J, minus the sum of lines 4a and 4b, Schedule J.

Line 16—Environmental tax.—*If you are preparing Form 4626 for a regulated investment company or a real estate investment trust, skip line 16 (it does not apply).*

Compute your environmental tax as follows:

(1) Complete line 1 of Form 4626 without taking into account any environmental tax deduction.

(2) Complete lines 2a through 6 of Form 4626.

(3) Skip lines 7 through 15 and compute your environmental tax on line 16 of Form 4626.

Note: If you are completing line 16 for a member of a controlled group of corporations, all members of the controlled group are limited to one $2,000,000 exemption, which must be divided equally among the members (unless all of the members consent to an unequal allocation). See section 1561 for additional information.

Then compute your AMT as follows: Complete line 1 of Form 4626 taking into account any deduction you are allowed with respect to the environmental tax. Then complete lines 2a through 15 of Form 4626.

Form **6765**

Department of the Treasury
Internal Revenue Service

Credit for Increasing Research Activities
(or for claiming the orphan drug credit)

▶ See separate Instructions.
▶ Attach to your return.

OMB No. 1545-0619

1990

Attachment Sequence No. **81**

Name(s) as shown on return | Identifying number

Part I Tentative Orphan Drug Credit

1	Qualified clinical testing expenses (do not include any amounts claimed as current year research expenses on line 18 below)	1	
2	Limitation—Enter 50% of line 1 (see instructions)	2	
3	Flow-through orphan drug credit(s) from a partnership, S corporation, estate, or trust	3	
4	Tentative current year orphan drug credit—Add lines 2 and 3	4	

Part II Computation of the Tax Liability Limitation for the Orphan Drug and Research Credits

5a	Individuals—Enter amount from Form 1040, line 40		
b	Corporations—Enter amount from Form 1120, Schedule J, line 3 (Form 1120-A filers claiming the research credit, enter amount from Form 1120-A, Part I, line 1)	5	
c	Other filers—Enter regular tax before credits from your return		
6	Credits that reduce regular tax before the orphan drug credit:		
a	Credit for child and dependent care expenses (Form 2441)	6a	
b	Credit for the elderly or the disabled (Schedule R, Form 1040)	6b	
c	Foreign tax credit (Form 1116 or Form 1118)	6c	
d	Possessions tax credit (Form 5735)	6d	
e	Mortgage interest credit (Form 8396)	6e	
f	Total credits that reduce regular tax before the orphan drug credit. Add lines 6a through 6e	6f	
7	Net regular tax (subtract line 6f from line 5)	7	
8	Tentative minimum tax:		
a	Individuals—Enter amount from Form 6251, line 17		
b	Corporations—Enter amount from Form 4626, line 13	8	
c	Estates and Trusts—Enter amount from Form 8656, line 37		
9	Excess of net regular tax over tentative minimum tax—Subtract line 8 from line 7	9	
10	Orphan drug credit—Enter here and on the appropriate line of your return the smaller of line 4 or line 9	10	

Part III Current Year Credit for Increasing Research Activities

11	Basic research payments paid or incurred to qualified organizations in the taxable year	11	
12	Base period amount	12	
13	Subtract line 12 from line 11—If less than zero, enter zero	13	
	Qualified research expenses paid or incurred in the taxable year (lines 14–17):		
14	Wages for qualified services (do not include wages used in figuring the jobs credit)	14	
15	Cost of supplies	15	
16	Rental or lease costs of computers	16	
17	65% of contract expenses	17	
18	Total qualified research expenses—Add lines 14 through 17	18	
19	Enter fixed-base percentage, but not more than 16% (see instructions)	19	%
20	Enter average annual gross receipts (see instructions)	20	
21	Base amount—Multiply line 20 by the percentage on line 19	21	
22	Subtract line 21 from line 18	22	
23	Multiply line 18 by 50% (.50)	23	
24	Enter smaller of line 22 or 23	24	
25	Add lines 13 and 24	25	
26	Tentative credit—Multiply line 25 by 20% (.20). If you do not elect the reduced credit under Section 280C(c), enter the result and see the instructions. If you do elect the reduced credit, multiply the result by 66% (.66) and enter that amount instead. Also write "Sec. 280C" in the margin to the right of the entry space	26	
27	Flow-through research credit(s) from a partnership, S corporation, estate, or trust	27	
28	**Current year credit for increasing research activities**—Add lines 26 and 27. Enter here and see "Claiming the Credit" on page 2	28	

See Paperwork Reduction Act Notice on page 2.

Part IV Computation of Allowable Research Credit

29	From the net regular tax on line 7, Part II, subtract any orphan drug credit from line 10, Part II, and any nonconventional source fuel credit shown on your return. Enter the result here	29	
30	Net income tax:		
a	Individuals—Add line 29 above and line 19 of Form 6251. Enter the total		
b	Corporations—Add line 29 above and line 15 of Form 4626. Enter the total	30	
c	Estates and Trusts—Add line 29 above and line 39 of Form 8656		
31	Limitation—If line 29 is more than $25,000, enter 25% of the excess (see Instructions)	31	
32	Subtract line 8, Part II, or line 31, whichever is greater, from line 30. Enter the result. If less than zero, enter zero	32	
33	Corporations—Enter here and on the appropriate line of your return the **smaller** of line 28 or line 31. This is your **General Business Credit** for 1990	33	
34	Individuals, estates, and trusts—Enter here and on the appropriate line of your return the **smaller** of line 28 or the amount from the formula in the instructions for line 34 (but do not enter more than line 32). This is your **General Business Credit** for 1990	34	

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . 7 hrs., 39 min.

Learning about the law or the form . . . 1 hr., 5 min.

Preparing and sending the form to IRS . . . 1 hr., 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Claiming the Credit

The research credit shown on line 28 is one of six credits that make up the General Business Credit. The General Business Credit consists of the following credits: (1) investment credit, (2) jobs credit, (3) alcohol fuels credit, (4) research credit, (5) low-income housing credit, and (6) disabled access credit.

If you have more than one of these credits for 1990, a carryback or carryforward of any of these credits, or a research credit from a passive activity, you must attach the appropriate credit forms and summarize them on **Form 3800**, General Business Credit. Do not complete Part IV above. If you have only a 1990 research credit and the credit is not from a passive activity, you do not have to file Form 3800 this year. Instead, complete Part IV above.

U.S. GOVERNMENT PRINTING OFFICE: 1990: 265-377(2)

1990

Department of the Treasury
Internal Revenue Service

Instructions for Form 6765

Credit for Increasing Research Activities (or for claiming the orphan drug credit)

(Section references are to the Internal Revenue Code unless otherwise noted.)

Items You Should Note

- The Revenue Reconciliation Act of 1990 extended the credit for increasing research activities and the orphan drug credit through December 31, 1991.
- For tax years beginning after December 31, 1989, the credit for increasing research activities is allowed for in-house research expenses paid or incurred by new businesses or by existing businesses that are entering new trades or businesses. To be eligible for the credit in these cases, the principal purpose of the taxpayer in making these expenditures must be to use the results of the research in the active conduct of a future trade or business. See section 41(b)(4).
- For tax years beginning after December 31, 1989, you may not deduct qualified research expenses or basic research expenses except to the extent such expenses exceed the credit for increasing research activities for the tax year. However, you may claim a full deduction for these expenses if you elect to take a reduced credit on line 26. See section 280C(c) and instructions for line 26.
- The Part III computation of the current year credit has been revised. For 1990, the 20% credit for qualified research expenses is allowed to the extent that qualified expenditures exceed the base amount figured on lines 19, 20, and 21. See the instructions for Part III for other changes.

General Instructions

Purpose of Form.—Use Form 6765 to figure and claim the general business credit for increasing the research activities of a trade or business and to claim the orphan drug credit. Complete Parts II, III, and IV (or Form 3800) to figure the research credit. Complete Parts I and II to figure the orphan drug credit.

Definitions.—*Qualified research* is limited to scientific experimentation or engineering activities designed to aid in the development of a new or improved product, process, technique, formula, invention, or computer software program held for sale, lease, or license, or used by you in a trade or business. In the case of in-house research expenses (see section 41(b)(2)), this trade or business requirement will be met if your principal purpose for conducting the research is to use the results of the research in the active conduct of a future trade or business. See section 41(b)(4).

The research credit is generally **not** allowed for the following types of activities:

- Research conducted after the beginning of commercial production;
- Research adapting an existing product or process to a particular customer's need;
- Duplication of an existing product or process;
- Surveys or studies;
- Research relating to certain internal-use computer software;
- Research conducted outside the U.S.;
- Research in the social sciences, arts, or humanities; or
- Research funded by another person (or governmental entity).

See section 41 for more details and rules.

If you incur qualified clinical testing expenses relating to drugs for certain rare diseases, you may elect to claim a 50% credit on these expenses instead of taking the research credit.

The orphan drug credit is an elective tax credit available for 50% of qualified clinical testing expenses of low or unprofitable drugs for rare diseases and conditions, as designated under Section 526 of the Federal Food, Drug, and Cosmetic Act, paid or incurred during the tax year. For additional information, see Regs. section 1.28-1.

The orphan drug credit is similar to the credit under section 41 for qualified research expenditures, except that clinical testing expenses are not limited to 65% of any contract research expenses, there is no requirement that expenses exceed those for a base period, and the expenditure must be for "qualified clinical testing" as defined in sections 28(b)(1) and (2). Expenses that qualify under section 28 cannot also qualify for the research credit under section 41.

This credit is a nonrefundable credit that may not exceed the excess of: (1) the regular tax reduced by the sum of the nonrefundable personal credits and the nonrefundable foreign tax credit, over (2) the tentative minimum tax.

Even though you cannot use the same expenses to claim both the research credit and the orphan drug credit, any expenses used in computing the orphan drug credit must be included in any research credit "base amount" computations in future years.

Who Must File.—An individual, estate, trust, organization or corporation claiming a credit for increasing research activities or for orphan drug expenses, or any S corporation, partnership, estate or trust that allocates the credit(s) to its shareholders, partners, or beneficiaries should attach this form to its income tax return.

S corporations, partnerships, estates, and trusts that allocate the credit(s) on lines 4 and 28 to any shareholder, partner, or beneficiary must show on the appropriate line of Schedule K-1, or on an attachment to Schedule K-1, the credit allocable for that shareholder, partner, or beneficiary.

Special Rules

See section 41(f) for special rules related to:

(1) Controlled groups of corporations and businesses under common control;

(2) Allocation of the credit by partnerships, estates and trusts;

(3) Adjustments if a major portion of a business is acquired or disposed of; and

(4) Short tax years.

For special rules concerning the allocation and apportionment of research and experimental expenditures between U.S. and foreign source income, see sections 861 through 864.

Carrybacks and Carryforwards.—If you cannot use the research credit because of tax liability limitations, you may carry it back 3 years, then forward 15 years. Use Form 3800. There are no carryback or carryover provisions for the orphan drug credit.

See section 383 for the limitation on the amount of any excess general business tax credits of a loss corporation for any tax year ending after a post-1986 ownership change that may be used in a post-change year.

Specific Instructions

Part I.—Tentative Orphan Drug Credit

Line 2.—You must reduce the deduction for qualified clinical testing expenses otherwise allowable on your income tax return by the amount of the credit shown on line 2. See section 280C(b) for special rules.

Line 3.—Enter the amount of credit that was allocated to you as a shareholder, partner, or beneficiary.

Line 4.—If you have credits from passive activities, see **Form 8582-CR,** Passive Activity Credit Limitations, or **Form 8810,** Corporate Passive Activity Loss and Credit Limitations, before completing the remainder of this form.

Estates and trusts: The orphan drug credit on line 4 is allocated between the estate or trust and the beneficiaries in the same proportion as income was allocated. On the dotted line to the left of the amount on line 4, the estate or trust should enter its share of the credit. Label it "1041 PORTION" and use this amount in Part II to figure the credit to take on Form 1041. On Schedule K-1 show the credit for each beneficiary.

S corporations and partnerships: Prorate the orphan drug credit on line 4 among the shareholders or partners. Attach Form 6765 to the return and on Schedule K-1 show the credit for each shareholder or partner.

Part II.—Computation of the Tax Liability Limitations for the Orphan Drug and Research Credits

Line 10.—Include the orphan drug credit on the appropriate line of your 1990 tax return. If it is not listed separately on the return, include the credit on the "other credits" or "total credits" line; then write "ORPHAN DRUG CREDIT" and the amount on the dotted line to the left of the entry amount.

Part III.—Current Year Credit for Increasing Research Activities

Line 11.—Corporations (other than S corporations, personal holding companies, and service organizations) may be eligible for a "basic research" credit if your 1990 payments in cash to a qualified university or scientific research organization (pursuant to a written contract) exceed a base period amount (based on your general university giving and certain other maintenance-of-effort levels for the 3 preceding years). Enter your 1990 payments on line 11. See section 41(e) for details.

Line 12.—Enter the base period amount as defined in section 41(e). The amount on line 12 (but not more than the amount on line 11), although not eligible for the 1990 basic research credit, can be treated as 1990 contract research expenses on line 17, (and subject to the 65% limitation).

Line 16.—See section 41(b)(2)(A) for rules on leased property if you receive payments from anyone for the rental or lease of substantially identical property.

Line 17.—Include 65% of any amount paid or incurred for qualified research performed on your behalf. Prepaid contract research expenses are considered paid in the year the research is actually done. Also include 65% of that portion of the line 11 basic research payments which does not exceed the line 12 base amount. See section 41(e)(1)(B).

Line 19.—Compute the fixed-based percentage as follows:

Existing firms.—The fixed-base percentage is the ratio that the aggregate qualified research expenses for at least 3 tax years from 1984 to 1988 bears to the aggregate gross receipts for such tax years. Round off the percentage to the nearest 1/100th of 1%.

Start-up companies.—If there are fewer than 3 tax years between 1984 and 1988 in which the taxpayer had both gross receipts and qualified research expenses, the percentage is 3%. If the percentage computation involves de minimis amounts of gross receipts and qualified expenses in a tax year or short tax years are involved, see sections 41(c)(3) and 41(f)(4).

Note: *The maximum percentage that can be entered on line 19 is 16%.*

Line 20.—Enter on line 20 the average annual gross receipts for the 4 tax years preceding the tax year for which the credit is being determined (called the credit year). You may be required to annualize gross receipts for any short tax year. See sections 41(c)(1)(B) and 41(f)(4) for details.

For purposes of lines 19 and 20, gross receipts for any tax year shall be reduced by returns and allowances made during the tax year. In the case of a foreign corporation, there shall be taken into account only gross receipts which are effectively connected with the trade or business within the U.S.

Line 23.—The base amount cannot be less than 50% of the current year qualified research expenses. This rule applies both to existing and newly organized businesses.

Line 26.—If you do not elect the reduced credit, you must reduce your otherwise allowable deduction for qualified research expenses or basic research expenses by the amount of the credit on line 26. If the line 26 credit exceeds the amount allowed as a deduction for the tax year, reduce the amount chargeable to the capital account for the year for such expenses by the amount of the excess.

Attach a statement to your tax return that lists the deduction amounts (or capitalized expenses) that were reduced. Identify the lines of your return (schedule or forms for capitalized items) on which the reductions were made.

Line 27.—Enter the amount of credit that was allocated to you as a shareholder, partner, or beneficiary.

Line 28.—*Estates and trusts:* The research credit on line 28 is allocated between the estate or trust and the beneficiaries in the same proportion as income was allocated. On the dotted line to the left of the amount on line 28, the estate or trust should enter its share of the credit. Label it "1041 PORTION" and use this amount in Part IV (or on Form 3800) to figure the credit to take on Form 1041. On Schedule K-1 show the credit for each beneficiary.

S corporations and partnerships: Prorate the research credit on line 28 among the shareholders or partners. Attach Form 6765 to the return and on Schedule K-1 show the credit for each shareholder or partner.

Part IV.—Computation of Allowable Research Credit

Line 31. Limitations.—See section 38(c)(3) for special rules for married couples filing separate returns, for controlled corporate groups, and for estates and trusts.

Line 34. Limits.—If you are an individual, estate, or trust, the credit(s) on lines 26 or 27 is limited to the amount attributable to your interest in the proprietorship, partnership, S corporation, estate or trust generating the credit. Figure separately for each business enterprise by using the following formula:

$$\text{(Line 30–line 31)} \times \frac{\text{Taxable income attributable to your interest in the unincorporated business, 1065, 1041, or 1120S entity}}{\text{Taxable income for the year (Form 1040, line 37)}}$$

When using the formula, the result is limited to 100% of line 30 less line 31.

If in the current tax year you had no taxable income attributable to a particular business interest, you cannot claim any research credit this year for that business.

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Form **8801**

Department of the Treasury
Internal Revenue Service

Credit For Prior Year Minimum Tax

▶ Attach to your tax return.

OMB No. 1545-1073

1990

Attachment Sequence No. **74**

Name(s) shown on return | Identifying number

Part I Net Minimum Tax on Exclusion Items

1	Enter line 3 of 1989 Form 6251, or line 1 of 1989 Form 4626. Form 1041 filers, see Instructions	1	
2	Enter adjustments and tax preference items treated as exclusion items. See Instructions	2	
3	**Minimum tax credit net operating loss deduction.** See Instructions	3	( )
4	Combine lines 1, 2, and 3. If zero or less, enter -0- here and on line 15 and go to Part II. If more than $155,000 and you are married filing separately, see Instructions	4	
5	Enter line 9 of 1989 Form 6251, or line 9a of 1989 Form 4626. Form 8656 filers, enter $20,000	5	
6	Enter line 10 of 1989 Form 6251, or line 9b of 1989 Form 4626. Form 8656 filers, enter $75,000	6	
7	Subtract line 6 from line 4. If zero or less, enter -0- here and on line 8 and go to line 9	7	
8	Multiply line 7 by 25% (.25) and enter the result	8	
9	Subtract line 8 from line 5. If zero or less, enter -0-. If completing for a child under 14, see Instructions	9	
10	Subtract line 9 from line 4. If zero or less, enter -0- here and on line 15, and go to Part II	10	
11	Form 6251 and 8656 filers, multiply line 10 by 21% (.21). Form 4626 filers, multiply line 10 by 20% (.20)	11	
12	**Minimum tax foreign tax credit on exclusion items.** See Instructions	12	
13	**Tentative minimum tax on exclusion items.** Subtract line 12 from line 11	13	
14	Enter line 18 of 1989 Form 6251, line 15 of 1989 Form 4626, or line 11c, Part III, of 1989 Form 8656	14	
15	**Net minimum tax on exclusion items.** Subtract line 14 from line 13. If zero or less, enter -0-	15	

Part II Minimum Tax Credit and Carryforward to 1991

16	Enter line 19 of 1989 Form 6251, the sum of lines 14 and 16 of 1989 Form 4626, or line 12, Part III, of 1989 Form 8656	16	
17	Enter the amount from line 15 above	17	
18	Subtract line 17 from line 16. If line 17 is greater than line 16, enter the result as a negative amount	18	
19	**Carryforward of minimum tax credit from 1989.** Enter amount on line 28 of 1989 Form 8801	19	
20	Enter your 1989 unallowed credit for fuel produced from a nonconventional source. Also include any unallowed orphan drug credit. See Instructions	20	
21	Combine lines 18, 19, and 20. If zero or less, **do not** complete the rest of this form. See Instructions	21	
22	Enter your 1990 regular income tax liability minus allowable tax credits. See Instructions	22	
23	Enter line 17 of 1990 Form 6251, line 13 of 1990 Form 4626, or line 37 of 1990 Form 8656	23	
24	Subtract line 23 from line 22. If zero or less, enter -0-	24	
25	**Minimum tax credit.** Enter the **smaller** of line 21 or line 24. Also enter this amount on the appropriate line of your 1990 tax return. See Instructions	25	
26	**Minimum tax credit carryforward to 1991.** Subtract line 25 from line 21. See Instructions	26	

General Instructions

(Section references are to the Internal Revenue code.)

Paperwork Reduction Act Notice.—We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. 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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping . . . . . 1 hr., 33 min.
Learning about the law or the form . . . . . 1 hr., 3 min.
Preparing the form . . . . . 1 hr.
Copying, assembling, and sending the form to IRS . . . 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more simple, we would be happy to hear from you. You can write to both the IRS and the Office of Management and Budget at the addresses listed in the instructions of the tax return with which this form is filed.

Purpose of Form

Form 8801 is used to compute the minimum tax credit, if any, for alternative minimum tax (AMT) incurred in prior tax years after 1986. The form is also used to figure any minimum tax credit carryforward that may be used in future years.

Who Should File

Form 8801 should be completed by individuals, corporations, trusts, and estates that had:

- an AMT liability in 1989 (or an amount on line 14 of Form 4626) and adjustments or tax preference items (other than exclusion items) in 1989;
- a minimum tax credit carryforward from 1989 to 1990; or
- a 1989 unallowed nonconventional source fuel credit or an unallowed orphan drug credit for any tax year after 1986 (see the instructions for line 20 of this form).

Recordkeeping.—Use Form 8801 each year to see if you have a minimum tax credit and to keep track of any credit carryforward. (See line 28 of your 1989 Form 8801.)

Specific Instructions

The AMT is attributable to two types of adjustments and tax preference items—"exclusion items" and "deferral items." The minimum tax credit is allowed only on the AMT attributable to deferral items.

Deferral items are generally adjustments and tax preference items that do not cause a permanent difference in taxable income over a number of years. An example is depreciation. **Exclusion items,** on the other hand, cause a permanent difference in taxable income. An example is the personal exemption.

Line 1—Form 1041 filers.—Skip lines 1 through 3 of Form 8801. Complete Parts I and II of another 1989 Form 8656. For Part I of Form 8656, take into account only exclusion items (the amount included on lines 4e and 6d of Part I of Form 8656). On line 9, Part I of Form 8656, use the minimum tax credit net operating loss deduction (MTCNOLD). However, do not limit the MTCNOLD to 90 percent of the amount on line 8, Part I of Form 8656 (see the instructions for line 3 below for how to compute the MTCNOLD). On Part II of Form 8656, do not take into account any basis adjustments arising from deferral items in completing lines 6 and 7. If the amount on line 12, Part I of Form 8656 is zero or less, enter -0- on line 4 of Form 8801. Otherwise, enter the amount from line 12, Part I of Form 8656 on line 4 of Form 8801.

Line 2.—Enter on this line the adjustments and tax preference items treated as exclusions.

Exclusion items are your AMT adjustments and tax preference items for: the standard deduction, personal exemptions, estate or trust exemption, itemized deductions (including any investment interest expense reported on Schedule E), the deduction for charitable contributions of appreciated property, certain tax-exempt interest, depletion, and, for certain insurance organizations, the adjustment under section 833(b).

Follow the instructions below to figure the amount to enter on line 2.

Individuals. Combine lines 4i and 5d of your 1989 Form 6251

Corporations. Combine lines 2i and 3d of the corporation's 1989 Form 4626.

Estates and trusts. Combine lines 4e and 6d of the 1989 Form 8656 and line 20 of the 1989 Form 1041.

Note: *If you included any of the exclusion items on a line other than those listed above, include that item in the amount to be entered on line 2. For example, if depletion was included on Form 6251 as an adjustment on line 4i (passive activity loss) instead of on line 5c (depletion), include it as an exclusion item when figuring the amount for line 2.*

Exclusion items included in adjusted net book income will not be taken into account for purposes of the minimum tax credit.

Line 3—Minimum tax credit net operating loss deduction (MTCNOLD).—Your MTCNOLD is the aggregate of the minimum tax credit net operating loss (MTCNOL) carryovers and MTCNOL carrybacks to the tax year. The MTCNOLD is not limited to 90 percent of alternative minimum taxable income (AMTI) computed by taking into account only exclusion items. Your MTCNOL is figured as follows:

For loss years beginning after 1986, your MTCNOL is the excess of the deductions allowed in computing AMTI (excluding the MTCNOLD), taking into account only exclusion items, over the income included in computing AMTI, taking into account only exclusion items. This excess is computed with the modifications contained in section 172(d), taking into account exclusion items (i.e., the section 172(d) modifications should be separately computed in figuring the MTCNOL).

For example, the limitation of nonbusiness deductions to the amount of nonbusiness income must be separately computed in figuring the MTCNOL using only nonbusiness income and nonbusiness deductions taking into account only exclusion items. However, ignore the disallowance of the deduction for personal exemptions under section 172(d)(3) because it has already been taken into account in computing AMTI using only exclusion items.

For loss years beginning before 1987, the amount of MTCNOL that may be carried forward to tax years beginning after 1986 is equal to the amount of regular tax NOL that may be carried from such loss years to the first tax year beginning after 1986.

To determine the amount of MTCNOL that may be carried to tax years other than 1989, apply sections 172(b)(2) and 172(d), with appropriate modifications to take into account exclusion items.

Line 4.—If you are married filing a separate return and line 4 is greater than $155,000, you must include an additional amount on line 4. If line 4 is $235,000 or more, include an additional $20,000 on line 4. Otherwise, include 25% of the excess of the amount on line 4 over $155,000. For example, if the amount on line 4 is $175,000, enter $180,000 instead—the additional $5,000 is $20,000 ($175,000 minus $155,000) times 25% (.25).

Line 9.—If you are completing this form for a child who was under age 14 on January 1, 1990, and at least one of the child's parents was alive on December 31, 1989, do not follow the instructions on the form for line 9. Instead, if line 8 is equal to or more than line 5, enter -0-; otherwise, enter the **smaller** of: (1) the amount by which line 5 exceeds line 8, or (2) the amount entered on line F of the worksheet for line 13 of the child's 1989 Form 6251.

Line 12—Minimum tax foreign tax credit.—Refigure your 1989 minimum tax foreign tax credit using only exclusion items that were attributable to sources outside the U.S. To do this, use a 1989 Form 1116 or Form 1118, whichever applies, and follow the steps below.

Step 1. Use a separate Form 1116 (or Form 1118) for each type of income.

Step 2. Fill in Part I of Form 1116 (or Schedule A of Form 1118) using that portion of your taxable income and exclusion items that were attributable to sources outside the United States.

Step 3. Fill in Part III of Form 1116 (or Schedule B, Part II of Form 1118). However, instead of entering the AMT foreign tax credit carryforward on line 2, Part III of Form 1116 (or line 4, Part II, Schedule B of Form 1118), use the foreign tax credit carryforward, if any, figured on exclusion items last year. Enter the amount from line 4 of this form on line 9, Part III of Form 1116 (or line 7c, Part II, Schedule B of Form 1118). Enter the amount from line 11 of this form reduced by the child care credit and the credit for the elderly or disabled, if any, on line 11, Part III of Form 1116 (or line 9, Part II, Schedule B of Form 1118).

Step 4. Complete Part IV of Form 1116 (or Schedule B, Part III of Form 1118). Enter the refigured credit from Form 1116 (or Form 1118) on line 12 of this form.

If line 5, Part III, of Form 1116 (or line 5, Part II, Schedule B of Form 1118) was greater than line 12, Part III, of Form 1116 (or line 10, Part II, Schedule B of Form 1118), keep a record of the difference between lines 5 and 12 of Form 1116 (or lines 5 and 10 of Form 1118). This amount is carried forward and used to compute your foreign tax credit on exclusion items next year.

Line 20.—Enter the unused portion of your 1989 credit for fuel produced from a nonconventional source that was not allowed solely because of the limitation under section 29(b)(5)(B).

Also include on this line any orphan drug credit not allowed solely because of the limitation under section 28(d)(2)(B) in any prior tax year after 1986.

Line 21.—If line 21 is zero or less, you do not have a minimum tax credit or a minimum tax credit carryforward. **Do not** complete the rest of this form.

Line 22.—Follow the instructions below and refer to your 1990 income tax return to figure the amount to enter on line 22.

Form 1040.—Subtract from the amount on line 40 the total of any credits on lines 41 through 44 and any write-in credits on line 46 for the mortgage interest credit or the credit for fuel produced from a nonconventional source.

Form 1040NR.—Subtract from the amount on line 38 the total of any credits on lines 39 through 41 and any write-in credits on line 43 for the mortgage interest credit or the credit for fuel produced from a nonconventional source.

Form 1041.—Subtract the total of any credits on lines 2a through 2c, Schedule G from the amount on line 1, Schedule G.

Form 1120.—Subtract any credits on lines 4a through 4e, Schedule J from the amount on line 3, Schedule J.

Form 1120-A.—Subtract the amount on line 2a, Part I from the amount on line 1, Part I.

Line 25.—Enter the minimum tax credit on the following line of your tax return:

Form 1040, line 45.

Form 1040NR, line 42.

Form 1041, line 2d, Schedule G.

Form 1120, line 4f, Schedule J.

Form 1120-A, line 2b, Part I.

All Others.—Enter the minimum tax credit on the line provided on your tax return.

Note: *Section 383 may limit the amount of tax of a corporation for any tax year ending after a post-1986 ownership change that may be offset by pre-change minimum tax credits. If this limitation applies, attach your computation of the allowable minimum tax credit, enter that amount on line 25, and write "Sec. 383" on the dotted line to the left of line 25.*

Line 26—Carryforward of minimum tax credit.—Keep a record of this amount because it can be carried forward and used in future years.

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