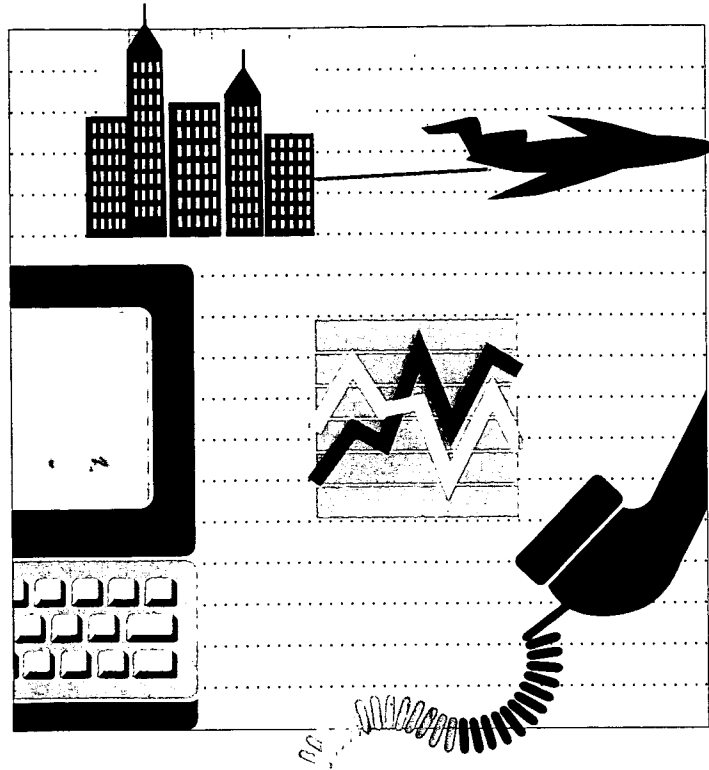


**1991**

Statistics  
of Income

# Corporation Income Tax Returns



# 1991

## Statistics of Income

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# Corporation Income Tax Returns

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 - 1991*. A general description of the Source Book, including ordering information, is available from the 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 1991 can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income, at the address shown above.

### **Suggested Citation**

Internal Revenue Service  
Statistics of Income - 1991  
Corporation Income Tax Returns  
Washington, DC 1994

For sale by Superintendent of Documents,  
U.S. Government Printing Office,  
Washington, DC 20402

Library of Congress Card  
No. 61-37568



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The following Statistics of Income reports and tapes can be purchased from Statistics of Income (unless otherwise indicated). Prepayment is required, with checks made payable to the IRS Accounting Section. Please write:

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P. O. Box 2608  
Washington, DC 20013-2608.

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### 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The articles emphasize important issues within the nonprofit sector, and also include several other articles previously unpublished in the *SOI Bulletin*, as well as papers published in proceedings of the American Statistical Association and the Independent Sector Research Forum.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 trusts; and
- unrelated business income of exempt organizations.

### Studies of Tax-Exempt Organizations, 1986-1992

Publication 1416 – Price \$26.00

This is the second volume in a series of Statistics of Income (SOI) publications on tax-exempt, nonprofit organizations. The volume includes data covering 1986-

1992 and contains 12 previously-published articles from SOI studies, including articles from the *SOI Bulletin*, as well as papers prepared for the *Journal of Nonprofit Management and Leadership*, *Trusts and Estates*, the Independent Sector Research Forum, the National Research Council's Committee on National Statistics, and the American Statistical Association.

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

### Compendium of Federal Estate Tax and Personal Wealth Studies

Publication 1773 – \$26.00

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition of their estates. It contains a methodological discussion of the strategy used in weighting the sample data for the estate studies and also statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years, 1962-1989, as well as a discussion of the relationship among realized income, wealth, and well-being.

## Reimbursable Services

### Corporation Source Book, 1991

Publication 1053 – Price \$175

This 478-page document presents detailed income state-

## Publications & Tapes

ment, balance sheet, tax, and selected other items, by major and minor industrial groups and size of total assets, for all returns and separately for returns with net income. The report, which underlies the *Statistics of Income--Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. (The Source Book is also available on 35mm microfilm for \$175.00. Issues prior to 1982 are for sale at \$150 per year.) A magnetic tape or diskette containing the tabular statistics for 1991 can be purchased for \$1,500.

### Public-Use Magnetic Tape Microdata Files

*(Price depends on the request.)*

This includes individual income tax returns for 1979-1990. A limited number of files for 1989 are also available on CD-ROM. (Individual income tax returns for 1966-1978 are available for sale by writing to 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 1985-1991 and nonprofit charitable organizations for 1982-1983 and 1985-1990 are also available from Statistics of Income. The individual, private foundation, and charitable organization files are the only microdata files that can be released to the public.

### Migration Data

*(Price depends on the request.)*

Compilations are available showing migration patterns, from where to where, by State and county, based on year-to-year changes in the individual income tax return address. Data are also available for selected time periods (according to the years in which the returns were filed) between 1978 and 1992 and include counts of the number of returns and the number of personal exemptions (which can be used to approximate population). Tabulations are available as hard copy for all years, on magnetic tape for all years except 1983, and diskette starting with 1989. (Compilations showing State-to-State migration flows only are also accessible through the SOI electronic bulletin board starting with 1988; see below.)

### County Income Data

*(Price depends on the request.)*

Tables present adjusted gross income by source and number of personal exemptions (which can be used to approximate population) reported on individual income tax returns for Income Years 1982 and 1984 through 1991. Data are available as hard copy or on magnetic tape for each year, or on diskette starting with 1988.

### ZIP Code Area Data

*(Price depends on the request.)*

Recent statistics are available for Income Year 1991 only, either on computer tape or diskette, showing the number of individual income tax returns, the number of personal exemptions (which can be used to approximate population), adjusted gross income, and income tax, by 5-digit ZIP Code.

### Other Unpublished Tabulations

*(Price depends on the request.)*

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 resources.

### Other Publications

The following Statistics of Income publications are available from the Superintendent of Documents, U.S. Government Printing Office. For copies, please use the order form following this section or write:

Superintendent of Documents  
P. O. Box 371954  
Pittsburgh, PA 15250-7954.

If you determine from the Government Printing Office that any of the next three items is out-of-print, please telephone the Statistical Information Services Office on (202) 874-0410, for assistance.

### Statistics of Income (SOI) Bulletin

*Quarterly Publication 1136, Stock No. 748-005-00000-5*  
*Subscription price, \$26.00; Single copy price, \$13.00*

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole

## Publications & Tapes

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 – 1990, Corporation Income Tax Returns**

*Publication 16, Stock No. 048-004-02322-9*  
*Price \$19.00*

This report presents data on corporation income tax returns with accounting periods that ended July 1990 through June 1991, that are more comprehensive than those published earlier in the *SOI Bulletin*.

Presents information on:

- receipts;
- deductions;
- net income;
- taxable income;
- 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 – 1991, Individual Income Tax Returns**

*Publication 1304, Stock No. 048-004-02326-1*  
*Price \$11.00*

This report presents more comprehensive and complete data on individual income tax returns for 1991 than those published earlier in the *SOI Bulletin*.

Presents information on:

- sources of income;
- exemptions;
- itemized deductions; and
- tax computations.

Data are presented by:

- size of adjusted gross income; and
- marital status.

The following Statistics of Income publication is available

from Statistics of Income by writing to the Acting Director at the address shown at the beginning of this section.

### **Turning Administrative Systems Into Information Systems--1993**

*Publication 1299 – Free of Charge*

This report is the second edition of the IRS' methodology reports series, which documents technological and methodological changes in Statistics of Income programs and other related statistical uses of administrative records. Previous volumes in the series were called *Statistics of Income and Related Administrative Record Research*. Topics featured are:

- reinvention of the Federal statistical system;
- data on individuals from the IRS population -- filers and nonfilers;
- data on economic conditions;
- sample design issues;
- methodological approaches to analysis;
- quality measurement and productivity; and
- technological improvements.

### **SOI Electronic Bulletin Board**

Since June 1992, over 560 files have been added to the SOI electronic bulletin board system (BBS) and are available for access. They include data from recent *SOI Bulletin* publications for returns covering individuals, corporations, partnerships, sole proprietorships and estates. The BBS also contains files on personal wealth and international topics, such as foreign tax credits and Controlled Foreign Corporations, as well as tax collections and refunds from the IRS administrative system.

#### **Electronic Bulletin Board Numbers:**

(202) 874-9574 (Analog – Most Users)

Systems Administrator: Jim Willis (202) 874-0277

Systems Coordinator: Jim Hobbs (202) 874-0268.

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# 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, 24, 25)

Business receipts (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 23, 24, 25)

Interest (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 19, 24, 25)

Interest on Government obligations (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)

Rents (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 19, 24, 25)

Royalties received (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 19, 24, 25)

Net short-term capital gain (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 19, 24, 25)

Net long-term capital gain (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 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, 16, 17, 19, 20, 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, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)

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, 17, 19, 23, 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)

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Interest paid (tables 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 24, 25)

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Contributions or gifts (tables 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 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, 23, 24, 25)

Depreciation deduction (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 23, 24, 25)

Pension, and Employee benefit plans (tables 2, 3, 4, 5, 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, 5, 6, 8, 10, 12, 14, 16, 18, 19, 20, 24)

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

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Notes and accounts receivable (tables 2, 3, 6, 7, 8, 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)

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## Corporation Returns/1991 - Guide To Tables

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Loans to stockholders (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)	Environmental tax (tables 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 16, 17, 18, 19, 20, 24, 25)
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Depreciable assets (tables 1, 2, 3, 4, 5, 6, 7, 12, 13, 14, 15, 16, 17, 19, 24, 25)	U.S. possessions tax credit (tables 1, 2, 3, 4, 5, 6, 7, 12, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25)
Accumulated depreciation (tables 2, 3, 4, 5, 6, 7, 12, 13, 14, 15, 16, 17, 19, 24, 25)	Nonconventional source fuel credit (tables 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25)
Depletable assets (tables 2, 3, 6, 7, 12, 13, 14, 15, 16, 17, 19, 24, 25)	General business credit (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25)
Accumulated depletion (tables 2, 3, 6, 7, 12, 13, 14, 15, 16, 17, 19, 24, 25)	Orphan drug credit (tables 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25)
Land (tables 2, 3, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 24, 25)	Prior year minimum tax (tables 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 21, 22, 24, 25)
Intangible assets (amortizable) (tables 2, 3, 6, 7, 12, 13, 14, 15, 16, 17, 19, 24, 25)	Income tax after credits (figures A, C, tables 1, 2, 3, 4, 5, 6, 7, 10, 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25)
Accumulated amortization (tables 2, 3, 6, 7, 12, 13, 14, 15, 16, 17, 19, 24, 25)	
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### 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, 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)

## Corporation Returns/1991 - Guide To Tables

### SELECTED SUBJECTS

Accounting periods (figures B, C, table 18)  
Alternative minimum tax (table 23)  
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 22)



This report presents statistical estimates based on 4 million returns filed, derived from a stratified sample of approximately 82,000 returns selected from the 3.8 million active corporate returns filed for the 1991 Income Year.

The report is divided into 6 sections. The first section provides statistics summarizing overall corporate activity for Income Year 1991. Section 2 discusses changes in law and regulations between this report and that for Income Year 1990. 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 1991 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, 1991 in the Statistics of Income Bulletin, Volume 14, Number 1, Summer 1994. [1]

## OVERALL CORPORATE SUMMARY

Figure A presents corporation summary statistics for Income Years 1990 and 1991. The total number of returns increased by 2.3 percent from 1990 to 1991. Total assets and total receipts continued to increase,

and net income (less deficit) and income subject to tax continued to decrease from 1990 to 1991. Income tax before credits of \$121.1 billion, and income tax after credits of \$92.5 billion for 1991 was a decrease over the income tax before credits of \$128.1 billion and total income tax after credits of \$96.4 billion for 1990. Total assets of \$19.0 trillion was an increase of 4.6 percent and total receipts of \$11.4 trillion was an increase of only 0.24 percent over the prior year. Net income (less deficit) decreased by 7.0 percent and income subject to tax decreased by 4.5 percent.

The number of returns with total assets of \$250 million or more represented less than one percent of the total returns and 81.2 percent of total assets compared to 80.5 percent for 1990. The 5,933 returns for 1991 accounted for 54.8 percent of the total receipts; 81.2 percent of net income (less deficit); 75.8 percent of income subject to tax; 77.7 percent of total income tax; and 73.9 percent of the total income tax after credits. All these accounts showed increases from 1990 where the 5,589 returns accounted for 54.1 percent of total receipts; 81.2 percent net income (less deficit); 75.4 percent of income subject to tax; 77.6 percent of total income tax; and 73.3 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 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

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\*Allison Clark and Patrice Traubert were responsible for the overall production and the text for sections 1, 2, and 5 as well as the tables for section 4. The report was prepared under the direction of Ken Szefflinski, Chief, Corporation Returns Analysis Section.

## Corporation Returns/1991 - Introduction

**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 1990 and 1991**

(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) <sup>1</sup>	Income subject to tax <sup>2</sup>	Total income tax <sup>3</sup>	Total income tax after credits <sup>4</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>1990</b>							
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	8,862,046	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
<b>1991</b>							
Total .....	3,802,788	19,029,508,839	11,436,474,767	344,859,794	350,009,712	121,121,231	92,566,319
Zero assets .....	213,340		171,630,701	949,507	4,608,532	1,362,849	1,107,434
\$1 under \$100,000 .....	1,963,525	60,831,833	343,585,144	120,968	1,965,682	322,162	312,345
\$100,000 under \$250,000 .....	629,829	102,269,942	313,008,384	1,325,272	3,259,536	561,866	544,730
\$250,000 under \$500,000 .....	376,585	133,398,224	326,731,486	1,218,923	3,888,191	771,038	750,558
\$500,000 under \$1,000,000 .....	258,942	183,078,016	397,472,192	2,284,334	4,577,770	1,003,751	968,512
\$1,000,000 under \$5,000,000 .....	267,503	558,017,320	1,174,352,977	7,988,035	11,859,370	3,614,825	3,458,630
\$5,000,000 under \$10,000,000 .....	37,995	264,101,157	497,549,938	4,674,078	5,935,347	2,041,996	1,935,290
\$10,000,000 under \$25,000,000 .....	24,631	383,658,181	563,361,101	6,704,013	8,690,360	3,047,017	2,819,044
\$25,000,000 under \$50,000,000 .....	11,009	389,027,738	393,954,387	7,161,796	9,145,163	3,227,426	2,915,160
\$50,000,000 under \$100,000,000 .....	7,516	533,131,086	393,687,262	8,230,729	10,440,637	3,690,175	3,266,933
\$100,000,000 under \$250,000,000 .....	5,982	962,808,364	591,529,448	18,512,359	20,327,939	7,373,147	6,075,433
\$250,000,000 or more .....	5,933	15,459,186,978	6,269,611,748	285,689,781	265,311,186	94,104,978	68,412,250

<sup>1</sup> Includes taxable income before net operating loss deduction and special deductions.

<sup>2</sup> Includes taxable income less net operating loss deduction and special deductions.

<sup>3</sup> 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.

<sup>4</sup> 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."

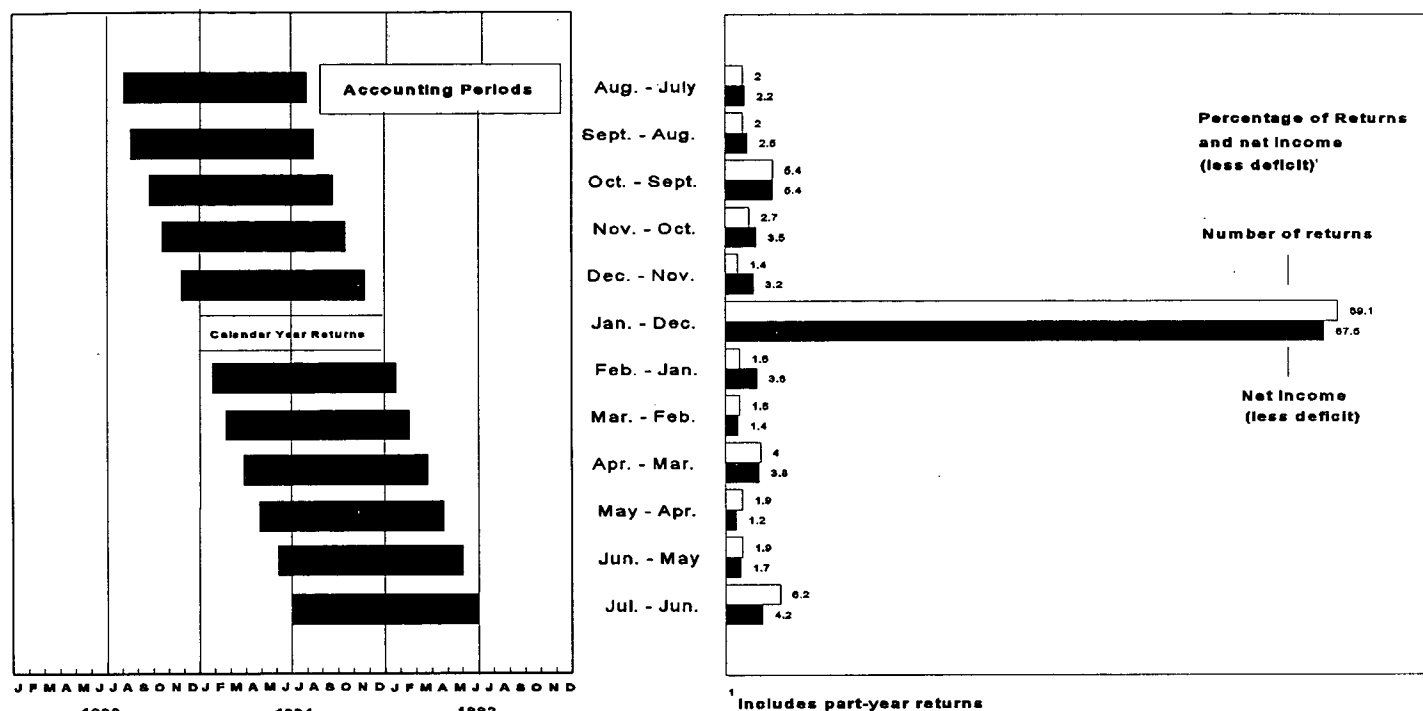
extent in manufacturing industries than other industries. Also, foreign activity is almost totally concentrated among returns with assets of \$250 million or more. For foreign corporations (defined as those incorporated abroad) engaged in trade or business in the United States, only income that was considered 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, unincorporated associations, such as business trusts, savings and loan associations, certain partnerships, mutual savings banks, and cooperative banks. These organizations

## Corporation Returns/1991 - Introduction

**Figure B**  
**Corporation Income Tax Returns and Net Income (less deficit), by Accounting Periods, Income Year 1991)**



**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 1991**

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

Accounting Period Ended <sup>1</sup>	Number of returns	Total assets	Total receipts	Net income (less deficit) <sup>2</sup>	Income subject to tax <sup>3</sup>	Total income tax <sup>4</sup>	Total income tax after credits <sup>5</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Totall</b> .....	3,802,788	19,029,508,839	11,436,474,767	344,859,794	350,009,712	121,121,231	92,566,319
December 1991 .....	2,628,271	15,072,154,235	7,665,957,631	232,929,701	256,587,696	90,071,418	66,575,049
Noncalendar year, total .....	1,174,517	3,957,354,603	3,770,517,136	111,930,093	93,422,016	31,049,812	25,991,271
July 1991 .....	76,743	213,875,494	191,869,730	7,483,713	4,041,381	1,248,914	1,096,296
August 1991 .....	75,764	207,765,036	190,729,468	8,649,470	5,314,678	1,765,837	1,559,843
September 1991 .....	206,117	715,612,408	664,615,014	18,789,825	15,629,554	5,124,885	4,430,535
October 1991 .....	103,602	399,077,700	286,184,293	12,124,464	5,940,475	1,994,589	1,522,211
November 1991 .....	54,203	254,734,393	140,845,666	10,969,335	6,422,596	2,143,249	1,070,665
January 1992 .....	61,889	328,206,068	448,571,466	12,293,793	12,776,240	4,321,867	4,029,151
February 1992 .....	60,440	181,825,491	177,639,465	4,715,602	3,950,457	1,299,255	1,181,874
March 1992 .....	152,684	615,189,436	583,752,009	12,138,078	10,340,465	3,501,944	3,197,917
April 1992 .....	73,788	175,986,716	180,299,118	4,260,298	4,263,125	1,440,414	1,167,938
May 1992 .....	74,134	203,463,207	245,134,289	5,843,587	5,930,492	1,998,542	1,669,200
June 1992 .....	235,151	661,618,654	660,876,617	14,661,929	18,812,552	6,210,316	5,065,641

<sup>1</sup> Includes full and part-year returns.

<sup>2</sup> Includes taxable income before net operating loss deduction and special deductions.

<sup>3</sup> Includes taxable income less net operating loss deduction and special deductions.

<sup>4</sup> 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 (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.

<sup>5</sup> 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."

## Corporation Returns/1991 - Introduction

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) .....	1,821,503
Form 1120-A (U.S. Short-Form Corporations) .....	262,648
Form 1120S (U.S. S Corporations) .....	1,698,271
Form 1120L (U.S. Life Insurance Companies) .....	2,025
Form 1120-PC (U.S. Property and Casualty Insurance Companies) .....	2,506
Form 1120-REIT (U.S. Real Estate Investment Trust) .....	291
Form 1120-RIC (U.S. Regulated Investment Companies) .....	5,585
Form 1120F (U.S. Returns of Foreign Corporations) .....	9,958
Total* .....	3,802,788

\*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 1991 through June 1992. 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, 1990, and closed on July 31, 1991, and the start of the last-included accounting period, which began on July 1, 1991, and closed on June 30, 1992. 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 69.1 percent of the 1991 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, 67.0 percent of total receipts, 67.5 percent of net income (less deficit), 73.3 percent of income subject to tax, 74.4 percent of total income tax, and 71.9 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.

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 Revenue 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.

### **Alcohol Fuel Credit**

The alcohol fuel credit was extended through December 31, 2000 but may be subject to an earlier termination. The credit was also expanded to include the small ethanol producer credit. For alcohol blenders, the alcohol mixture credit and the alcohol credit were reduced for alcohol produced, sold or used in tax years beginning after 1990. For 190-or-greater proof ethanol, the credit rate was reduced from 60 to 54 cents per gallon, and for ethanol of at least 150 proof and less than 190 proof, the credit rate was reduced from 45 to 40 cents per gallon.

### **Alternative Minimum Tax**

An adjustment based on energy preferences was added to the Alternative Minimum Tax (AMT) computation per section 56(h) (added by Section 11531 of the Revenue Reconciliation Act of 1990). The adjustment was based upon the energy preference deduction applicable to all corporations except integrated oil companies. This deduction was the sum of 75 percent of the portion of intangible drilling cost preference that was attributable to

qualified exploratory costs, 15 percent of the remainder of the intangible drilling cost preference, and 50 percent of the marginal product depletion preference. For AMT purposes, the energy preference deduction was limited to 40 percent of the alternative minimum taxable income before the AMT net operating loss deduction.

### **Depletion**

For oil and gas properties, the net income limitation on percentage depletion increased from 50 to 100 percent of the property's net income. In addition, the percentage depletion rate for marginal oil or gas production properties increased during periods where the price of crude oil or natural gas was sufficiently low. This increase was one percent (up to a maximum 25 percent rate) for each whole dollar that the reference price for crude oil for the preceding calendar year was less than 20 dollars per barrel.

### **Enhanced Oil Recovery Credit**

Beginning in 1991, an enhanced oil recovery credit was available for up to 15 percent of qualified costs attributable to qualified domestic enhanced oil recovery projects, and was claimed as one of the components of the general business credit. The amount of the credit allowable will be phased out as the average wellhead price of uncontrolled domestic oil rises from 28 dollars to 34 dollars per barrel.

### **Investment Credit**

Generally, for property placed in service after 1990, the investment credit was restructured and became the sum of the rehabilitation credit, energy credit and reforestation credit, per I. R. Code Section 46. The investment credit is one of the components of the general business credit.

## **Corporation Returns/1991 - Changes in Law and Regulations**

### **Low-income Housing Credit**

A one-time election to claim an increased low-income housing credit was available for the first year ending after October 24, 1990. For each year thereafter, the low-income credit on property for which the increased credit was claimed is reduced by a ratable share of the increase.

### **S Corporation Returns**

Beginning in 1991 per I.R. Code section 162(l)(5), accident and health premiums paid by an S corporation on behalf of employee-shareholders owning more than 2 percent of S corporation stock were deductible by the corporation. These premiums however, remain includible in the recipient employee-shareholder's gross income.

## SECTION 3

## DESCRIPTION OF THE SAMPLE AND LIMITATIONS OF THE DATA\*

This section describes the 1991 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 1991, the sample proportion had decreased to about 2.05%, or about 85,000 returns selected from a total population of 4.1 million. The number of active returns in the sample is 81,906, and the estimated active population is just over 3.8 million.

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 1991, see Section 1. The following chart gives the estimated number of active corporations by form type that filed during Tax Years 1987 through 1991.

Estimated Number of Active Corporations  
by Form Type, 1987-1991

Form Type	Year				
	1987	1988	1989	1990	1991
1120	2,224,778	2,057,036	1,917,144	1,848,498	1,821,503
1120-A	238,730	228,861	268,149	273,603	262,648
1120S	1,127,905	1,257,191	1,422,967	1,575,092	1,698,271
1120L	2,273	2,295	2,309	2,151	2,026
1120-PC	2,046	2,204	2,195	2,302	2,506
1120-RIC	1,980	5,070	5,250	5,250	5,585
1120-REIT	145	211	528	278	291
1120F	10,478	9,921	9,321	9,479	9,958
Total	3,608,335	3,562,789	3,627,863	3,716,653	3,802,788

\* The 1120-IC DISC and 1120-FSC forms were removed from the corporate program after 1987 and are now separate programs. Data from the 1120-IC DISC program is obtained from the entire population, and is available in 1991. Data from the 1120-FSC is obtained from a sample of returns, and will be available in 1992.

### 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 and 1120-A 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", which is the sum of net income and several depreciation amounts. Forms 1120F, 1120L, and 1120-PC are each 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. Most of the 1120-RIC and 1120-REIT form types have the same stratification as the form types 1120 and 1120-A; however, due to a change in sample design part way through the sampling period, the remainder of the 1120-RIC and 1120-REIT returns have their own strata based on size of total assets only.

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

\* Stephanie Hughes, Jeri Mulrow, Susan Hinkins, Richard Collins, and Bertrand Uberall were responsible for the sample design and estimation of the SOI 1991 Corporation Program under the direction of Yahia Ahmed, Chief, Mathematical Statistics Section, Coordination and Publication Staff.



# Corporation Returns/1991 - Sample Description and Data Limitations

population totals by sampling strata, a constrained 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 1991, including inactive returns and rejected returns, was 84,866 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 1991. 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 2.05% in 1991. 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 for 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 1991 corporation study took place during the period from July 1991 through June 1993. 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 1991 SOI file represents all corporations filing returns with accounting periods ending during the period from July 1991 to June 1992. 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 1992 (1991 accounting period ending June 1992), could be timely filed as late as March 1993. Normal administrative processing time lags require that the sampling process remain open for the 1991 study until June 30, 1993. However, a few very large returns for Tax Year 1991 were added to the sample as late as November 1993.

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].

The 1991 Tax Year sample is made up of RICH and LEAN returns, where RICH or LEAN simply refers to the number of items extracted from each return during SOI processing. RICH indicates that more items are extracted from those returns than from the LEAN returns. The RICH subsample includes those returns with total assets greater than \$50 million, and a small random sample of the remaining sampled returns. Returns which are not identified as RICH are identified as LEAN.

## DATA CAPTURE

Data processing for SOI begins with information already extracted for administrative purposes; as many as 120 items are available from the BMF system for non-consolidated 1120 returns. An additional 1700 items are extracted from the tax return for the RICH returns, whereas about 1630 of those items are edited for the LEAN returns. 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:

- The 1630 to 1700 separate data items that may be extracted from any given tax return often require totals to be constructed from various other parts of the forms and schedules.
- Each 1120 form type has a different layout with different types of schedules and attachments, making data extraction less than uniform over the various form types.

# Corporation Returns/1991 - Sample Description and Data Limitations

**Figure D -- Active Corporation Returns: Number Filed, Number in Sample, Prescribed and Achieved Sampling Rates, by Sample Selection Class, Income Year 1991**

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 .....		3,802,789	81,905	2.16	2.15
	<u>Forms 1120 with Form 5735 attached, Total .....</u>		477	475	*	*
1	Under \$100,000,000 .....		397	395	100.00	99.50
2	\$100,000,000 under 250,000,000 .....		9	9	100.00	100.00
3	\$250,000,000 or more .....		71	71	100.00	100.00
	<u>Forms 1120, 1120-A, and 1120S (no Form 5735 attached), (Form REIT, RIC ***), Total ...</u>		3,787,055	76,899	*	*
4	Under \$50,000 .....	Under \$25,000 ...	1,428,493	4,240	0.30	0.30
5	\$50,000 under \$100,000 .....	\$25,000 under \$50,000 .....	565,864	2,064	0.35	0.36
6	\$100,000 under \$250,000 .....	\$50,000 under \$100,000 .....	690,491	3,819	0.55	0.55
7	\$250,000 under \$500,000 .....	\$100,000 under \$250,000 .....	437,412	5,275	1.20	1.21
8	\$500,000 under \$1,000,000 .....	\$250,000 under \$500,000 .....	280,054	5,887	2.10	2.10
9	\$1,000,000 under \$2,500,000 .....	\$500,000 under \$1,000,000 .....	205,852	10,392	5.10	5.05
10	\$2,500,000 under \$5,000,000 .....	\$1,000,000 under \$1,500,000 .....	78,544	5,460	7.00	6.95
11	\$5,000,000 under \$10,000,000 .....	\$1,500,000 under \$2,500,000 .....	41,335	5,449	13.00	13.18
12	\$10,000,000 under \$25,000,000 .....	\$2,500,000 under \$5,000,000 .....	27,039	8,454	32.00	31.27
13	\$25,000,000 under \$50,000,000 .....	\$5,000,000 under \$10,000,000 .....	11,991	5,927	50.00	49.43
14	\$50,000,000 under \$100,000,000 .....	\$10,000,000 under \$15,000,000 .....	7,668	7,620	100.00	99.37
15	\$100,000,000 under \$250,000,000 .....	\$15,000,000 or more .....	6,444	6,444	100.00	100.00
16	\$250,000,000 or more .....		5,868	5,868	100.00	100.00
	<u>Forms 1120L, Total .....</u>		2,026	1,155	*	*
17	Under \$50,000,000 .....		1,580	709	43.00	44.87
18	\$50,000,000 under \$250,000,000 .....		151	151	100.00	100.00
19	\$250,000,000 or more .....		295	295	100.00	100.00
	<u>Forms 1120F (with effectively connected income in U.S.), Total .....</u>		9,958	1,687	*	*
20	Under \$50,000,000 .....		9,597	1,326	14.00	13.82
21	\$50,000,000 under \$100,000,000 .....		68	68	100.00	100.00
22	\$100,000,000 or more .....		293	293	100.00	100.00
	<u>Forms 1120-PC, Total .....</u>		2,506	1,090	*	*
23	Under \$100,000 .....		298	69	30.00	23.15
24	\$100,000 under \$5,000,000 .....		1,284	509	30.00	39.64
25	\$5,000,000 under \$50,000,000 .....		626	214	30.00	34.19
26	\$50,000,000 under \$250,000,000 .....		198	198	100.00	100.00
27	\$250,000,000 or more .....		100	100	100.00	100.00
	<u>Forms 1120REIT, Total **** .....</u>		8	6	*	*
28	Under \$50,000,000 .....		3	1	50.00	33.33
29	\$50,000,000 under \$250,000,000 .....		3	3	100.00	100.00
30	\$250,000,000 or more .....		2	2	100.00	100.00
	<u>Forms 1120RIC, Total **** .....</u>		759	593	*	*
31	Under \$50,000,000 .....		319	153	50.00	47.96
32	\$50,000,000 under \$250,000,000 .....		244	244	100.00	100.00
33	\$250,000,000 or more .....		196	196	100.00	100.00

\* Not Applicable

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

\*\*\* Returns sampled from July '91 - Dec '92

\*\*\*\* Returns sampled from Jan '93 - June '93

Note: 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 8 (based on total assets) rather than in sample class 6 (based on cash flow).

## Corporation Returns/1991 - Sample Description and Data Limitations

- 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.
- 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 1991, these instructions consisted of over 500 pages covering normal and straightforward procedures and instructions 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 at the Ogden Service Center (OSC). In this context then, the term "editing" refers to the combined interactive processes of data extraction, consistency testing, and error resolution. There are nearly 700 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.

A ratio-based imputation procedure is used to fill in missing balance sheet items for all 1120 form types 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. If the return needs to be imputed simply because the balance sheet is not in balance, nonreported items are imputed based on these ratios so that the sum of assets equal the sum of liabilities and shareholder's equity. If the return needs the entire balance sheet imputed, then total assets are imputed first based on the ratio of last year's total assets to the business or total receipts within the return's respective major industry [11]. The other asset and liability items are then imputed to add up to the imputed total asset amount. For Tax Year 1991, a total of 303 returns had balance sheet items imputed.

Number of Returns with Balance Sheet Items Imputed

Year	1987	1988	1989	1990	1991
Total	361	371	354	302	303

Of the 303 returns, 73 of them have imputed total assets which accounts for approximately .01% of the estimated total assets of the active corporations in 1991.

Data for unavailable critical corporations are imputed in various ways, depending on what information is available at the time the file is produced. Critical corporations include corporations which have total assets greater than or equal to 2% of their minor industry's total assets, and corporations for which total assets are over a specified limit, which depends on the type of form filed and the corporation's major or minor

## Corporation Returns/1991 - Sample Description and Data Limitations

industry. The ratio-based imputation procedure, as described above, is applied to the balance sheet data for all of the critical companies with missing balance sheet data. Some critical corporations selected in the sample, but unavailable to SOI during the time needed, may only have the edited BMF information along with the imputed balance sheet information. One corporation fell into this category in 1989, none in 1990, and five in 1991. Two of the critical corporations selected in the sample and unavailable for editing subsequently had tax data available. This data was obtained from a short survey administered to all critical corporations that had not filed by a specified deadline. For both these corporations, this data was combined with their BMF data and imputed balance sheet data. For the critical corporations not selected in the sample, if the current tax return is not found in any of the Service Centers and no other current tax data is available, data from the previous year's return is used with adjustments for tax law changes. There were four of these cases in 1989, two in 1990 and none in 1991.

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 1990 and had ending accounting periods before July 1991.

### Estimated Number of Returns Excluded from Tabulations

Type of Return	Year				
	1987	1988*	1989	1990	1991
Inactive	237,631	222,146	206,617	202,679	199,936
Duplicate	68,045	66,507	63,777	51,088	66,672
Prior Year	59,248	86,980	70,330	74,414	63,382
Other	1,940	1,797	3,193	2,381	733
Total	366,864	377,429	343,917	330,562	330,723

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

NOTE: Detail does 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, and 1120S. Due to the sample design change for Forms 1120-RIC and 1120-REIT, the two-step process was used for those returns selected with the old design and the one-step process was used for those selected with the new design.

The one-step process determines weights as the reciprocal of the achieved sample rate. These weights

## Corporation Returns/1991 - Sample Description and Data Limitations

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  $\downarrow (2/3) \times \text{original weight}$  to  $\downarrow (3/2) \times \text{original weight}$ . These final weights are used to produce the aggregated frequencies and money amounts published in this report for Forms 1120, 1120-A and 1120S, as well as for Forms 1120-RIC and 1120-REIT falling under the old design. For Forms 1120-RIC and 1120-REIT under the new design, the weight used is the inverse of the achieved sampling rate.

### 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 1991 data with the 1990 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 the estimated number of returns as well as selected money amount estimates are shown in Table 1. Estimated standard errors for the estimated number of returns by assets and industrial division are given in Figure E. Estimated coefficients of variation and standard errors for post-stratified variables are computed from conditional variances [13].

Readers may use the standard error,  $SE(X)$ , of the estimate  $X$  to construct confidence intervals. We illustrate this calculation and its meaning with an example.

Assume that a 95% confidence interval for the number of returns in Manufacturing with assets between \$5 and \$10 million is desired. The estimated population from Table 4 is:

$$X = 7,954 \text{ returns.}$$

A standard error (SE) of 202 for this frequency is obtained from Figure E. Using the standard error, the 95% confidence interval is constructed as follows:

$$\begin{aligned} &(X - 2*SE(X), X + 2*SE(X)) \\ &(7,954 - 2*202; 7,954 + 2*202) \\ &(7,550; 8,358) \end{aligned}$$

Thus, the interval estimate is the interval from 7,550 returns to 8,358 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.

The coefficient of variation,  $CV(X)$ , can also be used to construct confidence intervals of the estimate  $X$ . The standard error, which is required for the confidence interval, must first be calculated. The standard error of

# Corporation Returns/1991 - Sample Description and Data Limitations

**Figure E--Standard Error of the Number of Returns, by Asset Size and Industrial Division, Tax Year 1991**

Industrial Division	All asset sizes	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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All industries <sup>1</sup>	26,124	7,715	22,096	9,644	5,202	3,225	2,003	453	210	90	5
Agriculture	5,011	1,258	4,097	2,072	1,263	822	415	65	26	10	1
Mining	2,660	825	2,226	965	553	381	228	62	29	12	1
Construction	8,926	2,173	7,727	3,243	1,770	1,070	661	138	54	18	1
Manufacturing	6,889	1,840	5,642	2,751	1,661	1,124	773	202	98	41	2
Transportation	5,703	1,756	4,857	1,982	1,106	712	420	100	48	19	1
Wholesale and retail trade	13,508	4,015	11,059	5,515	2,977	1,811	1,182	253	107	39	2
Finance, insurance & real estate	10,417	3,190	8,732	3,861	2,140	1,356	834	202	108	57	3
Services	13,836	4,201	12,134	4,474	2,117	1,236	693	150	65	27	1

<sup>1</sup>Includes returns not allocable by industrial division.

Note: Returns with total assets of \$100 million or more were sampled at the 100 percent rate and are, therefore, not subject to sampling error.

the estimate is equal to the product of the estimate and its coefficient of variation. For example, the estimated number of Manufacturing companies and its coefficient of variation can be found in Table 1 and used to calculate the standard error:

$$\begin{aligned}
 SE(X) &= X * CV(X) \\
 &= 300,122 * (2.14/100) \\
 &= 6,423 \text{ returns}
 \end{aligned}$$

The estimate and its standard error can then be substituted into the confidence interval calculation as shown above.

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. As stated above, many of the largest corporations receive extensions to their filing periods and as a result end up filing after sample selection has ended for that tax year. Also, any of the largest returns found are added into the file until the final file is produced.

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 analysis 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 1991 there were 69 unavailable returns in the corporation study, which constituted about eight-hundredths of one percent of the sample.

## Corporation Returns/1991 - Sample Description and Data Limitations

Number of Unavailable Returns, 1987-1991

Year	1987	1988	1989	1990	1991
Total	213	162	89	27	69
Percentage of total sample	.025%	.02%	.01%	.003%	.008%

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 a total asset amount of \$10,000.23 and net income of \$5,000.00; a processing error causes the cents to be keyed in as dollars so that the return is classified according to \$1,000,023 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, 1987-1991

Year	1987	1988	1989	1990	1991
Total	3,213	1,802	1,271	1,969	1,420

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 occurred randomly. Steps are being taken by both the Service Centers and the SOI Division to minimize the number of mis-stratified returns.

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 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. The differences between the ESIC and SIC industries and the SOI industries used in this report have been analyzed [14,16,17].

# Corporation Returns/1991 - Sample Description and Data Limitations

## 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, income subject to tax, total income tax, selected credits, total assets, net worth, 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, income statements, tax, and selected other items, by major industry, page 63.

9 Returns with net income, Form 1120-A: Balance sheets, income statements, tax, and selected other 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 industrial division and selected major industries, page 79.

11 Returns with net income, active foreign corporations with U.S. business operations, Form 1120F: Income statements and selected tax items by industrial division and selected major industries, page 81.

12 Returns of active corporations other than Forms 1120S, 1120-REIT, and 1120-RIC: Balance sheets, income statements, tax, and selected other items, by major industry, page 83.

13 Returns with net income, other than Forms 1120S, 1120-REIT and 1120-RIC: Balance sheets, income statements, tax, and selected other items, by major industry, page 91.

14 Returns of active S Corporations, Form 1120S: Balance sheets and income statements, by major industry, page 99.

15 Returns with net income, S Corporations, Form 1120S: Balance sheets and income statements, by major industry, page 107.

16 Returns of active corporations, Form 1120: Balance sheets, income statements, tax, and selected other items by major industry, page 115.

17 Returns with net income, Form 1120: Balance sheets, income statements, tax and selected other items, by major industry, page 123.

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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 131.

19 Returns of active corporations, consolidated returns: Balance sheet, income statements, tax, and selected other items, by selected industrial divisions, page 132.

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, and payments, by selected industrial divisions, page 134.

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 135.

22 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 136.

23 Returns of active corporations: Alternative minimum tax: number of returns, tax preference and related items, by selected industrial divisions, page 137.

24 Returns of active corporations with 50 percent or more foreign ownership: Balance sheets, income statements, tax, and selected other items by major industry, page 138.

25 Returns with net income for corporations with 50 percent or more foreign ownership: Balance sheets, income statements, tax, and selected other items by major industry, page 146.

# Corporation Returns/1991

## 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**

[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)
<b>Total returns of active corporations.....</b>	<b>3,802,788</b>	<b>1,942,450</b>	<b>11,435,474,767</b>	<b>8,369,035,947</b>	<b>9,965,628,799</b>	<b>6,654,370,271</b>	<b>535,816,622</b>	<b>190,956,827</b>	<b>350,009,712</b>	<b>121,121,231</b>
Agriculture, forestry, and fishing.....	129,888	69,543	85,945,700	57,188,270	80,981,260	51,674,544	3,774,209	3,148,553	1,875,241	520,185
Agricultural production.....	80,620	42,805	55,783,462	36,252,200	51,680,663	32,104,867	2,716,608	2,164,766	1,420,480	389,234
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping.....	49,266	26,738	30,162,238	20,936,070	29,300,598	19,569,678	1,057,602	983,787	454,760	130,951
<b>Mining.....</b>	<b>39,199</b>	<b>17,893</b>	<b>103,288,287</b>	<b>70,081,012</b>	<b>90,512,940</b>	<b>56,314,253</b>	<b>7,721,788</b>	<b>3,720,432</b>	<b>4,495,495</b>	<b>1,814,367</b>
Metal mining.....	1,365	180	9,727,598	5,016,986	8,744,364	5,482,674	829,451	579,667	703,290	271,529
Copper, lead and zinc, gold and silver ores.....	836	152	7,292,316	3,132,482	6,590,885	3,917,470	537,871	500,871	447,187	190,927
Other metal mining <sup>1</sup> .....	530	28	2,435,282	1,884,505	2,153,480	1,565,205	291,580	78,796	256,103	90,602
Coal mining.....	3,441	1,312	20,859,079	8,854,544	19,664,040	14,260,325	501,316	610,716	292,901	106,753
Oil and gas extraction.....	29,780	15,064	60,510,800	47,316,696	50,653,141	29,673,950	5,818,875	2,286,922	3,187,606	1,302,585
Crude petroleum, natural gas, and natural gas liquids.....	18,661	9,279	41,990,169	36,147,946	33,989,040	20,777,466	4,648,719	1,344,169	2,720,251	1,136,423
Oil and gas field services.....	11,119	5,785	18,520,631	11,168,750	16,664,101	8,696,484	1,170,156	942,753	467,355	166,162
Nonmetallic minerals, except fuels.....	4,812	1,337	12,188,809	8,892,785	11,451,394	6,897,304	572,148	311,699	311,699	131,501
Dimension, crushed, and broken stone; sand and gravel.....	4,019	1,219	9,099,919	6,512,477	8,555,914	5,215,497	431,789	181,527	219,125	84,980
Other nonmetallic minerals, except fuels.....	593	117	3,088,891	2,380,308	2,895,480	1,681,807	140,357	61,600	92,574	46,521
<b>Construction.....</b>	<b>416,987</b>	<b>233,866</b>	<b>515,128,533</b>	<b>359,281,512</b>	<b>502,691,224</b>	<b>389,883,167</b>	<b>14,965,305</b>	<b>8,861,700</b>	<b>8,662,049</b>	<b>2,008,680</b>
General building contractors and operative builders.....	164,508	85,175	225,074,991	152,116,447	218,915,639	184,350,235	5,206,571	4,274,350	2,010,183	593,244
General building contractors.....	160,232	82,723	216,846,327	148,107,843	211,806,760	178,934,340	4,923,069	3,980,463	1,941,742	572,242
Operative builders.....	4,276	2,452	8,228,663	4,008,604	7,308,879	5,415,895	283,503	293,886	68,441	21,002
Heavy construction contractors.....	21,674	13,477	82,326,813	63,920,817	78,379,105	60,978,848	3,575,418	961,318	2,343,458	800,148
Special trade contractors.....	230,806	135,215	207,726,729	143,244,249	205,396,480	144,554,084	6,183,316	3,626,032	2,308,408	615,288
Plumbing, heating, and air conditioning.....	41,547	25,497	42,455,795	30,225,086	42,084,010	30,145,999	1,071,708	601,622	418,303	106,023
Electrical work.....	34,442	19,750	35,110,635	23,773,054	34,721,130	25,581,529	1,004,687	531,446	419,788	113,028
Other special trade contractors and contractors not allocable.....	154,817	89,967	130,160,299	89,246,109	126,591,339	88,826,555	4,106,921	2,492,964	1,470,317	396,237
<b>Manufacturing.....</b>	<b>300,122</b>	<b>163,599</b>	<b>3,658,501,307</b>	<b>2,674,902,972</b>	<b>3,409,490,090</b>	<b>2,355,261,594</b>	<b>181,884,248</b>	<b>49,615,023</b>	<b>152,624,397</b>	<b>53,891,094</b>
Food and kindred products.....	16,986	8,933	394,617,927	334,656,467	378,947,085	260,281,707	19,834,917	2,454,329	16,673,483	5,844,283
Meat products.....	2,597	1,691	65,728,535	50,634,313	64,887,789	56,974,553	1,115,470	523,748	712,164	247,485
Dairy products.....	1,425	1,176	31,009,495	26,707,796	30,255,056	22,051,276	978,213	154,143	638,813	220,348
Preserved fruits and vegetables.....	712	423	28,199,807	20,427,155	26,694,341	17,834,110	2,047,500	273,599	1,931,366	666,762
Grain mill products.....	1,633	891	82,892,333	80,968,590	79,253,580	53,283,255	4,337,530	86,872	4,018,349	1,370,671
Bakery products.....	3,579	1,772	17,974,705	16,548,131	17,757,998	9,432,470	861,977	67,021	596,458	204,657
Sugar and confectionery products.....	550	384	18,544,789	15,740,396	17,685,761	10,847,243	1,299,135	95,566	1,065,149	377,240
Malt liquors and malt.....	113	50	18,733,280	18,568,564	18,363,265	9,924,760	1,247,471	28,714	1,220,406	420,775
Alcoholic beverages, except malt liquors and malt.....	787	348	9,815,316	9,165,531	8,926,045	5,364,889	824,032	123,400	333,853	121,872
Bottled soft drinks and flavorings.....	628	420	57,182,337	45,692,146	52,656,168	29,768,697	4,017,008	502,926	3,739,891	1,380,726
Other food and kindred products.....	4,962	1,779	64,827,331	50,203,847	62,467,081	44,800,456	3,106,581	598,341	2,417,033	833,746
Tobacco manufactures.....	66	63	77,022,899	75,342,921	68,947,237	34,186,440	7,676,964	85,370	7,320,812	2,512,507
Textile mill products.....	4,712	2,392	60,013,977	39,715,886	58,723,188	44,720,254	2,097,843	1,039,889	1,354,015	469,505
Weaving mills and textile finishings.....	557	331	19,201,074	13,609,189	18,774,681	14,037,945	833,157	484,972	606,517	214,177
Knitting mills.....	883	351	7,292,469	5,936,285	7,229,041	5,688,458	334,012	92,377	202,787	70,465
Other textile mill products.....	3,271	1,709	33,520,435	20,170,412	32,719,467	24,993,852	930,474	462,541	544,711	184,863
Apparel and other textile products.....	17,748	7,149	71,573,242	52,768,671	69,447,842	50,134,229	3,611,634	1,334,290	2,326,205	787,006
Men's and boys' clothing.....	820	288	20,840,003	17,367,284	19,704,999	13,860,832	1,661,746	220,421	1,508,394	516,836
Women's and children's clothing.....	5,557	2,076	27,934,543	19,885,901	27,400,421	20,257,082	1,180,226	583,188	536,701	180,573
Other apparel and accessories.....	5,125	1,964	11,422,943	7,053,758	11,237,525	7,872,964	370,580	285,592	131,757	41,721
Miscellaneous fabricated textile products; textile products, not elsewhere classified.....	6,243	2,822	11,375,754	8,461,728	11,104,896	8,143,351	399,082	245,090	149,354	47,876
Lumber and wood products.....	19,099	9,907	74,963,423	46,500,509	71,328,731	53,771,000	2,269,817	1,603,790	1,603,790	563,325
Logging, sawmills, and planing mills.....	9,261	5,079	26,312,644	12,397,595	25,127,692	18,670,860	574,673	497,150	353,223	120,688
Millwork, plywood, and related products.....	5,091	2,608	34,314,224	23,418,284	32,512,357	24,796,737	1,131,496	496,831	891,092	323,732
Other wood products, including wood buildings and mobile homes.....	4,747	2,221	14,336,555	10,684,630	13,688,682	10,303,383	563,648	202,779	359,475	118,905
Furniture and fixtures.....	10,175	5,340	37,205,170	24,363,164	36,317,705	25,591,488	1,316,326	748,984	823,980	277,302
Paper and allied products.....	3,620	2,139	123,033,535	77,105,662	118,040,962	80,739,524	5,505,118	2,162,671	4,688,049	1,844,518
Pulp, paper, and board mills.....	165	126	65,666,068	38,933,547	62,946,172	42,346,207	1,923,590	850,147	1,704,329	616,087
Other paper products.....	3,455	2,012	57,367,468	38,172,115	55,094,790	38,393,317	3,581,528	1,312,525	2,983,720	1,028,431
Printing and publishing.....	49,108	26,990	175,294,081	131,440,376	165,231,606	82,335,241	8,935,386	3,018,905	6,572,127	2,271,288
Newspapers.....	5,247	2,818	48,417,224	37,541,557	45,040,791	16,854,365	2,988,351	819,555	2,612,780	914,278
Periodicals.....	4,715	1,508	34,463,092	26,829,040	31,022,175	15,496,466	1,487,927	722,405	803,163	290,621
Books, greeting cards, and miscellaneous publishing.....	9,330	4,602	29,093,873	20,199,590	27,115,163	11,189,944	1,760,557	598,595	1,433,021	486,719
Commercial and other printing, and printing trade services.....	29,817	18,063	63,319,892	46,870,189	62,053,476	38,794,466	2,698,551	878,349	1,723,163	579,670
Chemical and allied products.....	11,093	6,149	403,466,401	349,773,784	371,203,178	222,639,872	35,239,371	4,105,586	32,129,216	11,187,197
Industrial chemicals, plastics materials and synthetics.....	3,947	1,913	181,097,712	144,912,286	167,171,459	111,223,994	9,769,487	1,931,302	8,581,093	3,051,206
Drugs.....	1,357	510	105,519,286	102,734,009	95,260,125	42,058,230	18,589,357	642,994	17,451,646	6,026,454
Soaps, cleaners, and toilet goods.....	2,494	1,452	70,965,758	64,335,839	65,382,137	42,933,848	4,390,025	850,706	4,148,719	1,423,103
Paints and allied products.....	1,154	648	11,594,442	10,804,485	11,333,375	6,745,634	727,986	59,162	616,932	210,069
Agriculture and other chemical products.....	2,141	1,628	34,289,202	26,987,165	32,056,082	19,878,166	1,762,516	621,423	1,330,826	478,366
<b>Petroleum (including integrated) and coal products.....</b>	<b>1,428</b>	<b>1,028</b>	<b>503,697,954</b>	<b>450,562,992</b>	<b>475,536,604</b>	<b>372,070,683</b>	<b>23,747,357</b>	<b>961,138</b>	<b>22,605,091</b>	<b>7,927,594</b>
Petroleum refining (including integrated).....	435	150	498,832,050	447,192,386	470,789,655	368,371,874	23,610,330	765,014	22,556,425	7,910,140
Petroleum and coal products, not elsewhere classified.....	993	878	4,865,904	3,370,606	4,746,949	3,698,809	137,027	196,124	48,667	17,455
Rubber and miscellaneous plastics products.....	11,195	6,688	77,979,858	53,751,610	75,283,515	52,000,447	3,593,573	1,503,975	2,339,964	836,326
Rubber products; plastics footwear, hose and belting.....	1,800	1,119	33,561,034	19,224,727	32,068,967	21,876,136	1,226,593	797,734	1,048,049	388,759
Miscellaneous plastics products.....	9,596	5,569	44,418,825	34,526,883	43,214,549	30,124,310	2,366,980	706,241	1,291,916	449,567
Leather and leather products.....	1,859	1,254	18,627,740	17,240,974	17,943,274	12,161,875	674,635	106,251	487,310	187,715
Footwear, except rubber.....	248	235	14,385,247	13,760,628	13,761,601	9,234,622	515,222	80,459	384,849	134,643
Leather and leather products, not elsewhere classified.....	1,612	1,019	4,242,492	3,480,346	4,181,672	2,927,253	159,413	25,792	102,462	33,071

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

# Corporation Returns/1991

## 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**

(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.....	8,964	5,298	61,536,155	32,285,553	57,421,442	38,271,815	2,103,475	1,899,614	1,527,821	531,496
Glass products.....	1,287	441	24,701,283	14,278,261	21,764,693	13,372,027	1,184,215	514,278	979,569	339,373
Cement, hydraulic.....	180	32	4,829,997	1,030,872	4,695,059	3,320,827	82,524	327,089	*60,582	22,564
Concrete, gypsum, and plaster products.....	4,230	2,655	18,790,769	9,876,474	18,190,353	12,958,157	496,558	755,976	325,708	112,947
Other nonmetallic mineral products.....	3,267	2,171	13,114,106	7,101,948	12,771,336	8,620,804	360,179	302,273	161,962	56,611
Primary metal industries.....	4,761	2,199	138,312,974	66,118,491	132,772,117	106,642,555	2,807,524	3,505,307	1,920,644	728,034
Ferrous metal industries, miscellaneous										
primary mineral products.....	2,792	1,462	65,608,928	22,580,120	63,848,497	50,329,884	1,071,181	2,504,263	788,941	289,044
Nonferrous metal industries.....	1,970	737	72,704,045	43,538,371	68,923,620	56,312,692	1,538,342	1,001,044	1,131,702	438,990
Fabricated metal products.....	49,423	29,386	180,700,755	127,324,646	174,083,396	123,345,092	7,904,666	3,071,147	5,306,289	1,779,239
Metal cans and shipping containers.....	95	43	7,085,078	6,204,598	6,885,298	5,629,473	257,947	29,656	235,320	63,467
Cutlery, hand tools, and hardware; screw										
machine products, bolts, and similar products.....	5,522	3,060	19,548,028	15,471,247	18,539,911	11,788,573	1,609,539	260,902	1,283,154	431,632
Plumbing and heating, except electric										
and warm air.....	1,010	435	10,091,032	6,735,202	9,821,327	6,877,653	346,347	121,969	241,239	85,068
Fabricated structural metal products.....	7,540	4,306	37,833,529	26,366,568	36,883,108	27,824,504	1,330,444	672,503	921,579	310,176
Metal forgings and stampings.....	4,585	2,923	21,030,961	11,052,917	20,578,882	15,007,277	599,665	372,161	310,536	104,090
Coating, engraving, and allied services.....	2,924	1,312	5,217,373	3,703,260	5,147,452	3,364,425	228,066	117,340	122,211	37,833
Ordnance and accessories, except vehicles										
and guided missiles.....	281	106	1,791,069	958,203	1,775,376	1,198,710	83,671	*51,601	*66,619	*23,050
Miscellaneous fabricated metal products.....	27,466	17,201	78,103,685	56,832,650	74,452,041	51,654,476	3,448,989	1,445,016	2,125,630	793,924
Machinery, except electrical.....	27,724	15,495	291,950,984	197,292,195	252,342,104	164,376,770	14,744,364	5,542,275	12,434,908	4,480,946
Farm machinery.....	2,563	1,832	15,379,067	12,830,694	14,169,305	9,589,709	538,117	233,481	379,259	124,813
Construction and related machinery.....	2,452	1,415	31,504,521	15,160,975	29,879,834	21,469,153	1,035,589	409,278	707,707	258,536
Metalworking machinery.....	6,824	4,322	22,245,274	11,575,079	20,721,080	13,050,584	669,216	395,503	315,388	103,983
Special industry machinery.....	3,488	1,907	25,859,343	17,073,059	25,016,031	17,450,375	996,373	842,775	606,205	215,530
General industry machinery.....	4,409	2,601	31,968,474	24,654,153	30,940,474	20,865,969	1,459,302	447,492	1,182,531	411,970
Office, computing, and accounting machines.....	1,680	478	134,403,995	99,945,270	102,124,177	61,452,633	9,149,161	2,612,747	8,563,630	3,136,155
Other machinery, except electrical.....	6,308	2,940	30,590,310	15,952,966	29,491,203	20,498,347	896,607	600,999	680,191	229,960
Electrical and electronic equipment.....	22,669	12,881	316,562,841	243,886,587	289,322,376	189,201,693	15,022,087	5,724,510	12,507,808	4,466,464
Household appliances.....	469	363	15,907,144	14,384,654	15,365,931	11,090,697	788,535	140,115	738,247	253,589
Radio, television, and communication										
equipment.....	1,133	355	42,828,722	30,082,515	40,689,894	26,893,986	1,784,971	827,174	1,464,278	521,503
Electronic components and accessories.....	11,964	6,845	118,270,655	91,429,620	112,815,445	75,872,358	6,222,418	2,758,274	5,001,030	1,731,631
Other electrical equipment.....	9,104	5,318	139,556,320	107,989,798	120,451,106	75,344,263	6,226,163	1,998,947	5,304,253	1,959,741
Motor vehicles and equipment.....	2,516	2,028	279,973,559	30,728,467	246,283,449	200,751,387	1,123,915	6,561,289	692,399	277,809
Transportation equipment, except motor vehicles.....	4,633	2,406	177,968,467	162,811,563	169,101,624	130,980,159	10,740,681	1,269,801	9,347,478	3,248,652
Aircraft, guided missiles and parts.....	1,181	790	156,676,985	148,763,428	148,481,134	115,042,116	10,014,457	714,039	8,897,109	3,088,040
Ship and boat building and repairing.....	2,506	1,228	8,738,393	5,206,116	8,549,387	6,701,913	348,241	310,084	152,445	54,115
Other transportation equipment, except										
motor vehicles.....	946	387	12,553,089	8,842,020	12,071,103	9,236,130	377,982	245,679	297,924	106,497
Instruments and related products.....	8,909	4,429	109,230,299	97,360,471	100,727,828	58,309,183	8,707,126	1,680,094	7,271,354	2,723,131
Scientific instruments and measuring										
devices; watches and clocks.....	3,036	1,672	42,452,107	37,707,397	39,659,834	24,337,388	2,625,783	482,894	2,058,327	709,111
Optical, medical, and ophthalmic goods.....	5,310	2,398	44,378,914	38,313,926	41,338,645	21,737,036	4,531,541	1,087,275	3,820,758	1,342,858
Photographic equipment and supplies.....	562	359	22,399,279	21,339,149	19,729,349	12,234,759	1,549,802	109,925	*1,392,272	*671,162
Miscellaneous manufacturing and										
manufacturing not allocable.....	23,435	11,446	84,769,065	63,873,981	80,484,828	52,748,571	4,427,669	1,642,837	2,691,654	966,759
<b>Transportation and public utilities.....</b>	<b>164,980</b>	<b>88,263</b>	<b>954,944,592</b>	<b>727,962,766</b>	<b>897,131,837</b>	<b>413,508,684</b>	<b>53,590,652</b>	<b>15,847,886</b>	<b>47,111,134</b>	<b>17,143,124</b>
Transportation.....	134,131	73,370	357,410,190	201,272,391	338,637,416	152,192,178	8,829,411	8,491,094	5,943,196	2,174,823
Railroad transportation.....	577	363	46,816,465	32,824,663	41,952,678	16,024,723	1,579,269	1,356,901	1,412,254	568,437
Local and interurban passenger transit.....	12,582	7,383	10,008,295	6,341,519	9,779,109	3,504,163	302,105	122,685	171,884	55,244
Trucking and warehousing.....	65,101	39,092	121,143,707	87,804,482	118,103,633	44,895,514	3,381,608	1,314,078	2,181,996	709,578
Water transportation.....	7,992	4,210	20,711,728	15,426,144	19,074,903	10,598,137	1,083,247	462,978	683,998	239,476
Transportation by air.....	8,560	2,003	95,271,589	17,143,465	88,749,363	36,236,010	533,209	4,100,770	271,107	172,310
Pipelines, except natural gas.....	68	65	2,228,148	2,166,437	2,136,913	910,158	664,178	49,724	628,267	215,350
Transportation services, not										
elsewhere classified.....	39,252	20,255	61,430,258	39,565,681	58,840,816	40,023,473	1,285,796	993,958	593,690	214,429
Communication.....	18,034	8,149	266,044,588	242,432,659	244,627,613	101,556,774	20,874,572	4,529,613	19,167,895	6,819,994
Telephone, telegraph, and other										
communication services.....	10,567	6,072	224,018,464	215,996,940	207,421,332	89,042,204	18,546,007	1,648,788	17,632,994	6,271,508
Radio and television broadcasting.....	7,468	2,077	42,026,125	26,435,719	37,206,281	12,514,570	2,880,825	1,534,902	548,486	150,486
Electric, gas, and sanitary services.....	12,814	6,744	331,489,814	284,257,716	313,866,807	159,759,732	23,886,670	2,826,980	22,000,042	8,148,306
Electric services.....	458	173	131,247,194	121,622,259	124,242,044	54,448,771	12,704,094	1,410,400	12,012,553	4,314,309
Gas production and distribution.....	1,044	669	89,092,937	69,062,358	84,134,615	59,981,351	2,549,965	516,760	1,953,968	843,084
Combination utility services.....	128	88	84,422,957	73,474,315	80,526,783	33,485,909	6,854,164	368,633	6,588,254	2,493,584
Water supply and other sanitary services.....	11,185	5,814	26,726,727	20,098,785	24,963,366	11,843,700	1,778,447	531,188	1,445,268	497,329
<b>Wholesale and retail trade.....</b>	<b>1,043,634</b>	<b>536,277</b>	<b>3,380,598,972</b>	<b>2,402,919,363</b>	<b>3,291,367,866</b>	<b>2,527,007,700</b>	<b>64,477,312</b>	<b>34,526,091</b>	<b>40,340,135</b>	<b>13,227,114</b>
Wholesale trade.....	329,294	182,597	1,631,014,688	1,183,788,674	1,590,963,037	1,322,695,047	29,096,847	14,493,111	16,267,870	5,340,458
Groceries and related products.....	27,269	14,783	235,234,054	187,726,002	231,652,780	200,568,223	2,846,988	765,326	1,920,640	642,769
Machinery, equipment, and supplies.....	52,730	33,814	136,877,519	102,070,462	132,762,522	100,261,805	3,286,082	1,983,031	1,935,028	594,263
Miscellaneous wholesale trade.....	249,295	134,000	1,258,903,114	893,992,210	1,226,547,734	1,021,865,020	22,963,776	11,744,753	12,412,201	4,103,426
Motor vehicles and automotive equipment.....</										

5/16/95

# 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**

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

COMMENTS ON VARIATIONS											
[All figures are estimates based on samples—money amounts are in thousands of dollars]											
Minor industry	Number of returns		Total receipts		Returns with net income	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)	(11)	
Wholesale and retail trade—Continued	708,289	350,877	1,742,503,071	1,215,034,771	1,693,648,784	1,199,484,973	35,151,817	19,875,469	23,994,982	7,882,574	
Retail trade.....											
Building materials, garden supplies, and mobile home dealers.....	41,049	22,851	82,984,926	60,720,376	81,235,536	57,592,486	2,001,124	1,046,305	1,298,807	386,873	
Building material dealers.....	20,266	11,408	58,469,855	44,043,676	57,263,927	41,456,027	1,452,025	710,401	986,703	303,703	
Hardware stores.....	10,759	5,589	13,448,967	9,048,118	13,238,007	8,835,027	236,638	169,517	136,507	57,518	
Garden supplies and mobile home dealers.....	9,894	5,894	11,046,104	7,688,562	10,633,701	7,300,649	312,461	167,388	193,597	57,518	
General merchandise stores.....	7,582	4,173	293,712,535	247,150,628	276,096,416	180,096,396	7,818,267	2,188,227	7,287,961	2,592,810	
Food stores.....	45,463	33,379	368,310,604	287,019,421	354,253,319	270,082,152	5,310,549	1,678,164	4,034,926	1,375,869	
Grocery stores.....	36,191	29,221	335,673,614	271,103,150	329,908,305	253,401,959	4,940,214	1,274,849	3,908,106	1,307,828	
Other food stores.....	29,272	13,158	24,634,981	15,916,271	24,347,015	16,890,153	3,008,385	404,914	1,282,682	36,241	
Automotive dealers and service stations.....	100,815	48,619	422,381,516	182,775,379	415,369,384	279,527,719	1,704,165	3,576,927	1,252,662	344,565	
Motor vehicle dealers.....	42,039	17,045	323,729,942	162,775,379	317,908,696	204,518,882	1,279,626	1,242,113	715,594	809,025	
Gasoline service stations.....	26,494	12,278	57,437,784	30,463,209	40,848,353	28,292,057	850,528	486,502	201,452	53,063	
Other automotive dealers.....	33,282	21,207	91,678,177	72,132,330	88,947,263	54,067,312	3,350,436	1,855,094	2,765,005	909,026	
Apparel and accessory stores.....	45,048	21,207	151,982,561	91,600,353	145,737,769	63,017,516	4,846,745	3,197,697	2,567,828	813,515	
Furniture and home furnishings stores.....	78,846	18,156	151,982,561	91,600,353	145,737,769	63,017,516	4,846,745	3,197,697	2,567,828	813,515	
Eating and drinking places.....	73,694	78,846	261,203,475	198,479,387	276,670,501	184,937,816	7,537,865	5,291,172	4,096,238	1,228,320	
Miscellaneous retail stores.....	236,504	123,647	59,241,362	43,071,643	58,394,688	42,086,590	1,258,650	504,712	140,299	33,069	
Drug stores and proprietary stores.....	24,829	17,736	59,241,362	43,071,643	58,394,688	42,086,590	1,258,650	504,712	140,299	33,069	
Liquor stores.....	15,525	8,522	13,007,748	9,347,824	12,788,931	10,547,517	276,057	166,768	77,274	24,063	
Other retail stores.....	196,059	87,389	208,654,385	146,860,400	204,518,882	132,603,709	5,984,947	4,819,872	3,042,818	911,481	
Wholesale and retail trade not allocable.....	4,951	2,702	7,081,214	4,095,918	6,758,045	4,877,730	228,648	157,572	77,274	24,063	
Finance, insurance, and real estate.....	617,587	273,097	1,924,317,623	1,333,346,214	928,022,390	596,461,819	174,248,673	49,794,109	88,797,221	27,281,231	
Banking.....	10,742	8,508	487,158,644	334,411,636	57,681,942	654,225	26,027,816	12,016,556	23,042,467	8,151,451	
Mutual savings banks.....	237	194	10,123,057	7,929,784	682,562	114,348	1,217,945	168,074	1,142,820	382,558	
Bank holding companies.....	5,533	4,768	385,187,577	257,338,005	49,838,337	454,324	19,100,254	9,148,158	17,089,808	6,068,906	
Bank holding companies.....											
Bank holding companies.....	4,972	3,548	91,848,010	69,143,847	7,171,043	85,553	5,710,917	2,707,324	4,819,089	1,691,983	
Bank holding companies.....	25,285	12,517	292,155,191	255,814,240	121,984,874	82,851,569	25,182,130	18,002,559	18,002,559	5,143,489	
Credit agencies other than banks.....	2,508	1,966	117,758,772	88,814,285	7,566,091	1,269,756	18,481,748	9,971,389	10,005,693	3,085,603	
Savings and loan associations.....	3,244	2,301	14,073,650	10,322,208	3,457,369	381,207	1,069,494	516,016	845,180	306,746	
Personal credit institutions.....	3,025	1,733	12,767,926	10,322,208	3,457,369	381,207	1,069,494	516,016	845,180	306,746	
Business credit institutions.....	16,283	11,383	30,909,180	18,376,074	60,410,126	5,017,352	2,696,018	3,760,117	1,816,461	482,234	
Other credit agencies; finance not allocable.....	9,528	4,768	47,082,223	14,574,058	104,213,857	79,392,225	5,109,344	1,201,620	3,760,117	1,816,461	
Security, commodity brokers and services.....	16,710	8,831	79,953,009	69,795,677	42,683,502	5,768,685	5,922,255	1,688,538	4,738,373	1,611,967	
Security, commodity brokers and services.....											
Insurance companies.....	9,127	4,970	65,771,894	58,309,222	69,831,349	1,401,739	4,954,544	1,196,301	4,146,203	1,417,577	
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.....	4,881	4,881	14,181,425	11,498,454	12,152,153	4,365,176	967,711	472,224	588,170	194,360	
Life insurance.....	5,443	5,443	781,482,880	671,724,712	668,400,796	418,082,879	33,286,227	3,568,187	29,705,248	9,745,001	
Mutual property and casualty insurance companies.....	1,615	1,146	417,828,906	387,512,942	853,790,174	202,842,532	17,790,729	1,126,948	13,901,668	4,306,427	
Stock property and casualty insurance companies and other insurance companies.....	5,104	2,638	235,461,763	184,329,104	193,760,297	134,086,655	9,848,838	1,656,955	8,135,410	3,042,037	
Insurance agents, brokers, and service.....	69,750	43,607	39,651,157	37,402,503	5,436,459	3,212,146	857,294	1,782,265	592,704	592,704	
Real estate.....	430,407	187,228	112,637,049	61,574,357	86,284,375	35,298,325	3,769,368	14,841,259	3,227,535	938,855	
Real estate operators and lessors of buildings.....	161,383	51,721	30,909,180	16,376,074	20,410,126	5,017,352	2,696,018	3,760,117	1,816,461	482,234	
Lessors of mining, oil, and similar property.....	1,355	476	602,744	401,877	52,569	12,506	219,351	12,929	189,502	63,789	
Lessors of railroad property, and of real property, not elsewhere classified.....	3,748	2,313	389,854	164,559	208,937	136,143	61,986	11,376	41,589	12,533	
Condominium management and cooperative housing associations.....	42,374	28,961	10,648,825	5,872,794	8,790,670	3,149,916	227,234	5,583,537	182,329	26,114	
Subdividers and developers.....	63,941	21,816	29,311,010	15,232,615	23,520,615	17,217,832	2,126,963	5,583,537	394,739	125,184	
Other real estate.....	157,958	63,941	40,864,510	23,598,310	33,241,599	8,784,774	2,354,106	4,693,626	620,805	227,101	
Holding and other investment companies.....	63,968	26,980	131,281,589	109,945,606	16,784,399	8,372,827	72,931,671	4,877,624	3,297,744	1,127,964	
except bank holding companies.....	5,565	4,822	91,810,253	82,297,753	-	-	72,931,671	4,877,624	3,297,744	1,127,964	
Regulated investment companies.....	291	187	4,710,076	3,722,559	-	-	72,931,671	4,877,624	3,297,744	1,127,964	
Real estate investment trusts.....	6,656	2,522	688,465	423,128	621,385	153,360	143,698	247,639	208	5,317	
Small business investment companies.....											
Other holding and investment companies.....	41,436	18,749	53,674,746	23,582,167	16,183,043	8,220,287	4,599,854	1,113,231	3,275,089	1,106,706	
Services.....	1,061,657	551,235	809,724,689	541,678,119	761,599,005	301,880,890	34,963,661	25,193,769	16,071,081	5,200,030	
Hotels and other lodging places.....	25,068	12,937	40,779,567	21,978,212	41,636,761	27,400,638	1,456,289	785,976	1,005,691	274,688	
Personal services.....	78,887	41,786	34,812,044	25,328,868	33,968,212	12,707,789	698,128	1,005,691	303,743	303,743	
Business services.....	351,585	178,050	297,374,506	202,982,980	278,347,178	123,449,140	12,212,392	5,907,434	5,907,434	1,822,285	
Advertising.....	32,385	15,080	37,807,859	24,439,720	36,300,192	19,281,868	1,031,435	9,015,457	5,507,434	1,532,285	
Business services, except advertising.....	125,669	62,970	259,766,647	178,552,560	242,028,988	104,167,253	11,180,957	8,007,895	5,061,412	1,679,957	
Auto repair, miscellaneous repair services.....	79,254	39,367	76,352,252	49,986,677	71,894,387	43,954,728	2,032,553	1,489,978	965,580	281,590	
Auto repair and services.....	46,802	27,814	55,411,461	33,871,638	51,254,812	22,681,312	1,946,131	1,138,161	584,960	180,171	
Miscellaneous repair services.....											
Amusement and recreation services.....	5,454	4,398	65,355,468	46,520,236	77,202,224	30,752,277	3,546,046	4,747,025	1,788,525	600,932	
Motion picture production, distribution, and services.....	16,174	2,120	26,328,555	10,762,553	23,001,181	12,741,525	528,706	1,933,469	320,798	108,125	
Motion picture theaters.....	77,160	34,025	53,918,218	31,965,261	48,967,560	18,861,996	2,892,301	2,802,818	1,378,999	459,008	
Amusement and recreation services, except motion pictures.....	394,806	219,685	275,050,631	195,588,946							

# Corporation Returns/1991

## 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**

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

Minor industry	Number of returns		Total receipts		Business receipts	Cost of sales and operations	Net income	Deficit	Income subject to tax	Total income tax
	Total	With net income	All returns	Returns with net income						
	(1)	(2)	(3)	(4)						
Wholesale and retail trade—Continued										
Retail trade.....	709,289	350,977	1,742,503,071	1,215,034,771	1,693,646,784	1,199,434,873	35,151,817	19,875,409	23,994,992	7,862,574
Building materials, garden supplies, and mobile home dealers.....	41,049	22,951	82,964,926	60,720,376	81,235,536	57,592,496	2,001,124	1,046,305	1,296,807	396,973
Building material dealers.....	20,266	11,408	58,469,855	44,003,676	57,369,827	41,458,827	1,452,025	710,401	966,703	305,701
Hardware stores.....	10,799	5,589	13,449,967	9,048,118	13,230,007	8,835,020	236,638	168,517	136,507	33,753
Garden supplies and mobile home dealers.....	9,984	5,954	11,045,104	7,668,582	10,635,701	7,300,649	312,461	167,388	193,597	57,518
General merchandise stores.....	7,582	4,173	293,712,535	247,150,828	276,098,418	180,096,396	7,819,097	2,188,327	7,287,961	2,592,810
Food stores.....	65,463	33,379	360,310,604	287,019,421	354,253,319	270,092,152	5,310,549	1,679,164	4,034,926	1,373,868
Grocery stores.....	38,191	20,221	335,675,614	271,103,150	329,906,305	253,401,999	4,940,214	1,274,249	3,908,106	1,337,628
Other food stores.....	29,272	13,158	24,634,991	15,916,271	24,347,015	16,890,153	370,335	404,914	128,820	36,241
Automotive dealers and service stations.....	100,815	48,619	422,381,516	223,031,249	415,369,324	355,479,657	3,006,385	3,575,627	1,252,662	346,555
Motor vehicle dealers.....	42,039	17,045	323,728,842	162,775,379	317,906,596	279,527,719	1,704,165	2,560,250	555,345	159,309
Gasoline service stations.....	25,494	12,276	57,437,794	30,463,209	56,814,376	47,659,880	451,697	466,502	201,452	53,083
Other automotive dealers.....	33,282	19,297	41,214,880	29,792,661	40,648,353	28,292,057	850,523	548,875	495,865	134,163
Apparel and accessory stores.....	45,048	21,207	91,978,177	72,132,330	88,947,263	54,097,312	3,330,438	1,655,094	2,765,005	901,308
Furniture and home furnishings stores.....	39,145	18,156	57,989,257	34,891,846	56,334,654	36,101,529	1,279,626	1,242,113	713,564	209,025
Eating and drinking places.....	173,684	78,846	151,962,581	91,609,353	145,737,769	61,037,516	4,846,745	3,197,607	2,567,828	813,515
Miscellaneous retail stores.....	236,504	123,647	281,203,475	198,479,367	275,670,501	184,937,816	7,557,855	5,291,172	4,096,238	1,228,520
Drug stores and proprietary stores.....	24,929	17,738	59,241,362	43,071,643	58,384,688	42,086,590	1,296,850	504,712	913,121	283,039
Liquor stores.....	15,525	8,522	13,007,748	9,347,324	12,766,931	10,047,517	276,057	166,788	140,299	33,989
Other retail stores.....	196,050	97,389	206,954,365	146,060,400	204,518,882	132,803,709	5,984,947	4,619,672	3,042,816	911,491
Wholesale and retail trade not allocable.....	4,951	2,702	7,081,214	4,095,918	6,758,045	4,877,780	228,648	157,572	77,274	24,083
Finance, insurance, and real estate	617,557	273,097	1,824,317,623	1,533,346,214	928,022,390	556,461,819	174,249,613	49,704,109	80,787,221	27,281,531
Banking.....	10,742	8,508	487,156,644	334,411,636	57,691,942	654,225	26,027,816	12,016,556	23,042,497	8,151,451
Mutual savings banks.....	237	194	10,123,057	7,929,784	682,562	114,348	1,217,545	163,074	1,142,620	392,553
Bank holding companies.....	5,533	4,766	385,187,577	257,338,005	49,838,337	454,324	19,100,254	9,146,158	17,080,808	6,066,906
Banks, except mutual savings banks and bank holding companies.....	4,972	3,548	91,846,010	69,143,847	7,171,043	85,553	5,710,017	2,707,324	4,819,069	1,691,993
Credit agencies other than banks.....	25,265	12,517	292,155,191	255,814,240	121,394,874	82,851,569	25,182,130	11,854,654	18,002,559	5,143,489
Savings and loan associations.....	2,508	1,956	117,756,772	88,814,285	7,566,091	1,260,755	2,508	1,956	117,756,772	88,814,285
Personal credit institutions.....	3,244	2,301	14,518,270	14,073,650	6,157,389	361,207	3,244	2,301	14,518,270	14,073,650
Business credit institutions.....	3,025	1,733	12,787,926	10,352,208	3,457,537	1,847,383	3,025	1,733	12,787,926	10,352,208
Other credit agencies; finance not allocable.....	18,488	6,526	147,092,223	142,574,098	104,213,857	79,382,225	16,488	6,526	147,092,223	142,574,098
Security, commodity brokers and services.....	18,710	9,831	79,953,009	69,795,677	42,083,502	5,768,935	18,710	9,831	79,953,009	69,795,677
Security brokers, dealers, and flotation companies.....	9,127	4,970	65,771,584	58,309,222	29,931,349	1,401,759	9,127	4,970	65,771,584	58,309,222
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.....	9,583	4,861	14,181,425	11,486,454	12,152,153	4,365,176	9,583	4,861	14,181,425	11,486,454
Insurance.....	8,715	5,443	781,482,980	671,724,712	566,400,796	418,082,679	8,715	5,443	781,482,980	671,724,712
Life insurance.....	2,096	1,657	417,926,906	367,512,342	263,730,174	202,642,532	2,096	1,657	417,926,906	367,512,342
Mutual property and casualty insurance companies.....	1,515	1,148	128,094,310	119,883,206	108,910,325	81,353,492	1,515	1,148	128,094,310	119,883,206
Stock property and casualty insurance companies and other insurance companies.....	5,104	2,638	235,461,763	184,329,164	193,780,297	134,086,655	5,104	2,638	235,461,763	184,329,164
Insurance agents, brokers, and service.....	69,750	43,289	39,651,167	30,079,986	37,402,503	5,435,459	69,750	43,289	39,651,167	30,079,986
Real estate.....	430,407	167,228	112,637,043	61,574,357	86,264,375	35,298,325	430,407	167,228	112,637,043	61,574,357
Real estate operators and lessors of buildings.....	161,383	51,721	30,900,100	16,376,074	20,410,126	6,017,352	161,383	51,721	30,900,100	16,376,074
Lessors of mining, oil, and similar property.....	1,355	476	502,744	401,877	92,569	*12,506	1,355	476	502,744	401,877
Lessors of railroad property, and of real property, not elsewhere classified.....	3,748	2,313	389,854	164,550	208,597	*136,143	3,748	2,313	389,854	164,550
Condominium management and cooperative housing associations.....	42,374	26,961	10,848,825	5,872,794	8,790,870	3,149,916	42,374	26,961	10,848,825	5,872,794
Subdividers and developers.....	63,611	21,816	29,311,010	15,232,751	23,520,615	17,217,632	63,611	21,816	29,311,010	15,232,751
Other real estate.....	157,936	63,941	40,684,510	23,526,310	33,241,599	8,764,776	157,936	63,941	40,684,510	23,526,310
Holding and other investment companies, except bank holding companies.....	53,968	26,280	131,281,589	109,945,606	16,784,399	8,372,627	53,968	26,280	131,281,589	109,945,606
Regulated investment companies.....	5,585	4,822	91,810,283	82,207,753	4,378,000	5,585	4,822	91,810,283	82,207,753	4,378,000
Real estate investment trusts.....	291	187	4,710,076	3,732,559	-	-	291	187	4,710,076	3,732,559
Small business investment companies.....	6,656	2,522	886,485	423,126	621,355	*152,360	6,656	2,522	886,485	423,126
Other holding and investment companies, except bank holding companies.....	41,436	18,749	33,874,746	23,582,167	16,163,043	8,220,267	41,436	18,749	33,874,746	23,582,167
Services.....	1,061,657	551,235	809,724,469	541,376,119	761,589,005	301,802,690	1,061,657	551,235	809,724,469	541,376,119
Hotels and other lodging places.....	25,068	12,937	40,779,567	21,978,212	37,438,005	14,436,761	25,068	12,937	40,779,567	21,978,212
Personal services.....	78,887	41,786	34,812,044	25,329,866	33,998,212	12,707,789	78,887	41,786	34,812,044	25,329,866
Business services.....	351,585	178,050	297,374,506	202,992,280	278,347,178	123,449,140	351,585	178,050	297,374,506	202,992,280
Advertising.....	32,395	15,080	37,607,859	24,439,720	36,320,192	19,281,888	32,395	15,080	37,607,859	24,439,720
Business services, except advertising.....	319,190	162,970	259,766,647	178,552,560	242,026,986	104,167,252	319,190	162,970	259,766,647	178,552,560
Auto repair, miscellaneous repair services.....	125,856	67,180	76,352,252	48,986,677	71,894,597	34,358,726	125,856	67,180	76,352,252	48,986,677
Auto repair and services.....	79,254	39,367	55,411,461	33,871,638	51,254,812	22,621,812	79,254	39,367	55,411,461	33,871,638
Miscellaneous repair services.....	46,602	27,814	20,940,791	15,115,039	20,639,786	11,736,915	46,602	27,814	20,940,791	15,115,039
Amusement and recreation services.....	95,454	40,398	85,355,468	46,520,236	77,202,224	30,752,277	95,454	40,398	85,355,468	46,520,236
Motion picture production, distribution, and services.....	16,174	5,485	26,323,555	10,762,553	23,601,181	12,741,525	16,174	5,485	26,323,555	10,762,553
Motion picture theaters.....	2,120	888	5,113,696	3,792,423	4,633,483	1,148,786	2,120	888	5,113,696	3,792,423
Amusement and recreation services, except motion pictures.....	77,160	34,025	53,918,216	31,965,261	48,967,560	16,861,966	77,160	34,025	53,918,216	31,965,261
Other services.....	384,806	210,885	275,050,631	195,568,848	263,308,788	86,097,997	384,806	210,885	275,050,631	195,568,848
Offices of physicians, including osteopathic physicians.....	38,371	21,090	29,625,079	16,469,279	28,806,313	5,925,771	38,371	21,090	29,625,079	16,469,279
Offices of dentists.....	16,407	10,570	7,066,333	4,8343,9						

# Corporation Returns/1991

## 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 *	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total returns of active corporations.....	21,096,940	3,472,330	244,732	2,206,371	1,516,063	92,566,319	19,029,508,839	5,276,485,550	4,549,055,093	333,952,832
Agriculture, forestry, and fishing.....	30,951	2,167	-	11,288	2,276	473,493	67,756,553	22,789,881	50,297,759	3,509,306
Agricultural production.....	30,884	2,167	-	10,884	778	344,521	52,350,365	18,604,078	37,389,273	2,407,163
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping.....	68	-	-	414	1,497	128,972	15,406,188	4,165,903	12,908,486	1,102,143
Mining.....	639,076	-	51,054	38,800	44,356	1,041,082	212,962,835	106,585,141	97,902,890	5,779,081
Metal mining.....	90,658	-	-	5,712	6,843	168,315	26,592,784	13,003,249	11,542,617	747,977
Copper, lead and zinc, gold and silver ores.....	53,049	-	-	393	1,696	125,788	23,579,851	11,716,094	8,948,821	687,204
Other metal mining.....	37,610	-	-	5,319	5,148	42,527	3,012,933	1,287,155	2,593,796	80,773
Coal mining.....	279	-	7	928	2,575	104,964	25,096,457	11,990,676	11,858,552	744,165
Oil and gas extraction.....	541,950	-	49,887	31,142	34,445	645,160	144,511,518	73,411,565	62,624,321	3,399,598
Crude petroleum, natural gas, and natural gas liquids.....	478,527	-	49,628	27,315	33,641	547,312	122,601,748	63,938,028	44,784,905	2,126,744
Oil and gas field services.....	63,423	-	260	3,827	804	97,848	21,909,770	9,473,537	17,839,417	1,272,854
Nonmetallic minerals, except fuels.....	6,188	-	1,160	1,018	493	122,642	16,762,076	8,179,652	11,877,499	887,340
Dimension, crushed, and broken stone; sand and gravel.....	72	-	1,133	875	408	82,492	13,070,985	6,173,240	8,762,718	649,784
Other nonmetallic minerals, except fuels.....	6,116	-	26	143	85	40,150	3,691,092	2,006,412	3,114,781	237,556
Construction.....	181,412	2,295	464	44,279	57,807	1,722,422	243,035,939	70,666,636	101,677,487	8,439,450
General building contractors and operative builders.....	29,727	-	165	4,519	23,720	535,112	120,206,878	22,399,559	27,682,186	2,029,092
General building contractors.....	20,169	-	165	3,064	23,720	525,124	105,278,748	20,452,291	26,229,770	1,932,558
Operative builders.....	9,558	-	-	1,456	9,988	14,928,130	1,947,267	1,452,415	96,534	96,534
Heavy construction contractors.....	146,956	2,260	289	33,005	15,464	602,173	50,462,644	22,682,293	32,872,341	2,465,528
Special trade contractors.....	4,728	35	10	6,755	18,623	585,137	72,366,417	25,584,785	41,122,960	3,944,830
Plumbing, heating, and air conditioning.....	-	35	-	968	2,235	102,786	13,822,439	4,527,052	5,923,721	566,598
Electrical work.....	-	-	10	2,454	6,269	104,295	13,493,715	4,364,831	5,557,771	532,387
Other special trade contractors and contractors not allocable.....	4,728	-	-	3,334	10,119	378,057	45,050,262	16,692,902	29,641,469	2,845,845
Manufacturing.....	16,905,943	3,351,884	151,675	893,335	466,196	32,104,071	4,028,360,038	1,481,203,474	1,735,269,036	121,141,707
Food and kindred products.....	1,268,473	501,344	78	64,618	38,108	3,971,662	324,454,714	113,009,712	125,474,892	8,900,448
Meat products.....	4,259	376	-	6,222	1,274	235,355	18,863,405	7,061,604	11,437,934	873,981
Dairy products.....	16,343	-	18	3,467	697	199,822	18,739,710	9,101,438	8,400,846	620,909
Preserved fruits and vegetables.....	155,144	117	-	4,760	866	505,875	27,018,515	11,159,755	9,193,770	698,710
Grain mill products.....	280,745	3,205	-	22,578	15,973	1,048,171	48,249,731	17,231,293	23,136,080	1,579,349
Bakery products.....	260	539	-	5,574	837	197,447	8,802,413	4,324,284	6,807,757	523,175
Sugar and confectionery products.....	92,204	7,986	-	897	989	275,165	14,259,167	7,392,633	6,950,559	454,888
Malt liquors and malt.....	1,347	-	-	4,896	8	414,524	21,686,317	9,025,232	13,669,518	744,511
Alcoholic beverages, except malt liquors and malt.....	2,998	31,898	-	1,426	461	85,089	24,801,294	11,776,308	3,063,993	193,153
Bottled soft drinks and flavorings.....	543,746	429,759	60	2,146	3,931	401,084	89,403,940	15,896,729	20,940,000	1,671,054
Other food and kindred products.....	171,428	27,464	-	12,650	13,073	609,131	52,630,222	20,040,438	21,874,434	1,740,718
Tobacco manufactures.....	479,919	18,353	-	23,625	-	1,990,610	220,838,622	105,871,008	19,358,300	2,253,415
Textile mill products.....	15,820	2,217	-	8,260	9,718	433,490	43,627,210	13,994,113	26,107,758	1,840,384
Weaving mills and textile finishings.....	9,696	-	-	2,418	4,978	197,086	16,236,548	5,730,417	10,103,411	615,147
Knitting mills.....	20	-	-	4,296	786	85,363	4,006,388	1,875,626	2,694,101	177,004
Other textile mill products.....	6,104	2,217	-	1,547	3,954	171,042	23,384,274	6,388,070	13,310,246	1,048,233
Apparel and other textile products.....	180,514	42,124	-	4,895	3,172	556,302	42,633,024	15,179,752	11,038,882	877,777
Men's and boys' clothing.....	173,116	23,832	-	3,369	2,848	313,670	19,601,131	7,830,728	4,748,630	367,884
Women's and children's clothing.....	6,709	12,008	-	605	123	161,127	11,470,441	3,724,499	2,339,134	181,369
Other apparel and accessories.....	617	5,816	-	346	94	34,849	6,133,110	1,581,315	1,666,500	159,372
Miscellaneous fabricated textile products, textile products, not elsewhere classified.....	72	467	-	575	107	46,655	5,428,343	2,043,211	2,284,618	169,152
Lumber and wood products.....	28,087	-	5,510	3,591	9,783	516,355	64,639,833	26,016,306	43,135,418	2,633,555
Logging, sawmills, and planing mills.....	88	-	310	1,514	580	118,195	24,334,503	11,039,161	17,111,205	898,259
Millwork, plywood, and related products.....	22,657	-	108	1,301	1,423	298,244	30,715,697	12,699,427	20,991,283	1,412,018
Other wood products, including wood buildings and mobile homes.....	5,341	-	5,092	776	7,780	99,916	9,589,633	2,277,717	5,032,930	323,279
Furniture and fixtures.....	4,344	-	-	3,142	444	269,371	22,863,719	7,456,786	11,179,166	739,096
Paper and allied products.....	402,183	4,223	419	28,849	7,250	1,401,593	139,799,802	50,814,848	95,004,952	6,762,179
Pulp, paper, and board mills.....	101,894	903	419	3,819	5,282	703,769	90,056,124	35,070,099	64,040,709	4,599,390
Other paper products.....	300,289	3,320	-	25,030	1,968	697,824	49,743,677	15,744,749	30,964,243	2,162,788
Printing and publishing.....	201,780	5,781	4	21,556	11,311	2,030,856	202,737,492	75,971,074	74,283,449	6,273,746
Newspapers.....	52,805	3,045	4	3,669	1,924	852,831	77,206,607	34,602,640	27,706,150	2,382,157
Periodicals.....	121,130	-	-	2,027	872	166,592	47,046,137	19,267,221	8,591,579	701,176
Books, greeting cards, and miscellaneous publishing.....	26,146	-	-	4,032	3,144	453,398	39,714,411	8,590,428	8,874,889	808,025
Commercial and other printing, and printing trade services.....	1,699	2,736	-	11,828	5,372	558,035	38,770,338	13,510,785	29,110,832	2,382,387
Chemical and allied products.....	3,421,831	1,981,797	26,947	212,573	91,117	5,435,222	517,037,366	218,130,384	216,841,444	14,256,496
Industrial chemicals, plastics materials and synthetics.....	1,354,552	68,567	26,931	41,745	66,063	1,493,348	252,052,021	106,638,807	129,710,098	8,506,221
Drugs.....	1,367,245	1,882,679	16	150,096	19,986	2,588,763	142,906,197	70,554,372	45,173,492	2,877,564
Soaps, cleaners, and toilet goods.....	558,655	20,304	-	10,940	3,872	829,331	75,246,677	25,076,291	20,460,933	1,362,403
Paints and allied products.....	9,588	2,502	-	3,509	259	194,210	8,333,406	3,173,223	2,825,641	198,673
Agriculture and other chemical products.....	131,791	7,745	-	6,282	937	329,569	40,499,065	12,687,690	18,671,281	1,311,635
Petroleum (including integrated) and coal products.....	4,806,497	1,848	118,521	61,532	112,747	2,826,449	606,859,324	302,309,854	313,081,539	11,540,814
Petroleum refining (including integrated).....	4,805,710	1,848	118,521	60,663	112,581	2,810,817	603,940,339	301,574,238	311,087,987	11,369,685
Petroleum and coal products, not elsewhere classified.....	787	-	-	870	166	15,632	2,918,985	735,616	1,993,552	171,130
Rubber and miscellaneous plastics products.....	252,584	11,343	22	8,200	6,778	557,399	57,387,867	20,753,238	38,190,351	2,752,180
Rubber products; plastics footwear, hose and belting.....	105,451	728	22	3,346	2,798	274,414	28,436,360	10,269,084	19,267,715	1,313,908
Miscellaneous plastics products.....	147,133	10,615	-	4,854	3,980	282,984	28,951,507	10,484,155	18,922,636	1,438,271
Leather and leather products.....	3,330	17,336	-	15,663	1,812	129,574	16,199,324	3,217,108	4,633,039	285,854
Footwear, except rubber.....	3,180	12,525	-	15,536	1,545	101,858	14,132,377	2,386,268	3,962,902	244,820
Leather and leather products, not elsewhere classified.....	150	4,810	-	128	267	27,716	2,066,948	830,840	670,137	41,034

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



# Corporation Returns/1991

## 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 <sup>a</sup>	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Manufacturing—Continued</b>										
Stone, clay, and glass products.....	121,471	8,076	69	11,246	1,930	388,705	85,553,961	29,489,078	43,101,399	2,467,367
Glass products.....	119,893	2,202	43	7,277	*224	209,735	45,275,965	16,292,212	17,275,767	900,785
Cement, hydraulic.....	7	-	-	614	392	21,552	9,571,821	3,857,029	6,735,051	296,269
Concrete, gypsum, and plaster products.....	773	5,312	26	1,849	*1,286	103,701	18,144,821	3,925,844	12,281,598	810,976
Other nonmetallic mineral products.....	*799	562	-	*1,507	*28	53,716	12,561,354	5,413,993	8,608,983	459,337
Primary metal industries.....	189,004	-	-	8,163	6,155	524,712	130,514,927	40,653,836	89,195,232	4,984,735
Ferrous metal industries, miscellaneous										
primary mineral products.....	18,506	-	-	4,389	*5,933	260,215	58,386,961	12,333,582	42,862,984	2,411,426
Nonferrous metal industries.....	170,498	-	-	*3,774	*222	264,497	72,127,966	28,520,255	46,332,248	2,573,309
Fabricated metal products.....	391,128	3,759	-	50,774	24,109	1,309,469	144,568,099	56,060,587	70,908,024	4,998,516
Metal cans and shipping containers.....	23,918	2,273	-	88	*4,138	53,050	5,195,120	2,238,918	3,479,663	179,433
Cutlery, hand tools, and hardware; screw machine products, bolts, and similar products.	226,516	802	-	*3,302	*378	200,636	20,812,268	10,901,590	8,234,252	581,525
Plumbing and heating, except electric and warm air.....	*19,872	-	-	841	*205	64,150	9,376,132	4,830,862	3,664,372	208,504
Fabricated structural metal products.....	29,816	-	-	7,658	*10,468	262,233	25,876,011	10,057,086	13,353,962	802,216
Metal forgings and stampings.....	737	-	-	1,601	*951	100,801	15,891,296	5,519,666	9,956,257	667,344
Coating, engraving, and allied services.....	*38	59	-	*1,767	*834	35,135	2,908,553	1,270,854	2,560,843	173,514
Ordnance and accessories, except vehicles and guided missiles.....	11	-	-	100	-	*22,938	1,550,458	368,917	550,427	51,278
Miscellaneous fabricated metal products.....	90,218	625	-	35,417	7,138	570,526	62,858,263	20,872,693	29,108,248	2,334,702
Machinery, except electrical.....	2,719,218	14,582	104	74,702	31,550	1,640,790	295,000,371	106,559,195	129,934,795	9,904,802
Farm machinery.....	*1,802	-	-	762	*4,671	117,577	15,034,044	3,877,295	5,059,694	344,381
Construction and related machinery.....	82,082	-	-	3,087	*1,196	172,170	33,250,804	13,953,463	13,205,904	1,061,858
Metalworking machinery.....	4,824	392	-	*1,618	*241	96,908	18,408,114	5,656,966	9,054,100	625,120
Special industry machinery.....	48,993	51	104	3,595	2,836	159,950	20,175,762	7,047,671	7,954,580	593,244
General industry machinery.....	121,294	12,408	-	4,402	2,907	270,959	31,539,340	12,964,469	14,257,338	949,671
Office, computing, and accounting machines.....	2,403,081	1,731	-	58,110	*19,379	653,854	150,022,760	55,241,222	68,718,706	5,529,549
Other machinery, except electrical.....	57,141	-	-	3,127	*320	169,372	26,569,747	7,798,109	11,684,472	801,000
Electrical and electronic equipment.....	948,128	320,265	-	165,356	10,140	3,022,574	407,938,021	105,776,119	151,831,509	15,365,947
Household appliances.....	124,054	-	-	*1,348	-	128,187	16,370,708	5,181,639	5,469,186	442,782
Radio, television, and communication equipment.....	72,573	68,643	-	24,293	1,067	354,926	37,376,488	15,124,697	15,915,887	1,718,155
Electronic components and accessories.....	356,672	43,172	-	74,699	4,979	1,252,109	101,812,801	43,916,052	44,518,577	4,261,479
Other electrical equipment.....	394,829	208,451	-	65,016	*4,094	1,287,352	252,578,024	41,553,732	85,927,859	8,943,531
Motor vehicles and equipment.....	55,044	9,648	(?)	9,322	2,474	201,320	391,451,724	79,673,648	134,267,673	15,851,068
Transportation equipment, except motor vehicles.	322,012	547	-	19,267	71,254	2,835,572	125,610,245	40,914,027	63,761,502	3,370,488
Aircraft, guided missiles and parts.....	316,097	514	-	15,053	*66,915	2,689,459	111,437,918	36,391,646	57,104,933	2,833,474
Ship and boat building and repairing.....	*132	33	-	*1,264	*2,172	50,514	5,387,860	1,814,296	2,958,886	177,863
Other transportation equipment, except motor vehicles.....	*5,783	-	-	2,949	*2,166	95,599	8,784,467	2,708,085	3,697,703	359,151
Instruments and related products.....	980,962	371,394	-	80,972	20,198	1,269,325	105,056,444	42,662,471	46,864,056	2,992,474
Scientific instruments and measuring devices; watches and clocks.....	229,534	162,605	-	37,306	16,407	263,258	36,418,170	17,684,713	14,543,979	1,377,723
Optical, medical, and ophthalmic goods.....	534,889	208,789	-	34,899	2,405	561,597	43,732,416	18,874,759	14,087,072	1,302,661
Photographic equipment and supplies.....	216,539	-	-	*8,767	1,386	*444,470	24,905,858	6,102,998	18,233,006	312,090
Miscellaneous manufacturing and manufacturing not allocable.....	113,614	37,248	(?)	17,031	6,146	792,720	83,587,949	26,490,327	27,075,657	2,090,369
<b>Transportation and public utilities.....</b>	<b>390,601</b>	<b>56,757</b>	<b>57,164</b>	<b>628,897</b>	<b>236,287</b>	<b>15,793,417</b>	<b>1,573,824,265</b>	<b>528,942,779</b>	<b>1,353,543,264</b>	<b>82,446,402</b>
Transportation.....	44,415	28	563	147,507	18,007	1,964,304	296,241,240	65,390,427	264,834,097	18,488,188
Railroad transportation.....	16,873	-	563	76,128	236	474,637	83,377,341	28,482,342	83,391,439	3,261,289
Local and interurban passenger transit.....	-	-	-	2,437	*45	52,782	4,952,407	1,307,420	4,840,345	535,122
Trucking and warehousing.....	1,068	28	-	22,228	12,392	673,881	57,898,277	18,515,582	58,495,094	5,837,187
Water transportation.....	17,157	-	-	19,555	*1,209	201,555	21,915,448	6,823,832	18,143,001	972,613
Transportation by air.....	996	-	-	7,163	1,800	97,892,239	4,447,410	77,752,998	6,256,369	826,839
Pipelines, except natural gas.....	*6,789	-	-	-	12	208,549	3,113,556	274,842	3,897,234	90,893
Transportation services, not elsewhere classified.....	*1,531	-	-	19,996	2,313	190,589	27,091,970	5,539,000	18,313,985	1,532,715
Communication.....	292,174	56,728	9,132	103,423	89,735	6,268,803	546,334,626	212,230,754	378,911,006	29,973,408
Telephone, telegraph, and other communication services.....	275,976	56,728	9,132	98,491	88,552	5,742,628	458,216,826	199,292,968	345,155,327	27,408,564
Radio and television broadcasting.....	18,197	-	-	4,831	*1,183	526,175	88,117,799	12,937,786	33,755,679	2,564,844
Electric, gas, and sanitary services.....	54,013	-	27,469	377,968	128,546	7,560,310	731,248,400	251,321,599	709,798,161	33,984,806
Electric services.....	1,095	-	4,739	220,295	90,640	3,997,540	364,268,540	125,788,571	366,055,447	18,001,787
Gas production and distribution.....	32,812	-	7,981	14,761	14,457	773,073	121,939,032	36,242,708	97,978,690	4,052,383
Combination utility services.....	10,536	-	5,459	137,866	19,397	2,320,326	209,224,732	77,016,276	218,813,115	9,867,944
Water supply and other sanitary services.....	9,569	-	9,290	5,046	*4,053	469,371	35,815,096	12,274,044	26,952,910	2,062,693
<b>Wholesale and retail trade.....</b>	<b>876,460</b>	<b>24,086</b>	<b>173</b>	<b>231,763</b>	<b>79,415</b>	<b>12,015,216</b>	<b>1,483,427,907</b>	<b>374,844,301</b>	<b>488,545,890</b>	<b>43,523,841</b>
Wholesale trade.....	610,971	1,927	171	46,313	31,327	4,649,750	685,251,102	180,828,201	171,256,614	18,070,685
Groceries and related products.....	*2,627	70	-	7,341	3,776	628,955	51,534,394	15,746,399	19,505,571	1,673,182
Machinery, equipment, and supplies.....	16,588	64	*57	5,693	2,066	569,794	73,476,216	22,705,228	19,682,750	2,284,237
Miscellaneous wholesale trade.....	591,755	1,792	*115	33,279	25,485	3,451,000	560,240,492	142,376,573	132,068,293	14,113,266
Motor vehicles and automotive equipment.....	*2,032	-	-	1,073	*2,791	493,011	83,967,962	24,538,690	24,505,212	5,380,672
Furniture and home furnishings.....	*248	-	-	*78	*1	51,001	5,604,072	1,886,178	1,386,392	114,854
Lumber and construction materials.....	(?)	322	3	*715	*672	78,338	17,193,187	5,137,878	6,715,494	484,688
Sporting, recreational, photographic, and hobby goods, toys and supplies.....	*1,309	-	-	*553	*580	119,635	13,069,572	2,679,253	2,701,698	288,303
Metals and minerals, except petroleum and scrap.....	*3,494	60	*3	*1,204	*2,011	122,168	31,323,002	7,584,705	6,242,605	457,009
Electrical goods.....	7,156	215	*82	3,980	1,161	388,280	63,518,922	15,844,499	13,927,472	1,534,817
Hardware, plumbing, and heating equipment and supplies.....	*100	-	-	808	*156	146,489	19,298,369	7,446,783	5,005,472	378,637
Other durable goods.....	7,711	153	-	1,710	*740	360,692	52,330,078	14,200,076	11,981,562	1,096,947
Paper and paper products.....	*2,661	-	-	*153	-	87,992	11,903,089	4,469,243	3,004,575	232,734
Drugs, drug proprietaries, and druggists' sundries.....	2,755	-	-	896	*1,058	210,595	18,561,998	6,058,115	2,913,897	270,679
Apparel, piece goods, and notions.....	*81,139	-	-	423	*17	272,596	25,424,785	6,920,469	3,579,384	310,096
Farm-product raw materials.....	31,371	-	-	8,541	*2,430	261,198	40,472,461	10,750,513	11,906,741	769,383
Chemicals and allied products.....	*2,617	-	-	*2,330	*138	98,536	10,746,814	3,576,686	3,715,313	300,787
Petroleum and petroleum products.....	*409,837	-	*11	4,801	*1,216	211,213	109,969,694	12,945,275	17,843,156	1,198,631
Alcoholic beverages.....	3,477	1,009	-	*3,000	*10,428	161,534	17,596,029	6,548,941	5,848,430	404,586
Miscellaneous nondurable goods; wholesale trade not allocable.....	35,851	33	16	3,014	*2,087	387,741	39,260,458	11,789,270	10,790,910	890,444

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



# Corporation Returns/1991

## 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 (11)	U.S. possessions tax credit (12)	Nonconventional source fuel credit (13)	General business credit (14)	Prior year minimum tax credit (15)	Total income tax after credits <sup>a</sup> (16)	Total assets (17)	Net worth (18)	Depreciable assets (19)	Depreciation deduction (20)
Wholesale and retail trade--Continued										
Retail trade:	265,484	20,249	2	185,213	48,088	7,343,538	795,047,341	193,746,707	316,000,250	25,339,544
Building materials, garden supplies, and mobile home dealers:	"32	-	-	6,536	"493	389,911	36,766,237	13,712,722	15,457,149	1,084,395
Building materials dealers:	"3	-	-	5,771	"345	299,583	25,093,808	10,169,451	10,841,609	762,808
Hardware stores:	29	-	-	"134	"9	33,611	6,001,629	2,203,971	2,004,595	140,175
Garden supplies and mobile home dealers:	263	15,891	(7)	60,401	"140	56,718	5,672,801	1,339,300	2,610,945	181,412
General merchandise stores:	20,263	3,121	-	33,456	24,070	2,472,185	276,090,574	60,473,281	68,314,351	4,882,228
Food stores:	"2,174	3,121	-	32,950	9,033	1,326,084	99,198,829	18,632,651	62,748,587	4,882,187
Grocery stores:	"2,079	3,121	-	32,950	8,810	1,290,667	92,429,397	17,379,966	57,271,232	4,411,169
Other food stores:	"96	-	-	"506	"223	35,417	6,769,433	1,252,685	5,477,355	451,019
Automotive dealers and service stations:	"83	1,014	-	7,404	3,070	334,985	108,136,855	19,086,369	34,118,883	3,247,521
Motor vehicle dealers:	"83	-	-	4,651	2,290	152,368	80,666,441	10,870,939	19,450,380	1,984,269
Gasoline service stations:	"83	-	-	1,114	"689	51,198	10,295,553	3,149,252	7,715,455	630,168
Other automotive dealers:	"83	1,014	-	11,824	"91	131,419	17,174,880	5,076,178	6,953,069	530,066
Apparel and accessory stores:	73,482	-	-	11,824	"4,970	811,032	49,159,539	20,104,681	19,842,428	1,710,550
Furniture and home furnishings stores:	"150	-	-	"1,009	35	207,831	25,390,388	8,824,495	8,479,785	737,145
Eating and drinking places:	142,022	223	-	43,652	2,265	625,351	85,597,590	18,047,823	64,272,468	4,771,576
Miscellaneous retail stores:	27,278	-	-	20,931	4,152	1,176,158	114,705,329	34,854,685	42,761,617	4,052,342
Drug stores and proprietary stores:	"70	-	-	4,849	4,152	1,176,158	114,705,329	34,854,685	42,761,617	4,052,342
Liquor stores:	"297	-	-	"941	"50	32,750	6,142,480	7,315,923	7,315,923	675,316
Other retail stores:	27,207	-	-	15,786	3,160	865,338	92,327,668	12,155,752	14,488,073	80,852
Wholesale and retail trade not allocable:	5	1,911	-	237	-	21,929	3,120,464	269,393	3,989,821	3,296,774
Finance, insurance, and real estate:	1,597,594	21,624	3,283	230,333	578,560	24,850,137	10,780,681,276	2,513,535,034	384,498,386	34,288,027
Banking:	437,117	-	840	100,754	199,184	7,413,558	4,072,873,704	351,535,858	98,110,192	15,986,011
Mutual savings banks:	17	-	-	1,903	"3,288	387,344	99,984,017	6,916,023	1,560,749	122,921
Bank holding companies:	429,155	-	-	91,703	182,658	5,362,549	3,607,776,470	316,946,558	85,213,687	14,454,174
Bank, except mutual savings banks and bank holding companies:	7,943	-	-	7,148	13,328	1,663,665	365,111,216	27,673,277	9,335,693	1,380,916
Credit agencies other than banks:	101,754	20,788	661	46,100	4,942,256	1,640,327,324	1,640,327,324	96,374,253	90,867,238	2,922,519
Savings and loan associations:	8275	17,775	-	14,017	14,537	2,391,050	939,859,825	20,394,535	17,449,649	1,186,914
Personal credit institutions:	224	877	-	517	2,571	308,508	79,581,832	16,062,865	2,497,933	163,007
Business credit institutions:	1,137	1,517	-	"8,027	9,363	1,212,737	103,578,861	4,169,855	2,538,565	700,742
Other credit agencies; finance not allocable:	"92,117	619	661	23,539	5,459	1,504,964	517,326,806	45,755,998	6,382,592	901,856
Security, commodity brokers and services:	194,940	-	"14	34,832	27,971	1,354,210	498,807,358	26,625,296	8,697,127	911,755
Hotel companies:	193,226	-	3	34,705	26,940	1,162,704	464,895,513	21,980,961	5,745,943	685,058
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services:	"1,714	-	"11	"128	"1,031	191,506	31,911,845	4,644,336	2,951,184	246,687
Insurance:	"613,382	123	960	32,634	297,960	8,799,854	2,389,730,190	400,412,777	38,495,445	6,401,823
Life insurance:	154,850	123	686	15,673	138,175	4,596,920	1,501,391,202	157,590,148	13,028,650	3,284,960
Mutual property and casualty insurance companies:	42,383	-	41	6,050	45,700	1,702,384	257,979,044	70,242,532	6,322,817	1,049,256
Stock property and casualty insurance companies and other insurance companies:	418,149	-	233	10,911	114,074	2,500,669	610,359,945	172,500,097	19,143,978	2,057,607
Insurance agents, brokers, and service:	108,080	486	193	4,177	"317	449,937	41,600,130	12,335,822	7,935,196	716,992
Real estate:	117,171	-	"500	8,976	9,637	908,139	357,561,346	70,192,063	175,008,695	5,431,604
Real estate operators and lessors of buildings:	1,217	1	"8	5,915	471,240	471,240	136,417,238	28,472,307	97,244,827	2,849,504
Lessors of mining, oil, and similar property:	"122	-	"492	"9	496	62,769	2,022,077	864,374	499,370	10,518
Lessors of railroad property, and of real property, not elsewhere classified:	"1	-	-	"142	-	12,391	1,632,073	716,903	743,473	36,072
Condominium management and cooperative housing associations:	54	485	-	"119	-	27,456	32,242,423	16,547,983	28,090,346	817,729
Subdividers and developers:	"10,969	-	-	"901	1,373	122,910	98,751,991	11,351,814	22,863,857	658,360
Other real estate:	131,108	227	-	1,891	2,867	211,374	84,495,544	12,238,682	25,566,822	1,059,421
Holding and other investment companies, except bank holding companies:	-	-	-	2,860	11,571	982,084	1,801,781,223	1,557,076,965	31,385,554	1,925,324
Regulated investment companies:	-	-	"115	-	-	13,736	1,530,754,393	1,474,793,383	16,397,102	426,197
Real estate investment trusts:	-	-	-	6	"5,014	"189	51,043,049	18,640,458	7,087	610
Small business investment companies:	-	-	-	61	"243	"189	4,260,572	1,784,181	521,516	20,730
Other holding and investment companies, except bank holding companies:	131,108	227	"115	2,860	11,571	982,084	1,801,781,223	1,557,076,965	31,385,554	1,925,324
Services:	474,901	13,518	"115	2,793	11,328	963,136	215,723,110	61,858,944	14,469,849	1,477,787
Hotels and other lodging places:	"40,687	5,510	919	127,665	4,581,377	4,581,377	636,751,574	177,668,039	332,285,234	34,739,016
Personal services:	23,399	3,798	-	7,357	"323	220,811	62,281,410	12,230,410	41,997,877	2,284,639
Business services:	285,863	3,798	-	5,373	"3,123	271,948	20,896,460	7,618,865	15,148,712	1,199,774
Advertising:	57,654	3,798	-	56,988	15,046	1,490,580	219,163,062	57,004,758	96,763,883	12,577,442
Business services, except advertising:	208,209	3,798	-	"867	"1,917	92,790	28,797,312	5,421,523	7,248,743	581,036
Auto repair; miscellaneous repair services:	"778	-	-	56,131	13,129	1,397,791	192,365,750	51,583,235	89,515,140	11,996,406
Auto repair and services:	"342	-	-	19,801	8,293	252,657	51,914,743	11,068,233	43,640,469	6,880,707
Miscellaneous repair services:	"435	-	-	17,396	8,293	154,139	43,710,331	7,842,481	38,316,794	6,377,029
Miscellaneous and recreation services:	96,159	199	-	"2,405	"61	98,519	8,204,411	3,225,752	5,323,675	503,678
Amusement and recreation services:	-	-	-	6,370	1,296	496,008	126,678,776	41,520,623	54,674,019	5,447,701
Motion picture production, distribution, and services:	24,766	-	-	"1,674	"345	82,340	58,672,705	23,877,840	9,116,368	1,759,441
Motion picture theaters:	5,072	-	-	"403	-	27,325	9,914,616	3,842,514	5,616,485	362,926
Amusement and recreation services, except motion pictures:	66,321	199	-	4,294	951	387,243	58,091,456	13,800,268	39,941,166	3,325,334
Other services:	48,015	4,011	919	31,767	23,023	1,826,573	155,837,123	48,225,151	80,060,273	6,348,754
Offices of physicians, including osteopathic physicians:	-	-	-	"1,833	-	34,427	6,040,852	1,488,044	4,727,669	378,353
Offices of dentists:	-	-	-	"39	"2,201	1,496,268	637,398	2,182,376	2,182,376	145,423
Offices of other health practitioners:	-	-	-	4,905	"2,271	118,815	21,317,933	3,389,502	15,176,697	103,741
Nursing and personal care facilities:	4,009	539	-	7,729	8,575	649,368	59,173,245	13,431,503	18,906,573	733,500
Hospitals:	-	-	-	1,590	"187	92,186	4,718,349	2,427,562	2,295,528	1,315,895
Medical laboratories:	-	-	-	3,724	8,253	363,391	17,240,624	6,623,963	7,129,223	211,273
Other medical services:	820	183	-	"178	4,985	4,985	2,057,433	1,033,281	1,656,732	818,024
Legal services:	"12,366	416	-	"744	"467	7,961,536	7,961,536	2,071,094	3,703,760	316,932
Educational services:	-	-	-	"292	"137	13,739	1,638,153	236,862	1,374,460	108,608
Social services:	"104	-	-	"226	"838	29,524	4,028,040	1,843,997	2,258,255	151,083
Membership organizations:	16,762	77	-	1,755	"1,114	213,034	17,478,754	5,869,188	7,188,705	722,958
Architectural and engineering services:	-	-	-	-	-	-	-	-	-	-
Accounting, auditing, and bookkeeping services:	2,135	-	-	-	"52	24,348	1,746,594	453,031	1,196,758	109,327
Miscellaneous services (including veterinarians), not elsewhere classified:	11,719	2,747	582	8,751	"1,267	223,501	29,243,114	8,252,270	11,086,630	1,094,117
Nature of business not allocable:	1	-	-	-	-	5,103	2,708,451	252,164	1,034,051	106,002

<sup>a</sup>Footnotes at end of table. See text for "Explanation of Terms" and "Description of the Sample and Limitations of the Data."

# Corporation Returns/1991

## 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)
<b>Total returns of active corporations.....</b>	<b>0.61</b>	<b>0.93</b>	<b>0.20</b>	<b>0.24</b>	<b>0.23</b>	<b>0.28</b>	<b>0.18</b>	<b>0.44</b>	<b>0.18</b>	<b>0.17</b>
<b>Agriculture, forestry, and fishing.....</b>	<b>3.10</b>	<b>4.54</b>	<b>3.15</b>	<b>4.03</b>	<b>3.32</b>	<b>4.30</b>	<b>3.63</b>	<b>4.47</b>	<b>4.59</b>	<b>4.87</b>
Agricultural production.....	3.04	4.68	3.31	4.09	3.54	4.89	3.96	5.37	5.20	5.63
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping.....	6.47	9.14	6.57	8.43	6.71	8.05	8.04	8.07	9.74	9.72
<b>Mining.....</b>	<b>6.03</b>	<b>9.50</b>	<b>1.32</b>	<b>1.71</b>	<b>1.48</b>	<b>1.51</b>	<b>1.55</b>	<b>3.13</b>	<b>1.19</b>	<b>0.98</b>
Metal mining.....	33.27	53.36	1.71	2.76	1.84	2.04	2.67	6.56	1.21	1.12
Copper, lead and zinc, gold and silver ores.....	42.85	61.93	1.47	3.07	1.51	1.54	4.11	7.11	1.90	1.68
Other metal mining <sup>1</sup> .....	52.65	68.07	5.22	5.29	5.86	6.03	0.66	16.88	0.27	0.27
Coal mining.....	23.78	35.48	3.92	8.35	4.13	3.14	7.95	8.40	6.75	5.68
Oil and gas extraction.....	6.64	10.72	1.57	1.73	1.82	2.13	1.72	4.07	1.43	1.16
Crude petroleum, natural gas, and natural gas liquids.....	7.98	13.77	1.19	1.30	1.36	1.65	1.65	5.65	1.20	0.99
Oil and gas field services.....	11.72	17.08	4.37	6.02	4.77	5.99	5.49	5.72	6.82	6.06
Nonmetallic minerals, except fuels.....	19.29	17.03	4.25	4.96	4.38	4.84	8.36	11.76	5.79	4.78
Dimension, crushed, and broken stone; sand and gravel.....	20.48	18.16	5.34	6.56	5.52	6.03	10.19	11.96	7.44	6.68
Other nonmetallic minerals, except fuels.....	56.90	45.64	5.83	4.57	5.84	6.71	13.32	30.22	8.33	5.79
<b>Construction.....</b>	<b>1.61</b>	<b>2.60</b>	<b>1.27</b>	<b>1.64</b>	<b>1.30</b>	<b>1.37</b>	<b>1.80</b>	<b>2.63</b>	<b>2.18</b>	<b>2.13</b>
General building contractors and operative builders.....	1.75	3.94	1.80	2.42	1.94	1.91	2.95	3.46	4.01	4.06
General building contractors.....	1.69	3.95	1.84	2.45	1.88	1.96	3.06	3.65	4.12	4.20
Operative builders.....	22.51	31.67	8.19	15.41	9.17	7.24	10.50	9.47	13.07	7.32
Heavy construction contractors.....	7.82	9.85	2.10	2.52	2.19	2.27	2.51	7.72	2.51	2.41
Special trade contractors.....	2.52	3.63	2.33	3.00	2.35	2.62	4.51	4.51	4.58	4.83
Plumbing, heating, and air conditioning.....	6.92	9.08	4.95	6.08	4.95	5.24	7.88	11.36	10.35	11.03
Electrical work.....	7.84	10.33	5.35	7.04	5.36	5.61	8.40	11.29	10.32	10.67
Other special trade contractors and contractors not allocable.....	2.76	4.24	3.03	3.92	3.06	3.52	3.99	5.46	5.86	6.19
<b>Manufacturing.....</b>	<b>2.14</b>	<b>2.79</b>	<b>0.24</b>	<b>0.31</b>	<b>0.26</b>	<b>0.31</b>	<b>0.22</b>	<b>0.73</b>	<b>0.16</b>	<b>0.15</b>
Food and kindred products.....	8.88	10.78	1.05	1.16	1.08	1.35	0.70	4.07	0.49	0.47
Meat products.....	19.27	26.21	4.37	5.36	4.42	4.64	4.90	8.87	3.56	3.27
Dairy products.....	30.10	35.63	4.55	4.85	4.63	5.29	4.61	19.72	5.01	5.14
Preserved fruits and vegetables.....	31.64	27.43	2.68	3.33	2.80	3.31	1.87	9.46	1.40	1.38
Grain mill products.....	25.98	21.19	1.82	1.56	1.69	2.22	0.78	31.35	0.61	0.59
Bakery products.....	23.78	30.83	5.07	5.31	5.09	5.42	6.16	29.50	5.60	5.47
Sugar and confectionery products.....	27.98	32.17	4.17	4.75	4.04	4.93	2.92	14.20	1.14	1.08
Malt liquors and malt.....	51.45	54.36	2.14	2.15	2.18	2.92	0.50	36.94	(5)	0.06
Alcoholic beverages, except malt liquors and malt.....	24.21	32.85	2.47	2.56	2.67	2.70	3.71	22.87	5.41	4.61
Bottled soft drinks and flavorings.....	17.09	18.44	1.99	2.40	2.14	2.89	1.14	4.70	0.68	0.62
Other food and kindred products.....	18.13	23.36	1.94	2.18	1.99	2.15	2.05	9.80	1.62	1.56
Tobacco manufactures.....	77.14	80.81	0.21	0.21	0.23	0.32	0.17	(5)	0.18	0.18
Textile mill products.....	16.40	20.34	2.27	2.90	2.31	2.49	3.08	5.12	2.48	2.38
Weaving mills and textile finishings.....	21.29	23.60	3.08	4.07	3.13	3.29	4.34	6.34	3.76	3.63
Knitting mills.....	37.82	22.86	10.23	11.11	10.27	10.98	9.97	23.86	8.78	8.56
Other textile mill products.....	20.99	27.71	2.91	3.80	2.96	3.19	4.49	8.12	3.14	2.86
Apparel and other textile products.....	9.80	13.55	2.71	3.24	2.76	2.96	2.38	6.26	1.62	1.51
Men's and boys' clothing.....	40.30	31.74	2.73	2.74	2.87	3.27	1.73	13.19	0.87	0.85
Women's and children's clothing.....	17.02	22.75	4.99	6.32	5.05	5.30	4.44	9.60	3.75	3.63
Other apparel and accessories.....	18.26	26.39	7.07	9.99	7.12	7.43	11.74	14.38	13.32	10.76
Miscellaneous fabricated textile products; textile products, not elsewhere classified.....	17.12	23.46	8.03	9.30	8.09	8.63	11.08	14.73	15.62	16.01
Lumber and wood products.....	8.56	11.70	2.17	2.97	2.26	2.37	3.25	5.36	2.76	2.52
Logging, sawmills, and planing mills.....	12.58	17.84	4.04	6.65	4.20	4.47	6.82	7.22	6.58	6.07
Millwork, plywood, and related products.....	15.78	21.81	2.63	3.44	2.74	2.88	4.06	8.34	3.16	2.80
Other wood products, including wood buildings and mobile homes.....	17.21	20.33	5.89	7.10	6.08	6.28	7.55	16.48	6.99	6.82
Furniture and fixtures.....	13.12	18.07	3.37	4.59	3.43	3.66	4.88	9.06	3.72	3.54
Paper and allied products.....	16.86	19.82	0.96	1.41	0.99	1.09	1.25	1.82	0.83	0.71
Pulp, paper, and board mills.....	18.87	24.12	0.64	0.95	0.66	0.74	1.72	0.86	1.24	0.90
Other paper products.....	17.64	21.02	1.92	2.68	1.98	2.13	1.68	2.95	1.10	1.06
Printing and publishing.....	5.55	7.54	1.27	1.44	1.34	1.62	1.41	3.84	1.18	1.10
Newspapers.....	19.58	24.40	1.50	1.71	1.58	2.04	1.85	5.66	1.51	1.46
Periodicals.....	18.99	23.67	3.33	2.96	3.66	3.93	3.50	8.25	2.84	2.48
Books, greeting cards, and miscellaneous publishing.....	15.15	21.46	2.85	3.66	3.02	4.16	3.04	8.83	2.32	2.14
Commercial and other printing, and printing trade services.....	6.34	8.87	2.47	3.03	2.50	2.67	3.17	7.98	3.10	2.91
Chemical and allied products.....	10.69	11.81	0.39	0.41	0.42	0.48	0.29	2.00	0.22	0.21
Industrial chemicals, plastics materials and synthetics.....	17.01	16.16	0.49	0.55	0.53	0.58	0.61	2.58	0.38	0.36
Drugs.....	29.80	21.51	0.45	0.44	0.49	0.77	0.21	7.30	0.19	0.19
Soaps, cleaners, and toilet goods.....	25.87	30.89	0.90	0.88	0.96	0.91	1.88	0.89	0.89	0.82
Paints and allied products.....	32.00	21.13	5.78	5.97	5.80	6.55	5.55	40.29	4.59	4.51
Agriculture and other chemical products.....	22.81	27.48	2.19	2.88	2.31	2.72	5.73	2.46	2.46	2.29
Petroleum (including integrated) and coal products.....	28.26	34.82	0.17	0.12	0.18	0.19	0.12	3.90	0.05	0.05
Petroleum refining (including integrated).....	48.34	54.31	0.12	0.05	0.13	0.15	0.06	2.12	(4)	0.01
Petroleum and coal products, not elsewhere classified.....	35.21	39.70	12.06	14.53	12.25	12.27	18.14	17.25	25.39	22.48
Rubber and miscellaneous plastics products.....	9.08	12.09	1.66	2.22	1.70	1.80	2.37	4.14	2.23	2.08
Rubber products; plastics footwear, hose and belting.....	25.40	31.93	2.10	3.08	2.18	2.28	3.40	3.85	2.53	2.28
Miscellaneous plastics products.....	9.71	13.03	2.44	3.01	2.49	2.65	3.13	7.68	3.47	3.34
Leather and leather products.....	27.02	30.24	3.84	3.68	3.96	4.07	4.67	15.19	3.55	3.24
Footwear, except rubber.....	39.19	41.34	2.70	2.61	2.79	2.98	4.46	15.35	2.55	2.45
Leather and leather products, not elsewhere classified.....	30.57	35.97	14.14	15.04	14.29	14.07	13.54	40.31	13.90	13.07
Stone, clay, and glass products.....	11.67	14.44	1.89	3.30	1.99	2.10	3.55	3.25	3.24	3.05
Glass products.....	34.84	33.57	1.64	2.40	1.85	1.91	3.14	4.00	2.03	1.88
Cement, hydraulic.....	52.58	53.13	3.29	13.77	3.39	3.62	21.11	2.16	19.68	17.96
Concrete, gypsum, and plaster products.....	15.67	18.94	4.24	7.74	4.32	4.19	9.36	6.29	10.82	10.15

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

# Corporation Returns/1991

## 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		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	Business receipts	Cost of sales and operations				
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Manufacturing--Continued</b>										
Other nonmetallic mineral products.....	20.43	25.66	5.55	9.06	5.57	6.06	11.74	10.87	15.94	14.69
Primary metal industries.....	14.68	15.54	1.68	3.39	1.71	1.99	2.14	1.39	1.46	1.30
Ferrous metal industries, miscellaneous										
primary mineral products.....	18.89	21.50	1.28	3.43	1.31	1.44	3.44	1.56	2.31	2.07
Nonferrous metal industries.....	23.27	18.21	2.95	4.82	3.07	3.54	2.74	2.91	1.88	1.67
Fabricated metal products.....	4.71	5.93	1.41	1.73	1.45	1.50	1.78	3.83	1.61	1.52
Metal cans and shipping containers.....	48.89	42.28	3.54	3.72	3.60	3.47	3.63	40.21	2.40	2.22
Cutlery, hand tools, and hardware; screw										
machine products, bolts, and similar products.....	15.99	18.62	3.88	4.12	4.06	4.33	3.02	15.41	2.37	2.15
Plumbing and heating, except electric										
and warm air.....	37.10	44.15	4.94	6.84	5.00	5.16	6.85	17.07	4.66	4.42
Fabricated structural metal products.....	11.46	13.99	3.46	4.00	3.52	3.44	4.58	8.24	4.41	4.30
Metal forgings and stampings.....	17.10	21.15	4.28	6.73	4.31	4.39	7.69	10.05	9.05	8.79
Coating, engraving, and allied services.....	22.25	29.65	11.48	13.68	11.55	12.44	12.35	20.22	11.11	10.98
Ordinance and accessories, except vehicles										
and guided missiles.....	60.77	48.23	15.40	25.71	15.46	15.69	23.55	13.65	16.46	16.05
Miscellaneous fabricated metal products.....	5.96	7.75	2.07	2.61	2.15	2.31	2.87	5.59	2.79	2.60
Machinery, except electrical.....	7.46	9.75	0.73	0.93	0.83	0.91	0.86	2.04	0.69	0.64
Farm machinery.....	26.62	33.95	3.51	3.65	3.77	4.10	6.19	10.61	5.68	5.43
Construction and related machinery.....	23.72	28.94	1.93	3.54	2.00	2.04	3.86	7.59	3.98	3.64
Metalworking machinery.....	15.12	19.19	3.75	5.83	3.98	4.31	8.84	9.18	10.38	10.20
Special industry machinery.....	16.56	21.83	3.66	5.13	3.73	3.70	6.52	7.13	7.03	6.81
General industry machinery.....	19.68	25.27	2.81	3.19	2.87	2.97	3.05	9.46	3.15	3.01
Office, computing, and accounting machines.....	33.76	40.84	0.61	0.72	0.79	1.06	0.35	1.83	0.24	0.22
Other machinery, except electrical.....	15.88	21.38	2.86	4.56	2.93	2.90	5.55	7.70	5.55	5.32
Electrical and electronic equipment.....	7.96	10.42	0.72	0.85	0.78	0.92	0.84	2.19	0.71	0.66
Household appliances.....	64.26	79.81	1.75	1.83	1.80	1.61	2.28	7.11	1.54	1.50
Radio, television, and communication										
equipment.....	32.01	15.36	1.63	1.65	1.69	1.54	2.50	6.10	2.36	2.25
Electronic components and accessories.....	10.46	13.78	1.05	1.27	1.09	1.14	1.42	3.25	1.25	1.19
Other electrical equipment.....	13.31	17.09	1.24	1.52	1.43	1.91	1.23	3.55	0.97	0.87
Motor vehicles and equipment.....	24.16	29.73	0.38	3.26	0.43	0.44	4.23	0.77	3.50	2.90
Transportation equipment, except motor vehicles.....	19.20	27.35	0.53	0.50	0.54	0.54	0.41	4.34	0.30	0.30
Aircraft, guided missiles and parts.....	36.38	47.46	0.28	0.28	0.28	0.27	0.34	4.63	0.24	0.23
Ship and boat building and repairing.....	28.02	42.59	6.62	9.10	6.60	6.48	6.09	10.65	9.22	7.93
Other transportation equipment, except										
motor vehicles.....	35.66	35.50	4.73	5.91	4.87	5.09	5.03	11.88	4.31	4.79
Instruments and related products.....	13.13	16.15	1.09	1.10	1.17	1.19	1.04	6.22	0.80	0.73
Scientific instruments and measuring										
devices; watches and clocks.....	20.99	20.82	1.92	1.93	2.01	2.01	2.38	11.70	1.79	1.73
Optical, medical, and ophthalmic goods.....	17.99	24.52	1.84	1.95	1.95	2.09	1.42	7.70	1.16	1.12
Photographic equipment and supplies.....	40.18	58.91	1.38	1.08	1.55	1.59	1.00	24.22	0.74	0.52
Miscellaneous manufacturing and										
manufacturing not allocable.....	7.50	10.87	4.50	5.93	4.73	6.94	2.31	5.72	2.02	1.82
<b>Transportation and public utilities.....</b>	<b>3.20</b>	<b>4.63</b>	<b>0.80</b>	<b>0.63</b>	<b>0.84</b>	<b>1.08</b>	<b>0.37</b>	<b>1.35</b>	<b>0.25</b>	<b>0.21</b>
Transportation.....	3.61	5.15	1.49	2.11	1.55	2.68	1.89	1.96	1.65	1.39
Railroad transportation.....	40.65	57.58	0.40	0.42	0.41	0.50	1.49	1.82	1.37	1.16
Local and interurban passenger transit.....	13.65	17.52	10.07	13.40	10.17	18.04	14.84	16.15	19.54	19.74
Trucking and warehousing.....	4.55	6.75	2.32	2.87	2.35	3.97	3.08	6.86	2.62	2.31
Water transportation.....	15.33	22.20	4.36	3.82	4.65	4.63	5.22	14.35	4.04	3.62
Transportation by air.....	15.68	28.57	1.00	5.23	1.06	1.73	9.04	1.89	7.18	3.93
Pipelines, except natural gas.....	19.62	20.52	6.01	6.18	6.06	9.14	5.21	(5)	5.33	5.40
Transportation services, not										
elsewhere classified.....	7.39	10.32	6.82	7.91	7.06	8.79	6.85	8.57	8.47	7.06
Communication.....	9.22	14.76	0.55	0.57	0.60	1.14	0.40	2.71	0.28	0.25
Telephone, telegraph, and other										
communication services.....	12.46	17.44	0.63	0.62	0.68	1.29	0.39	4.97	0.27	0.24
Radio and television broadcasting.....	13.59	27.47	1.05	1.31	1.15	1.21	1.81	3.18	1.57	1.44
Electric, gas, and sanitary services.....	9.96	14.60	0.50	0.32	0.53	0.92	0.26	2.06	0.14	0.12
Electric services.....	27.48	28.52	0.11	0.07	0.10	0.16	0.11	1.17	0.04	0.04
Gas production and distribution.....	27.86	33.84	0.60	0.77	0.63	0.81	0.71	3.84	0.70	0.42
Combination utility services.....	19.70	22.57	0.16	0.18	0.17	0.31	0.08	6.27	0.08	0.07
Water supply and other sanitary services.....	11.05	16.45	5.87	3.61	6.26	11.72	3.17	8.81	1.79	1.69
<b>Wholesale and retail trade.....</b>	<b>1.05</b>	<b>1.63</b>	<b>0.49</b>	<b>0.60</b>	<b>0.50</b>	<b>0.56</b>	<b>0.65</b>	<b>1.16</b>	<b>0.58</b>	<b>0.52</b>
Wholesale trade.....	2.16	2.83	0.79	0.95	0.80	0.86	1.04	1.86	1.07	1.03
Groceries and related products.....	6.88	9.32	1.94	2.20	1.97	2.10	2.96	8.19	2.24	2.10
Machinery, equipment, and supplies.....	4.66	6.26	2.08	2.62	2.12	2.28	3.40	5.14	3.75	3.77
Miscellaneous wholesale trade.....	2.57	3.36	0.93	1.13	0.95	1.01	1.17	2.06	1.23	1.18
Motor vehicles and automotive equipment.....	8.15	10.78	1.59	2.07	1.64	1.64	3.35	3.29	2.42	2.05
Furniture and home furnishings.....	15.90	20.90	8.04	10.00	8.09	8.43	9.99	16.84	10.04	9.18
Lumber and construction materials.....	10.83	12.52	5.21	6.98	5.24	5.43	9.00	9.58	11.58	12.68
Sporting, recreational, photographic, and										
hobby goods, toys and supplies.....	14.47	20.52	4.71	5.54	4.73	4.80	6.34	11.99	8.64	8.65
Metals and minerals, except petroleum										
and scrap.....	14.38	17.88	4.05	3.29	4.11	4.33	7.18	5.98	7.78	7.39
Electrical goods.....	7.94	9.95	2.29	3.13	2.33	2.46	3.57	5.25	4.32	4.08
Hardware, plumbing, and heating										
equipment and supplies.....	9.92	12.31	4.54	5.26	4.57	4.72	6.91	13.14	8.21	8.60
Other durable goods.....	5.92	8.54	2.66	3.42	2.69	2.86	4.34	5.33	5.10	5.20
Paper and paper products.....	15.02	18.67	5.89	6.96	5.90	6.09	9.99	11.81	11.59	11.81
Drugs, drug proprietaries, and										
druggists' sundries.....	20.07	22.43	2.53	2.68	2.54	2.52	5.13	13.11	5.37	5.06
Apparel, piece goods, and notions.....	9.87	13.17	3.80	4.28	3.85	4.03	3.87	9.04	3.14	3.03
Farm-product raw materials.....	13.84	16.62	4.19	4.97	4.27	4.47	3.15	14.12	2.67	2.45
Chemicals and allied products.....	15.15	18.05	6.20	7.69	6.22	6.53	9.20	8.68	10.63	10.40
Petroleum and petroleum products.....	10.05	12.61	3.07	3.99	3.24	3.34	1.70	7.09	1.95	1.74
Alcoholic beverages.....	16.64	14.69	4.88	5.09	4.91	5.11	5.99	24.46	6.53	6.21
Miscellaneous nondurable goods;										
wholesale trade not allocable.....	6.78	9.29	3.24	3.66	3.27	3.52	3.95	8.37	4.37	4.23
Retail trade.....	1.17	2.00	0.58	0.74	0.60	0.69	0.81	1.48	0.65	0.54
Building materials, garden supplies,										
and mobile home dealers.....	5.41	7.22	2.61	3.16	2.64	2.71	3.98	6.75	3.46	3.33
Building material dealers.....	7.22	9.54	2.84	3.43	2.87	2.95	4.47	7.97	3.59	3.37
Hardware stores.....	10.44	13.25	7.70	10.12	7.74	7.87	13.57	16.86	18.27	21.88

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

# Corporation Returns/1991

## 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--Continued										
Garden supplies and mobile home dealers.....	12.38	16.88	8.42	9.80	8.63	9.19	10.55	18.63	7.08	6.43
General merchandise stores.....	13.38	15.35	0.44	0.49	0.46	0.51	0.62	2.22	0.31	0.27
Food stores.....	4.66	6.97	1.35	1.54	1.37	1.48	1.75	5.20	1.27	1.11
Grocery stores.....	5.81	8.34	1.33	1.51	1.34	1.45	1.65	5.46	1.24	1.09
Other food stores.....	7.54	12.18	8.10	10.38	8.15	9.57	11.98	13.05	13.47	12.50
Automotive dealers and service stations.....	3.45	5.03	1.61	2.59	1.63	1.71	3.66	3.63	4.91	4.62
Motor vehicle dealers.....	4.52	6.19	1.71	3.02	1.73	1.82	4.81	4.12	7.20	6.50
Gasoline service stations.....	7.68	11.88	6.11	8.45	6.14	6.28	9.63	10.69	12.01	11.23
Other automotive dealers.....	6.49	8.58	4.52	5.36	4.54	4.96	6.94	10.38	8.08	7.96
Apparel and accessory stores.....	3.75	7.73	1.31	1.67	1.34	1.42	1.97	5.23	1.85	1.44
Furniture and home furnishings stores.....	5.34	8.55	3.19	4.72	3.25	3.57	5.15	6.30	6.04	5.88
Eating and drinking places.....	1.60	4.19	1.47	2.47	1.52	1.77	2.66	3.98	2.08	1.56
Miscellaneous retail stores.....	2.17	3.52	1.48	1.85	1.49	1.65	2.16	2.97	2.22	2.00
Drug stores and proprietary stores.....	7.75	9.07	3.13	3.77	3.15	3.23	4.50	6.89	3.77	3.01
Liquor stores.....	11.13	14.42	10.68	13.08	10.76	11.20	14.61	19.79	20.61	22.88
Other retail stores.....	2.25	3.95	1.65	2.09	1.67	1.88	2.46	3.25	2.60	2.38
Wholesale and retail trade not allocable.....	21.41	29.60	10.06	13.72	10.48	10.90	10.52	23.72	13.32	6.50
Finance, insurance, and real estate.....	1.44	2.35	0.28	0.33	0.36	0.41	0.30	0.74	0.58	0.58
Banking.....	1.30	1.18	0.83	1.22	0.38	0.36	1.62	0.47	1.82	1.84
Mutual savings banks.....	1.73	2.11	0.12	0.16	0.08	(5)	0.14	(5)	0.14	0.14
Bank holding companies.....	1.16	1.13	0.04	0.04	0.03	0.48	0.09	0.11	0.09	0.09
Banks, except mutual savings banks and bank holding companies.....	2.49	2.37	4.42	5.88	3.07	0.87	7.37	2.07	8.72	8.88
Credit agencies other than banks.....	8.42	10.61	0.55	0.62	1.31	1.83	0.24	0.61	0.17	0.18
Savings and loan associations.....	1.75	1.41	0.07	0.07	0.10	0.08	0.12	0.33	0.12	0.16
Personal credit institutions.....	20.36	23.32	1.09	1.07	2.14	6.97	2.14	20.14	1.64	1.21
Business credit institutions.....	26.38	36.87	11.72	14.46	43.33	79.81	4.36	3.95	2.62	1.95
Other credit agencies; finance not allocable.....	11.26	15.82	0.37	0.35	0.48	0.44	0.92	4.58	0.46	0.41
Security, commodity brokers and services.....	10.20	13.95	1.14	1.20	2.03	8.37	1.27	3.92	0.61	0.55
Security brokers, dealers, and flotation companies.....	13.36	19.15	0.92	0.93	1.82	8.75	1.02	4.52	0.46	0.45
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.....	15.33	20.31	4.84	5.55	5.43	10.69	5.76	7.81	3.65	3.16
Insurance.....	10.70	10.28	0.11	0.11	0.14	0.12	0.19	1.89	0.21	0.20
Life insurance.....	0.67	1.30	0.06	0.05	0.07	0.06	0.17	1.39	0.18	0.18
Mutual property and casualty insurance companies.....	1.28	2.24	0.18	0.19	0.19	0.18	0.55	3.52	0.58	0.48
Stock property and casualty insurance companies and other insurance companies.....	18.26	21.17	0.32	0.37	0.37	0.34	0.49	3.59	0.54	0.49
Insurance agents, brokers, and service.....	3.19	5.43	3.54	4.23	3.71	15.27	3.33	8.76	2.89	2.59
Real estate.....	1.78	3.19	2.19	3.18	2.63	3.45	2.93	1.59	3.42	3.46
Real estate operators and lessors of buildings.....	2.65	5.25	3.87	6.17	4.81	8.97	5.03	2.75	4.66	4.76
Lessors of mining, oil, and similar property.....	36.80	34.46	15.40	16.50	46.19	55.08	19.03	49.09	20.23	20.25
Lessors of railroad property, and of real property, not elsewhere classified.....	22.60	29.13	10.25	22.54	12.69	2.10	33.26	25.03	35.16	36.12
Condominium management and cooperative housing associations.....	6.56	8.66	5.98	9.24	6.72	9.98	11.12	6.64	8.93	9.01
Subdividers and developers.....	4.75	7.88	3.16	4.83	3.68	4.26	5.62	2.74	10.38	8.94
Other real estate.....	3.02	5.47	4.51	5.98	5.27	8.51	5.22	2.93	6.57	6.41
Holding and other investment companies, except bank holding companies.....	4.73	6.78	0.68	0.70	4.07	5.97	0.18	4.87	2.16	2.09
Regulated investment companies.....	5.30	8.12	0.09	0.10	-	-	0.11	4.48	33.10	1.16
Real estate investment trusts.....	10.75	13.64	1.17	1.27	-	-	2.06	2.85	50.61	12.65
Small business investment companies.....	16.43	28.16	25.20	18.51	34.77	67.28	23.29	17.17	34.84	29.52
Other holding and investment companies, except bank holding companies.....	5.52	8.57	2.53	3.24	4.01	5.95	2.21	5.68	2.17	2.12
Services.....	1.33	1.98	1.09	1.24	1.14	1.72	1.22	1.49	1.17	1.07
Hotels and other lodging places.....	5.80	10.00	5.39	2.94	5.85	2.96	4.59	3.14	4.77	4.16
Personal services.....	4.67	7.08	4.22	4.77	4.36	6.10	4.51	9.88	4.20	3.82
Business services.....	2.12	3.42	1.79	2.23	1.88	2.75	1.99	2.65	2.06	1.88
Advertising.....	8.57	12.63	6.18	8.65	6.33	8.61	7.32	7.47	6.57	5.57
Business services, except advertising.....	2.17	3.54	1.85	2.24	1.95	2.84	2.07	2.83	2.17	1.98
Auto repair; miscellaneous repair services.....	3.63	5.50	2.69	3.75	2.83	3.64	4.81	5.59	5.53	4.44
Auto repair and services.....	4.24	6.90	2.80	4.25	3.00	4.00	5.82	5.96	6.34	4.51
Miscellaneous repair services.....	6.65	9.00	6.41	7.58	6.47	7.36	8.33	13.99	9.96	9.36
Amusement and recreation services.....	4.16	7.02	2.71	3.12	2.94	5.53	3.11	2.82	3.11	2.91
Motion picture production, distribution, and services.....	11.97	20.88	6.78	7.12	7.46	11.78	6.91	4.10	6.17	5.88
Motion picture theaters.....	29.91	48.54	4.54	4.30	4.93	9.49	8.80	11.00	8.24	7.20
Amusement and recreation services, except motion pictures.....	4.42	7.52	2.70	3.82	2.90	4.70	3.61	4.05	3.73	3.50
Other services.....	2.48	3.34	2.09	2.12	2.15	3.68	2.14	3.35	1.92	1.79
Offices of physicians, including osteopathic physicians.....	7.59	9.99	10.67	9.40	10.91	38.75	9.80	14.13	16.89	15.45
Offices of dentists.....	12.16	14.89	13.60	16.74	13.67	15.39	18.45	29.59	43.46	46.27
Offices of other health practitioners.....	11.59	14.66	13.82	16.13	13.99	21.78	15.10	34.15	24.18	21.66
Nursing and personal care facilities.....	10.90	13.85	4.70	5.54	4.81	8.10	7.84	12.38	8.92	8.25
Hospitals.....	12.10	15.78	1.31	1.42	1.39	1.90	1.40	4.62	0.88	0.87
Medical laboratories.....	20.94	26.37	10.54	12.05	10.89	12.67	10.22	17.51	10.11	9.18
Other medical services.....	8.60	10.78	6.17	5.64	6.37	7.05	5.30	10.03	4.26	4.05
Legal services.....	9.21	11.83	10.61	12.94	11.05	19.17	12.98	21.65	51.09	49.70
Educational services.....	11.31	14.23	10.60	10.73	10.84	17.57	10.16	14.44	10.63	9.41
Social services.....	14.82	23.37	14.86	21.79	14.91	25.68	26.86	20.25	35.98	36.92
Membership organizations.....	13.74	19.12	13.09	15.04	14.41	18.55	17.03	25.70	15.73	15.07
Architectural and engineering services.....	7.15	9.79	4.98	5.89	5.04	5.75	6.49	10.49	8.10	7.98
Accounting, auditing, and bookkeeping services.....	10.64	12.79	16.39	15.86	16.62	48.15	14.30	41.35	15.19	12.75
Miscellaneous services (including veterinarians), not elsewhere classified.....	4.49	6.65	4.14	5.27	4.28	4.83	5.46	5.48	6.69	6.65
Nature of business not allocable.....	9.28	17.30	16.64	22.89	17.16	20.00	19.10	18.49	43.25	41.12

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

# Corporation Returns/1991

## 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 <sup>2</sup>	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Total returns of active corporations.....	0.07	0.10	0.51	0.43	0.52	0.22	0.04	0.13	0.12	0.15
Agriculture, forestry, and fishing.....	2.07	(5)	-	15.06	14.24	5.28	1.37	3.74	2.19	2.63
Agricultural production.....	2.08	(5)	-	15.55	30.49	6.26	1.40	4.09	2.32	2.87
Agricultural services, (except veterinarians), forestry, fishing, hunting, and trapping.....	(5)	-	-	40.68	14.73	9.84	3.67	9.22	5.30	5.53
Mining.....	0.33	-	2.31	4.56	1.59	1.58	0.42	2.23	0.96	1.33
Metal mining.....	(5)	-	-	(5)	(5)	1.81	0.99	1.66	1.30	2.29
Copper, lead and zinc, gold and silver ores.....	(5)	-	-	(5)	(5)	2.42	0.92	1.24	0.89	1.91
Other metal mining.....	(5)	-	-	(5)	(5)	0.57	4.96	12.28	4.91	14.19
Coal mining.....	(5)	-	(5)	(5)	10.71	5.77	1.40	2.32	3.08	5.38
Oil and gas extraction.....	0.38	-	2.35	5.60	1.80	2.11	0.46	3.17	1.15	1.48
Crude petroleum, natural gas, and natural gas liquids.....	0.08	-	2.33	6.23	0.73	1.83	0.41	3.58	0.84	1.19
Oil and gas field services.....	3.23	-	78.78	10.05	70.66	9.45	2.05	4.61	3.44	3.41
Nonmetallic minerals, except fuels.....	0.26	-	11.56	27.44	38.45	5.07	2.50	4.28	3.92	4.30
Dimension, crushed, and broken stone; sand and gravel.....	16.68	-	11.83	31.92	46.42	6.80	2.91	5.36	4.89	5.47
Other nonmetallic minerals, except fuels.....	0.17	-	(5)	(5)	12.80	6.70	4.79	5.65	5.89	5.89
Construction.....	0.55	(5)	50.18	6.78	11.32	2.39	0.72	1.67	1.46	1.70
General building contractors and operative builders.....	0.43	-	74.99	22.74	18.09	4.27	0.83	3.40	2.29	2.95
General building contractors.....	0.63	-	74.99	18.35	18.09	4.34	0.91	3.67	2.33	2.94
Operative builders.....	(5)	-	-	59.09	-	12.76	1.96	6.63	11.22	19.39
Heavy construction contractors.....	0.19	(5)	68.14	7.56	21.32	3.02	1.26	1.85	2.57	3.11
Special trade contractors.....	20.01	(5)	93.45	19.51	19.76	4.95	1.76	3.11	2.55	2.69
Plumbing, heating, and air conditioning.....	-	(5)	-	58.36	37.11	11.19	4.64	7.47	5.78	6.45
Electrical work.....	-	-	93.45	37.19	32.10	10.91	4.26	9.41	6.16	6.79
Other special trade contractors and contractors not allocable.....	20.01	-	-	22.96	29.33	6.36	2.09	3.54	3.13	3.26
Manufacturing.....	0.05	(5)	0.14	0.87	0.63	0.24	0.08	0.13	0.14	0.17
Food and kindred products.....	0.01	(5)	20.83	1.85	2.41	0.69	0.33	0.55	0.78	0.82
Meat products.....	(5)	(5)	-	4.93	19.72	3.40	2.17	3.07	3.09	3.72
Dairy products.....	0.09	-	84.49	17.53	31.51	5.55	2.10	2.29	4.46	4.64
Preserved fruits and vegetables.....	(5)	(5)	-	1.43	65.76	1.80	1.19	1.40	2.07	2.35
Grain mill products.....	(5)	(5)	-	0.87	(5)	0.77	0.68	1.18	1.39	1.37
Bakery products.....	5.04	(5)	-	6.76	24.18	5.61	4.29	4.95	6.03	5.59
Sugar and confectionery products.....	(5)	(5)	-	21.25	22.45	1.43	1.65	1.78	2.81	3.38
Malt liquors and malt.....	(5)	-	-	(5)	(5)	0.06	0.41	0.43	0.58	0.68
Alcoholic beverages, except malt liquors and malt.....	(5)	(5)	-	(5)	(5)	6.60	1.00	1.69	4.68	5.78
Bottled soft drinks and flavorings.....	(4)	(4)	(5)	38.24	8.44	2.08	0.42	1.45	1.80	1.54
Other food and kindred products.....	0.09	(5)	-	2.05	3.46	2.12	0.92	1.35	1.86	1.99
Tobacco manufactures.....	(5)	(5)	-	0.08	-	0.22	0.02	0.03	0.10	0.07
Textile mill products.....	0.15	(5)	-	7.62	3.28	2.52	1.25	2.18	1.67	1.90
Weaving mills and textile finishings.....	0.24	-	-	18.95	0.10	3.90	1.70	2.55	2.05	2.46
Knitting mills.....	(5)	-	-	8.95	36.89	8.85	6.96	9.06	8.07	10.07
Other textile mill products.....	0.05	(5)	-	12.63	3.32	3.04	1.63	3.24	2.38	2.48
Apparel and other textile products.....	0.08	(5)	-	6.09	3.68	2.12	1.49	2.42	2.81	3.10
Men's and boys' clothing.....	0.06	(5)	-	1.21	2.32	1.39	1.24	1.65	2.98	2.47
Women's and children's clothing.....	(5)	(5)	-	6.50	53.11	4.06	3.35	5.34	4.84	5.01
Other apparel and accessories.....	(5)	(5)	-	24.87	37.62	12.83	4.75	13.18	8.73	10.70
Miscellaneous fabricated textile products; textile products, not elsewhere classified.....	(5)	(5)	-	48.62	57.35	16.18	6.13	9.18	8.95	9.98
Lumber and wood products.....	11.18	-	3.74	22.23	4.32	2.65	0.93	1.41	1.29	1.86
Logging, sawmills, and planing mills.....	7.35	-	66.50	34.00	38.12	6.07	1.50	1.95	2.47	4.53
Millwork, plywood, and related products.....	0.01	-	(5)	39.32	0.50	3.03	1.13	1.71	1.26	1.42
Other wood products, including wood buildings and mobile homes.....	58.77	-	(5)	42.91	4.62	7.33	3.47	8.87	5.02	5.84
Furniture and fixtures.....	0.02	-	-	6.87	24.13	3.62	1.99	4.19	2.80	3.02
Paper and allied products.....	0.03	(5)	(5)	3.30	9.84	0.90	0.36	0.61	0.43	0.49
Pulp, paper, and board mills.....	(5)	(5)	(5)	19.64	10.14	0.94	0.26	0.42	0.32	0.31
Other paper products.....	0.04	(5)	-	2.34	23.93	1.53	0.91	1.73	1.15	1.38
Printing and publishing.....	0.09	(5)	74.30	9.62	11.15	1.19	0.48	0.83	1.15	1.12
Newspapers.....	(5)	(5)	74.30	1.18	45.93	1.55	0.60	0.98	1.40	0.97
Periodicals.....	(5)	-	-	4.71	4.62	4.30	0.76	1.29	2.81	3.48
Books, greeting cards, and miscellaneous publishing.....	0.69	-	-	31.18	2.80	2.17	1.02	2.91	2.70	2.39
Commercial and other printing, and printing trade services.....	0.17	(5)	-	13.92	16.66	2.92	1.68	2.96	2.34	2.46
Chemical and allied products.....	0.18	(5)	0.08	0.55	0.64	0.40	0.14	0.20	0.23	0.28
Industrial chemicals, plastics materials and synthetics.....	0.07	(5)	(5)	1.93	0.68	0.68	0.18	0.25	0.27	0.34
Drugs.....	0.03	(5)	70.92	0.47	0.76	0.43	0.21	0.27	0.38	0.49
Soaps, cleaners, and toilet goods.....	0.16	(5)	-	(5)	(5)	1.02	0.36	0.66	0.77	0.87
Paints and allied products.....	0.22	(5)	-	7.57	41.47	4.82	4.31	4.64	5.47	5.15
Agriculture and other chemical products.....	4.44	(5)	-	5.79	33.30	2.66	0.84	1.40	1.14	1.40
Petroleum (including integrated) and coal products.....	0.01	(5)	(5)	0.57	0.14	0.13	0.05	0.08	0.08	0.23
Petroleum refining (including integrated).....	(5)	(5)	(5)	(5)	(5)	0.02	0.03	0.04	0.03	0.09
Petroleum and coal products, not elsewhere classified.....	74.09	-	-	36.74	96.45	22.72	9.78	27.15	12.00	14.68
Rubber and miscellaneous plastics products.....	0.69	(5)	(5)	13.37	11.09	2.98	1.04	1.62	1.30	1.52
Rubber products; plastics footwear, hose and belting.....	(4)	(5)	(5)	18.61	19.26	2.99	1.16	1.70	1.17	1.38
Miscellaneous plastics products.....	1.18	(5)	-	18.60	13.16	5.10	1.72	2.74	2.34	2.61
Leather and leather products.....	3.76	(5)	-	0.94	29.13	4.07	1.79	4.79	2.10	2.34
Footwear, except rubber.....	3.39	(5)	-	0.95	34.16	3.02	1.41	4.61	1.74	1.90
Leather and leather products, not elsewhere classified.....	42.25	(5)	-	(5)	(5)	15.46	10.19	12.98	10.24	11.77
Stone, clay, and glass products.....	0.05	(5)	(5)	8.33	17.95	4.12	0.70	1.38	1.44	1.90
Glass products.....	(5)	(5)	(5)	5.38	73.85	3.15	0.50	0.70	1.02	2.10
Cement, hydraulic.....	(5)	-	-	(5)	(5)	18.81	1.09	1.40	1.87	2.10
Concrete, gypsum, and plaster products.....	(5)	(5)	(5)	36.03	23.49	10.94	2.18	8.39	3.87	4.14

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

# Corporation Returns/1991

## 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 <sup>3</sup>	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>Manufacturing--Continued</b>										
Other nonmetallic mineral products.....	8.06	(5)	-	35.17	73.85	15.26	2.98	3.70	4.88	5.63
Primary metal industries.....	(5)	-	-	5.85	4.42	1.79	0.40	0.88	0.58	0.78
Ferrous metal industries, miscellaneous										
primary mineral products.....	(4)	-	-	10.34	4.23	2.26	0.62	1.68	0.94	1.14
Nonferrous metal industries.....	(5)	-	-	3.90	47.33	2.77	0.52	1.03	0.71	1.08
Fabricated metal products.....	0.45	(5)	-	4.01	3.43	2.02	0.81	1.21	1.39	1.55
Metal cans and shipping containers.....	(5)	(5)	-	(5)	4.98	3.22	2.07	1.93	2.72	3.20
Cutlery, hand tools, and hardware; screw										
machine products, bolts, and similar products.....	(5)	(5)	-	8.99	44.04	4.58	1.86	1.99	4.32	5.11
Plumbing and heating, except electric										
and warm air.....	2.84	-	-	28.97	34.60	5.50	2.76	2.83	4.59	5.40
Fabricated structural metal products.....	0.63	-	-	13.60	1.02	5.01	2.08	3.10	2.84	3.22
Metal forgings and stampings.....	(5)	-	-	21.56	28.29	8.98	2.86	4.64	4.25	4.40
Coating, engraving, and allied services.....	81.18	(5)	-	55.54	26.85	10.23	9.35	12.09	11.20	11.60
Ordinance and accessories, except vehicles										
and guided missiles.....	(5)	-	-	(5)	-	16.12	9.50	13.22	13.98	14.35
Miscellaneous fabricated metal products.....	1.85	(5)	-	3.82	9.66	3.11	1.16	2.15	2.16	2.32
Machinery, except electrical.....	0.09	(5)	(5)	2.39	4.16	1.67	0.37	0.62	0.59	0.59
Farm machinery.....	11.11	-	-	25.31	1.94	5.65	2.03	4.13	2.43	3.53
Construction and related machinery.....	0.32	-	-	4.29	12.60	5.38	1.08	1.87	1.73	1.42
Metaworking machinery.....	2.61	(5)	-	48.61	58.62	10.74	2.61	5.40	4.68	4.89
Special industry machinery.....	2.83	(5)	(5)	25.80	45.04	8.54	2.50	3.91	3.89	3.99
General industry machinery.....	1.72	(5)	-	6.83	1.36	4.38	1.35	1.69	2.15	2.49
Office, computing, and accounting machines		(5)	-	0.80	0.91	1.03	0.19	0.43	0.27	0.27
Other machinery, except electrical.....	0.59	-	-	37.01	31.01	6.97	1.68	3.33	3.02	3.36
Electrical and electronic equipment.....	0.25	(5)	-	1.80	7.06	0.93	0.23	0.64	0.37	0.34
Household appliances.....	(5)	-	-	7.27	-	2.94	0.88	6.06	1.28	1.20
Radio, television, and communication										
equipment.....	(5)	(5)	-	4.73	(5)	3.15	0.98	1.41	1.09	1.08
Electronic components and accessories.....	0.49	(5)	-	2.99	12.42	1.55	0.62	0.98	0.96	0.97
Other electrical equipment.....	0.40	(5)	-	2.47	8.78	1.27	0.24	0.87	0.36	0.30
Motor vehicles and equipment.....	0.14	(5)	(5)	4.47	10.41	3.89	0.11	0.29	0.20	0.19
Transportation equipment, except motor vehicles..	0.26	(5)	-	6.90	0.28	0.32	0.37	0.64	0.53	1.52
Aircraft, guided missiles and parts.....	0.01	(5)	-	2.19	0.19	0.25	0.23	0.49	0.25	0.44
Ship and boat building and repairing.....	70.45	(5)	-	74.83	6.65	7.90	5.41	8.02	9.21	10.37
Other transportation equipment, except										
motor vehicles.....	14.41	-	-	29.62	2.37	4.58	2.99	4.39	3.90	12.89
Instruments and related products.....	0.06	(5)	-	2.60	3.01	1.45	0.65	1.03	0.74	1.07
Scientific instruments and measuring										
devices; watches and clocks.....	0.10	(5)	-	3.95	1.48	4.34	1.32	1.72	1.67	1.47
Optical, medical, and ophthalmic goods.....	0.11	(5)	-	4.26	23.15	2.50	1.04	1.61	1.65	1.72
Photographic equipment and supplies.....	(5)	-	-	2.30	(5)	0.74	0.63	1.37	0.51	3.26
Miscellaneous manufacturing and										
manufacturing not allocable.....	0.95	(5)	(5)	6.73	11.16	2.14	0.81	1.71	1.71	1.84
<b>Transportation and public utilities.....</b>	<b>1.63</b>	<b>(5)</b>	<b>(5)</b>	<b>0.49</b>	<b>0.71</b>	<b>0.22</b>	<b>0.10</b>	<b>0.23</b>	<b>0.14</b>	<b>0.24</b>
Transportation.....	14.37	(5)	(5)	2.01	8.75	1.46	0.45	1.27	0.64	0.98
Railroad transportation.....	(5)	-	(5)	0.32	2.80	1.37	0.30	0.52	0.37	0.51
Local and interurban passenger transit.....	-	-	-	44.24	97.44	20.23	7.95	15.46	10.32	10.48
Trucking and warehousing.....	0.84	(5)	-	9.29	10.38	2.34	1.47	2.65	2.04	2.47
Water transportation.....	0.98	-	-	8.76	33.43	3.87	2.18	4.67	3.29	3.82
Transportation by air.....	0.81	-	-	(5)	(5)	4.17	0.44	8.68	0.67	0.80
Pipelines, except natural gas.....	93.85	-	-	-	(5)	4.56	4.53	26.41	5.60	4.85
Transportation services, not										
elsewhere classified.....	19.42	-	-	2.97	35.15	7.83	2.45	6.49	3.56	4.46
Communication.....	(4)	(5)	(5)	0.65	0.34	0.27	0.13	0.39	0.18	0.21
Telephone, telegraph, and other										
communication services.....	(4)	(5)	(5)	0.63	0.30	0.26	0.12	0.23	0.15	0.18
Radio and television broadcasting.....	(5)	-	-	5.50	12.34	1.48	0.56	3.52	1.19	1.50
Electric, gas, and sanitary services.....	(5)	-	(5)	0.14	0.37	0.12	0.07	0.11	0.08	0.18
Electric services.....	(5)	-	(5)	(5)	(5)	0.04	0.05	0.10	0.03	0.07
Gas production and distribution.....	(5)	-	(5)	2.71	0.71	0.44	0.16	0.26	0.18	0.26
Combination utility services.....	(5)	-	(5)	(4)	(5)	0.08	0.05	0.07	0.06	0.22
Water supply and other sanitary services.....	(5)	-	(5)	6.58	11.58	1.75	1.22	1.79	1.88	2.34
<b>Wholesale and retail trade.....</b>	<b>0.61</b>	<b>(5)</b>	<b>10.16</b>	<b>1.35</b>	<b>1.94</b>	<b>(5)</b>	<b>0.25</b>	<b>(5)</b>	<b>(5)</b>	<b>0.46</b>
Wholesale trade.....	0.87	(5)	10.26	3.70	3.17	1.16	0.42	0.92	0.80	0.71
Groceries and related products.....	18.80	(5)	-	3.39	10.20	2.15	1.24	2.52	2.01	1.98
Machinery, equipment, and supplies.....	2.37	(5)	5.40	15.27	27.71	3.90	1.32	2.58	2.54	2.90
Miscellaneous wholesale trade.....	0.89	(5)	15.12	4.37	2.80	1.38	0.48	1.05	0.92	0.75
Motor vehicles and automotive equipment.....	0.82	-	-	20.11	9.25	2.06	0.84	1.46	1.16	0.69
Furniture and home furnishings.....	71.14	-	-	63.35	69.90	9.22	7.17	9.42	9.92	10.77
Lumber and construction materials.....	(5)	(5)	(5)	77.22	21.75	12.82	4.03	7.50	5.06	5.15
Sporting, recreational, photographic, and										
hobby goods, toys and supplies.....	9.05	-	-	32.65	16.63	8.76	3.74	8.87	8.15	6.60
Metals and minerals, except petroleum										
and scrap.....	24.35	(5)	69.93	13.01	16.38	7.52	1.92	4.09	4.21	4.26
Electrical goods.....	5.00	(5)	17.83	20.90	23.13	4.17	1.35	3.02	1.90	1.78
Hardware, plumbing, and heating										
equipment and supplies.....	32.39	-	-	46.93	63.07	8.64	3.76	5.13	4.70	5.63
Other durable goods.....	34.33	(5)	-	21.80	21.50	5.24	1.90	3.69	3.69	3.52
Paper and paper products.....	0.04	-	-	46.92	-	12.16	4.21	5.06	8.55	9.40
Drugs, drug proprietaries, and										
druggists' sundries.....	(5)	-	-	10.90	10.05	5.16	2.21	3.05	3.23	3.20
Apparel, piece goods, and notions.....	4.08	-	-	(5)	96.36	3.71	2.71	6.03	4.65	5.98
Farm-product raw materials.....	1.19	-	-	4.95	4.50	2.78	1.32	2.26	2.98	3.22
Chemicals and allied products.....	31.36	-	-	8.16	29.04	10.80	4.72	6.70	6.68	6.19
Petroleum and petroleum products.....	(4)	-	82.95	4.52	20.42	5.12	0.65	5.29	3.00	3.53
Alcoholic beverages.....	(5)	(5)	-	12.68	2.11	6.84	3.41	4.59	5.42	5.82
Miscellaneous nondurable goods;										
wholesale trade not allocable.....	7.85	(5)	(5)	18.50	11.86	4.57	2.24	3.81	3.73	4.07
<b>Retail trade.....</b>	<b>0.14</b>	<b>(5)</b>	<b>24.10</b>	<b>1.41</b>	<b>2.45</b>	<b>0.57</b>	<b>0.29</b>	<b>0.76</b>	<b>0.49</b>	<b>0.61</b>
Building materials, garden supplies,										
and mobile home dealers.....	3.41	-	-	4.19	37.92	3.38	2.10	3.59	2.77	3.04
Building material dealers.....	38.06	-	-	1.06	54.18	3.44	2.35	3.57	2.94	3.36
Hardware stores.....	-	-	-	93.31	92.60	21.97	6.30	9.69	7.19	7.21

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

# Corporation Returns/1991

## 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 <sup>3</sup>	Total assets	Net worth	Depreciable assets	Depreciation deduction
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>Wholesale and retail trade—Continued</b>										
Retail trade—Continued										
Garden supplies and mobile home dealers.....	(5)	-	-	37.38	5.58	6.49	5.69	19.00	9.49	9.97
General merchandise stores.....	(4)	(5)	(5)	0.24	1.43	0.28	0.15	0.42	0.33	0.31
Food stores.....	3.13	(5)	-	2.38	5.51	1.13	0.72	2.58	1.04	1.16
Grocery stores.....	(5)	(5)	-	2.27	5.48	1.11	0.66	2.46	0.93	1.03
Other food stores.....	71.24	-	-	54.11	54.07	12.56	5.61	17.44	6.83	7.37
Automotive dealers and service stations.....	37.75	(5)	-	17.71	14.83	4.72	1.15	3.58	1.99	2.54
Motor vehicle dealers.....	-	-	-	26.66	17.80	6.64	1.16	5.10	2.10	3.20
Gasoline service stations.....	37.75	-	-	33.54	28.13	11.49	5.03	8.27	5.77	6.27
Other automotive dealers.....	-	(5)	-	12.43	66.36	8.11	3.62	6.00	4.46	5.51
Apparel and accessory stores.....	0.20	-	-	1.21	6.09	1.60	0.86	1.74	1.01	1.18
Furniture and home furnishings stores.....	8.27	-	-	9.54	(5)	5.92	2.20	3.83	3.12	5.45
Eating and drinking places.....	0.08	(5)	(5)	3.88	13.61	1.96	0.66	3.63	1.22	1.38
Miscellaneous retail stores.....	1.17	-	71.20	5.87	18.63	2.07	1.18	2.08	1.73	1.96
Drug stores and proprietary stores.....	10.73	-	-	10.29	66.90	3.06	2.35	4.09	2.68	2.39
Liquor stores.....	(5)	-	71.20	92.92	70.44	23.33	8.86	14.43	11.57	11.72
Other retail stores.....	1.17	-	-	6.90	12.57	2.48	1.34	2.39	2.05	2.34
Wholesale and retail trade not allocable.....	2.57	(5)	-	(5)	9.31	6.81	48.21	9.05	11.12	11.12
<b>Finance, insurance, and real estate</b>	0.31	(5)	9.02	0.71	0.26	0.63	0.03	0.19	0.52	0.28
Banking.....	(4)	-	(5)	0.32	0.19	2.03	0.04	0.15	0.07	0.10
Mutual savings banks.....	(5)	-	-	(5)	0.16	0.14	0.14	0.15	0.17	0.14
Bank holding companies.....	(4)	-	(5)	0.16	0.12	0.10	0.03	0.05	0.04	0.02
Banks, except mutual savings banks and bank holding companies.....	(5)	-	-	4.00	2.22	9.03	0.31	1.77	0.60	1.10
Credit agencies other than banks.....	0.01	(5)	(5)	0.18	0.33	0.19	0.06	0.53	0.51	0.72
Savings and loan associations.....	(5)	(5)	-	0.31	0.20	0.16	0.06	1.09	0.08	0.07
Personal credit institutions.....	(5)	(5)	-	(5)	(5)	1.26	0.40	0.78	2.18	2.96
Business credit institutions.....	(5)	(5)	-	0.61	(5)	2.27	0.32	4.79	2.82	1.57
Other credit agencies; finance not allocable.....	0.01	(5)	(5)	0.22	1.87	0.44	0.13	0.70	1.53	1.92
Security, commodity brokers and services.....	0.05	-	2.24	0.05	1.40	0.65	0.10	1.24	1.73	2.00
Security brokers, dealers, and flotation companies.....	0.01	-	(5)	0.04	1.42	0.54	0.08	1.02	1.53	1.32
Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.....	5.71	-	2.11	6.71	7.52	3.20	1.13	5.20	4.13	6.48
Insurance.....	0.01	(5)	(5)	0.12	0.18	0.22	0.03	0.08	0.26	0.12
Life insurance.....	-	(5)	(5)	0.03	(5)	0.19	0.03	0.09	0.10	0.06
Mutual property and casualty insurance companies.....	0.01	-	(5)	0.66	0.46	0.50	0.14	0.27	0.37	0.20
Stock property and casualty insurance companies and other insurance companies.....	0.01	-	(5)	(4)	0.43	0.60	0.08	0.14	0.49	0.36
Insurance agents, brokers, and service.....	(5)	-	(5)	23.48	52.62	3.19	1.27	3.01	3.32	4.12
Real estate.....	2.22	-	57.88	13.37	11.05	0.72	4.55	1.11	1.45	1.45
Real estate operators and lessors of buildings.....	14.44	(5)	97.49	17.18	19.50	4.83	1.11	3.27	1.46	1.98
Lessors of mining, oil, and similar property.....	59.81	-	58.74	97.50	(5)	20.53	9.15	19.42	8.49	33.34
Lessors of railroad property, and of real property, not elsewhere classified.....	97.57	-	-	82.52	-	36.49	11.91	18.34	23.18	12.14
Condominium management and cooperative housing associations.....	(5)	(5)	-	88.56	-	9.22	3.07	3.93	3.43	3.93
Subdividers and developers.....	56.98	-	-	56.98	22.53	9.02	1.31	21.75	2.41	3.13
Other real estate.....	2.25	-	-	18.34	12.39	6.84	1.46	13.55	2.77	3.72
<b>Holding and other investment companies, except bank holding companies.....</b>	3.77	(5)	54.36	14.32	5.63	2.31	0.09	0.22	1.24	1.40
Regulated investment companies.....	-	-	(5)	(5)	-	1.16	0.07	0.07	5.34	11.15
Real estate investment trusts.....	-	-	(5)	(5)	-	13.03	0.65	1.42	1.27	2.23
Small business investment companies.....	-	-	(5)	(5)	97.44	30.11	8.15	17.48	22.60	24.82
Other holding and investment companies, except bank holding companies.....	3.77	(5)	54.36	14.66	5.36	2.35	0.50	5.15	2.13	1.67
<b>Services</b>	1.52	(5)	(5)	3.46	3.23	1.19	0.40	1.03	0.74	0.75
Hotels and other lodging places.....	6.87	(5)	-	10.75	6.77	4.96	0.79	4.88	1.58	1.75
Personal services.....	(5)	-	-	20.05	20.53	4.10	2.96	4.77	3.81	4.19
Business services.....	1.38	(5)	-	5.52	7.02	2.23	0.67	2.13	1.44	1.34
Advertising.....	2.31	-	-	39.69	17.81	8.87	1.95	5.23	4.34	5.19
Business services, except advertising.....	1.85	(5)	-	5.57	7.61	2.31	0.72	2.29	1.52	1.38
Auto repair, miscellaneous repair services.....	10.67	-	-	6.83	6.27	4.83	1.46	3.76	1.76	1.75
Auto repair and services.....	6.89	-	-	4.96	6.27	5.14	1.47	4.39	1.81	1.82
Miscellaneous repair services.....	18.28	-	-	43.25	98.96	9.43	4.88	7.20	6.12	6.34
Amusement and recreation services.....	3.42	(5)	-	8.29	29.42	3.42	0.65	1.70	1.99	1.70
Motion picture production, distribution, and services.....	5.32	-	-	11.05	54.00	7.36	0.73	1.18	7.09	2.95
Motion picture theaters.....	(5)	-	-	30.21	-	8.52	2.07	2.99	3.94	3.81
Amusement and recreation services, except motion pictures.....	4.54	(5)	-	11.17	34.99	4.05	1.14	4.61	2.12	2.26
Other services.....	9.29	(5)	(5)	7.53	3.85	1.85	0.98	1.79	1.53	1.75
Offices of physicians, including osteopathic physicians.....	-	-	-	68.71	-	15.02	6.59	15.02	9.14	9.84
Offices of dentists.....	-	-	-	99.85	-	46.80	13.05	20.15	13.93	15.40
Offices of other health practitioners.....	-	-	-	-	-	21.66	13.09	25.11	14.57	16.05
Nursing and personal care facilities.....	58.70	-	-	7.10	5.96	8.60	2.91	8.34	3.67	3.88
Hospitals.....	(5)	(5)	-	8.48	0.79	0.84	0.61	0.87	0.91	0.90
Medical laboratories.....	-	-	-	26.15	73.55	9.17	6.48	8.08	11.53	10.45
Other medical services.....	(5)	(5)	-	13.64	6.51	4.16	3.22	4.67	5.76	5.81
Legal services.....	-	-	-	83.39	-	51.38	9.84	16.45	11.97	12.32
Educational services.....	2.35	(5)	-	57.65	49.48	11.94	5.49	9.77	7.55	7.79
Social services.....	-	-	-	72.18	-	36.92	9.64	38.68	11.48	13.40
Membership organizations.....	40.82	-	-	89.20	13.58	15.54	8.06	11.01	12.36	13.08
Architectural and engineering services.....	25.73	(5)	(5)	21.49	21.94	8.42	3.26	5.26	5.28	5.22
Accounting, auditing, and bookkeeping services.....	(5)	-	-	-	83.24	13.86	11.63	26.44	14.03	13.31
Miscellaneous services (including veterinarians), not elsewhere classified.....	9.32	(5)	(5)	18.84	45.11	7.13	2.45	5.45	4.21	5.27
<b>Nature of business not allocable.....</b>	(5)	-	-	-	-	41.13	10.29	97.63	16.56	27.95

<sup>1</sup> Estimate should be used with caution because of the small number of sample returns on which it was based.

<sup>2</sup> Iron ores, which was shown separately in previous years, is now included in "Other metal mining."

<sup>3</sup> Less than \$500 per return.

<sup>4</sup> Credits include foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, and prior year minimum tax.

<sup>5</sup> Coefficient of variation is less than .005 but greater than zero.

<sup>6</sup> 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."

# Corporation Returns/1991

## 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)
<b>Number of returns, total.....</b>	<b>3,802,788</b>	<b>213,340</b>	<b>1,963,525</b>	<b>629,829</b>	<b>376,585</b>	<b>258,942</b>
<b>Total assets.....</b>	<b>19,029,508,839</b>	<b>-</b>	<b>60,831,833</b>	<b>102,269,942</b>	<b>133,398,224</b>	<b>183,078,016</b>
Cash.....	786,735,219	-	13,006,262	16,615,191	19,134,842	23,110,654
Notes and accounts receivable.....	4,191,331,906	-	6,577,945	15,306,667	22,344,901	34,351,686
Less: Allowance for bad debts.....	114,576,136	-	90,680	215,014	292,096	488,720
Inventories.....	883,913,179	-	7,517,302	14,969,799	22,351,248	31,661,622
Investments in Government obligations.....	1,068,564,351	-	58,740	141,437	374,922	612,843
Tax-exempt securities.....	469,245,167	-	38,568	171,861	113,790	365,477
Other current assets.....	1,133,425,425	-	2,461,676	4,505,620	6,430,908	8,951,830
Loans to stockholders.....	84,545,262	-	4,400,109	5,417,984	4,593,002	4,325,980
Mortgage and real estate loans.....	1,529,474,897	-	488,157	1,120,542	1,808,218	2,217,672
Other investments.....	4,749,822,622	-	1,854,547	4,638,773	6,981,916	10,691,198
Depreciable assets.....	4,549,055,093	-	61,695,683	75,963,903	88,110,550	107,901,714
Less: Accumulated depreciation.....	1,999,540,977	-	43,123,811	47,879,590	53,535,986	62,391,171
Depletable assets.....	141,758,337	-	319,423	292,033	512,707	703,630
Less: Accumulated depletion.....	61,141,866	-	166,982	62,434	263,412	307,070
Land.....	215,498,441	-	1,791,295	4,825,505	7,996,831	13,341,314
Intangible assets (amortizable).....	489,782,490	-	2,645,086	3,840,242	3,498,233	4,123,076
Less: Accumulated amortization.....	110,369,202	-	1,399,325	1,895,335	1,358,022	1,650,087
Other assets.....	1,021,984,633	-	2,757,839	4,512,558	4,595,672	5,556,369
<b>Total liabilities.....</b>	<b>19,029,508,839</b>	<b>-</b>	<b>60,831,833</b>	<b>102,269,942</b>	<b>133,398,224</b>	<b>183,078,016</b>
Accounts payable.....	1,680,717,102	-	8,969,512	13,480,834	18,651,368	26,313,030
Mortgages, notes, and bonds payable in less than one year.....	1,500,043,192	-	8,166,007	10,148,953	17,671,398	20,293,484
Other current liabilities.....	4,856,874,743	-	6,968,485	8,384,013	10,002,156	13,588,993
Loans from stockholders.....	306,729,880	-	27,773,454	20,313,344	18,660,160	19,629,129
Mortgages, notes, and bonds payable in one year or more.....	2,697,909,300	-	14,350,807	23,426,487	29,201,749	40,623,941
Other liabilities.....	2,710,749,072	-	6,345,185	3,899,328	3,510,458	6,908,106
Capital stock.....	1,740,894,708	-	15,665,524	13,628,174	13,803,195	16,444,102
Paid-in or capital surplus.....	3,257,218,951	-	16,713,813	12,625,224	14,850,017	18,276,690
Retained earnings, appropriated.....	74,926,536	-	223,682	272,900	624,401	669,104
Retained earnings, unappropriated.....	1,365,865,627	-	40,697,247	204,382	11,093,199	25,673,524
Less: Cost of treasury stock.....	1,162,420,270	-	3,647,388	4,113,698	4,669,877	5,342,086
<b>Total receipts.....</b>	<b>11,436,474,767</b>	<b>171,630,701</b>	<b>343,585,144</b>	<b>313,008,384</b>	<b>326,731,486</b>	<b>397,472,192</b>
Business receipts.....	9,965,628,799	103,002,307	336,589,796	306,704,640	319,681,772	387,917,237
Interest.....	883,325,876	55,728,259	599,560	863,652	1,214,360	1,580,415
Interest on Government obligations:						
State and local.....	36,339,860	310,785	18,835	13,838	22,585	43,515
Rents.....	101,958,702	1,438,234	485,639	590,701	842,474	1,218,093
Royalties.....	34,822,123	143,198	139,909	121,497	154,752	145,855
Net short-term capital gain reduced by net long-term capital loss.....	13,742,293	134,120	60,678	30,617	33,163	90,035
Net long-term capital gain reduced by net short-term capital loss.....	41,111,234	1,462,273	359,866	284,653	386,986	560,526
Net gain, noncapital assets.....	31,476,569	1,667,028	587,281	445,564	498,289	618,090
Dividends received from domestic corporations.....	13,114,605	66,187	7,698	46,802	84,993	92,074
Dividends received from foreign corporations.....	28,760,176	19,134	13	19,461	3,607	1,814
Other receipts.....	286,194,531	7,659,175	4,735,869	3,886,958	3,808,504	5,204,536
<b>Total deductions.....</b>	<b>11,087,119,512</b>	<b>170,399,630</b>	<b>343,445,341</b>	<b>311,671,644</b>	<b>325,504,162</b>	<b>395,144,692</b>
Cost of sales and operations.....	6,654,370,271	76,177,547	161,658,730	173,114,231	196,272,981	247,220,770
Compensation of officers.....	201,408,195	1,669,770	32,399,826	22,930,874	19,111,368	20,847,660
Repairs.....	94,643,427	517,614	3,123,627	2,834,379	2,796,030	3,022,843
Bad debts.....	100,875,268	4,592,402	1,020,905	941,570	1,187,273	1,312,670
Rent paid on business property.....	192,743,992	2,505,587	15,948,622	10,877,794	9,252,013	9,616,907
Taxes paid.....	257,796,399	2,352,171	10,646,812	9,111,455	9,337,276	10,390,695
Interest paid.....	735,721,055	48,552,641	2,920,665	3,625,766	4,407,496	5,850,103
Contributions or gifts.....	4,762,763	32,828	43,768	118,964	66,064	79,059
Amortization.....	35,923,984	385,211	403,036	496,417	493,546	481,513
Depreciation.....	333,952,832	2,738,362	5,617,327	6,400,355	6,719,059	8,032,636
Depletion.....	8,417,411	37,296	16,469	14,425	41,425	74,421
Advertising.....	129,194,304	1,413,153	4,271,240	3,333,487	3,003,126	3,540,327
Pension, profit-sharing, stock bonus, and annuity plans.....	46,487,339	256,654	1,208,304	1,026,166	1,060,778	1,500,458
Employee benefit programs.....	133,467,913	901,697	1,999,994	2,026,310	2,542,275	3,388,935
Net loss, noncapital assets.....	18,859,047	1,786,633	602,328	559,452	322,209	258,215
Other deductions.....	2,138,495,313	26,480,065	101,563,687	74,259,585	68,891,243	79,527,480
<b>Total receipts less total deductions.....</b>	<b>349,355,256</b>	<b>1,231,071</b>	<b>139,803</b>	<b>1,336,739</b>	<b>1,227,324</b>	<b>2,327,499</b>
Constructive taxable income from related foreign corporations.....	31,844,399	29,222	-	2,371	14,184	350
Net income (less deficit), total.....	344,859,794	949,507	120,968	1,325,272	1,218,923	2,284,334
Income subject to tax.....	350,009,712	4,608,532	1,965,682	3,259,536	3,888,191	4,577,770
Income tax, total.....	121,121,231	1,362,849	322,162	561,866	771,038	1,003,751
Regular tax.....	116,275,308	1,427,774	319,105	555,698	760,724	987,699
Personal holding company tax.....	14,764	142	874	332	151	1,033
Recapture of investment credit.....	72,693	15	-	-	-	-
Alternative minimum tax.....	5,320,587	50,310	1,698	4,934	9,298	17,278
Environmental tax.....	479,288	5,114	14	12	55	40
Foreign tax credit.....	21,096,940	10,898	4,806	5,927	5,419	4,099
U.S. possessions tax credit.....	3,472,330	232,224	416	23	339	507
Orphan drug credit.....	18,475	-	-	-	-	-
Nonconventional source fuel credit.....	244,732	-	-	-	-	265
General business credit.....	2,206,371	5,523	4,593	11,128	13,120	23,502
Prior year minimum tax credit.....	1,516,063	6,769	1	58	1,602	10,557
<b>Total income tax after credits.....</b>	<b>92,566,319</b>	<b>1,107,434</b>	<b>312,345</b>	<b>544,730</b>	<b>750,558</b>	<b>968,512</b>

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



# Corporation Returns/1991

## 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.....	267,503	37,995	24,631	11,009	7,516	5,982	5,933
<b>Total assets.....</b>	<b>558,017,320</b>	<b>264,101,157</b>	<b>383,658,181</b>	<b>389,027,738</b>	<b>533,131,086</b>	<b>962,808,364</b>	<b>15,459,186,978</b>
Cash.....	52,423,626	22,167,992	28,245,175	25,677,061	30,192,942	44,987,105	511,174,368
Notes and accounts receivable.....	116,388,666	56,097,929	90,899,292	101,797,783	144,999,115	226,240,418	3,376,327,305
Less: allowance for bad debts.....	1,930,801	1,213,809	2,259,577	2,507,501	3,916,963	6,525,353	95,135,623
Inventories.....	116,378,416	50,365,791	58,720,249	40,529,647	40,079,059	55,133,331	446,206,716
Investment in Government obligations.....	3,221,692	3,209,009	14,390,223	28,454,482	49,196,002	79,697,426	889,207,574
Tax-exempt securities.....	1,640,613	1,211,984	3,730,810	8,275,371	14,773,710	38,553,524	400,369,458
Other current assets.....	28,549,580	15,758,013	20,863,717	20,392,074	25,910,504	47,407,781	952,193,722
Loans to stockholders.....	8,209,503	2,758,281	2,455,780	1,722,253	1,794,456	3,683,202	45,184,712
Mortgage and real estate loans.....	5,920,078	3,103,478	6,831,238	13,812,437	33,590,474	80,761,469	1,380,021,135
Other investments.....	37,249,236	23,119,641	42,205,127	52,950,781	83,445,718	196,118,384	4,290,567,302
Depreciable assets.....	285,421,847	124,559,237	158,470,411	117,880,309	126,470,260	206,167,720	3,196,413,458
Less: Accumulated depreciation.....	151,627,935	61,481,729	74,505,111	51,571,567	53,798,107	86,462,404	1,313,163,567
Depletable assets.....	2,413,549	1,945,904	3,217,428	3,784,006	4,618,944	5,384,266	118,566,446
Less: Accumulated depletion.....	1,211,905	897,893	1,725,124	1,887,164	1,941,170	1,843,076	50,835,635
Land.....	33,854,949	12,589,589	14,641,647	10,107,706	10,071,604	13,162,398	93,115,603
Intangible assets (amortizable).....	11,252,284	6,092,099	11,078,878	11,910,057	16,269,472	33,702,665	385,370,698
Less: Accumulated amortization.....	4,559,701	2,325,046	3,899,341	3,404,818	4,585,943	7,802,233	77,489,351
Other assets.....	14,423,624	7,040,688	10,497,359	11,104,820	15,961,009	34,441,739	911,092,957
<b>Total liabilities.....</b>	<b>558,017,320</b>	<b>264,101,157</b>	<b>383,658,181</b>	<b>389,027,738</b>	<b>533,131,086</b>	<b>962,808,364</b>	<b>15,459,186,978</b>
Accounts payable.....	84,454,907	37,847,857	60,791,679	68,139,456	96,112,042	137,493,349	1,128,463,069
Mortgages, notes, and bonds payable in less than one year.....	88,192,405	43,798,027	51,389,668	35,620,329	39,689,020	60,411,150	1,124,662,712
Other current liabilities.....	44,573,485	24,733,953	50,306,621	78,951,407	137,534,511	254,635,433	4,227,195,687
Loans from stockholders.....	41,237,001	12,794,535	11,418,030	7,425,657	7,183,943	10,070,373	130,224,255
Mortgages, notes, and bonds payable in one year or more.....	120,362,523	55,432,926	75,718,753	65,935,836	74,529,678	132,481,034	2,065,845,565
Other liabilities.....	21,973,085	12,032,046	19,860,078	20,348,253	27,869,648	59,470,253	2,528,532,631
Capital stock.....	39,493,748	18,389,125	25,429,610	24,163,033	31,276,298	71,810,347	1,470,791,553
Paid-in or capital surplus.....	59,486,279	33,919,871	55,074,141	63,582,976	92,740,550	202,747,085	2,687,202,307
Retained earnings, appropriated.....	1,311,622	487,273	946,244	838,546	1,793,010	4,511,387	63,248,366
Retained earnings, unappropriated.....	69,283,337	29,601,427	37,915,289	27,673,497	30,736,548	51,849,926	1,122,531,744
Less: Cost of treasury stock.....	12,351,071	4,935,883	5,191,934	3,651,252	6,334,161	22,671,972	1,089,510,949
<b>Total receipts.....</b>	<b>1,174,352,977</b>	<b>497,549,938</b>	<b>563,361,101</b>	<b>393,954,387</b>	<b>393,687,282</b>	<b>591,529,448</b>	<b>6,269,611,748</b>
Business receipts.....	1,143,701,710	481,882,989	541,251,453	368,755,075	357,123,866	518,839,952	5,100,178,001
Interest.....	4,738,504	2,632,155	6,768,555	11,869,956	21,713,594	41,418,695	734,198,171
Investments in government obligations:							
State and local.....	206,321	164,613	390,430	687,993	1,319,942	3,186,435	29,974,568
Rents.....	3,821,657	1,594,861	2,606,186	1,934,469	2,156,768	4,974,968	80,294,652
Royalties.....	292,519	313,187	491,176	587,229	638,164	1,521,252	30,273,385
Net short-term capital gain reduced by net long-term capital loss.....	126,062	67,514	143,392	235,917	400,463	1,158,220	11,262,112
Net long-term capital gain reduced by net short-term capital loss.....	1,541,222	706,173	1,001,234	860,087	1,167,358	2,042,248	30,738,607
Net gain, noncapital assets.....	1,945,862	773,694	955,369	659,513	816,713	1,341,343	21,167,824
Dividends received from domestic corporations.....	382,977	217,346	254,351	287,859	322,131	557,217	10,794,968
Dividends received from foreign corporations.....	88,625	44,213	105,447	170,441	220,494	1,277,811	26,809,116
Other receipts.....	17,507,519	9,153,193	9,393,507	7,905,849	7,807,769	15,211,308	193,920,343
<b>Total deductions.....</b>	<b>1,166,188,124</b>	<b>492,731,910</b>	<b>556,314,707</b>	<b>386,220,322</b>	<b>384,288,224</b>	<b>570,737,464</b>	<b>5,984,473,292</b>
Cost of sales and operations.....	816,665,107	361,796,949	397,319,439	266,123,694	254,304,944	358,693,232	3,345,022,648
Compensation of officers.....	37,811,784	11,014,793	10,567,646	5,835,168	5,046,480	5,777,402	28,395,423
Repairs.....	6,518,426	2,258,716	2,408,265	1,791,749	1,781,841	2,993,426	64,596,095
Bad debts.....	4,280,167	1,990,712	2,971,154	2,165,410	2,261,283	4,551,155	73,600,567
Rent paid on business property.....	18,939,250	6,296,746	7,150,481	5,378,923	5,814,278	8,498,574	92,464,819
Taxes paid.....	24,578,649	9,346,068	10,699,081	7,379,630	7,283,728	11,473,852	145,196,983
Interest paid.....	18,974,847	8,552,703	12,834,920	13,777,878	19,716,329	35,076,225	561,431,481
Contributions or gifts.....	200,332	74,796	126,512	129,385	145,623	274,916	3,470,516
Amortization.....	1,507,557	873,130	1,382,356	1,457,093	1,765,615	2,938,649	23,739,859
Depreciation.....	20,600,144	8,744,213	11,830,862	8,755,125	9,767,635	14,552,008	230,195,106
Depletion.....	175,686	102,955	204,113	296,823	205,754	447,371	6,800,674
Advertising.....	10,447,436	3,867,276	5,084,045	3,868,649	3,920,527	8,192,544	78,252,494
Pension, profit-sharing, stock bonus, and annuity plans.....	3,775,798	1,475,978	1,691,022	1,297,459	1,222,467	2,102,960	29,869,295
Employee benefit programs.....	9,364,346	4,304,982	5,438,506	4,096,992	4,559,608	7,800,011	87,044,258
Net loss, noncapital assets.....	947,710	491,322	894,375	657,881	963,653	1,039,843	10,335,423
Other deductions.....	191,400,885	71,540,570	85,711,930	63,208,463	65,528,457	106,325,297	1,204,057,652
<b>Total receipts less total deductions.....</b>	<b>8,164,853</b>	<b>4,818,028</b>	<b>7,046,394</b>	<b>7,734,065</b>	<b>9,399,038</b>	<b>20,791,985</b>	<b>285,138,456</b>
Constructive taxable income from related foreign corporations.....	29,502	20,682	48,050	115,725	151,633	906,809	30,525,893
Net income (less deficit), total.....	7,988,035	4,874,078	6,704,013	7,161,798	8,230,729	18,512,359	285,689,781
Income subject to tax.....	11,859,370	5,935,347	8,690,360	9,145,163	10,440,637	20,327,939	285,311,186
Income tax, total.....	3,614,825	2,041,996	3,047,017	3,227,426	3,690,175	7,373,147	94,104,978
Regular tax.....	3,448,327	1,972,286	2,929,374	3,091,964	3,544,022	7,041,717	90,196,617
Personal holding company tax.....	3,725	4,252	591	1,734	73	327	1,529
Recapture of investment credit.....	91	137	1,024	942	146	199	70,138
Alternative minimum tax.....	156,844	77,053	119,881	121,601	138,161	299,360	4,324,367
Environmental tax.....	625	1,104	3,368	6,572	9,517	24,846	428,022
Foreign tax credit.....	26,381	20,532	41,456	72,091	96,488	621,186	20,191,345
U.S. possessions tax credit.....	12,576	29,815	96,112	151,926	217,208	472,281	2,258,904
Orphan drug credit.....	-	-	-	484	-	-	17,991
Nonconventional source fuel credit.....	2,019	402	1,272	451	1,472	1,728	237,123
General business credit.....	70,159	33,355	58,617	52,009	68,167	138,269	1,731,930
Prior year minimum tax credit.....	45,059	22,601	32,515	35,306	39,907	66,251	1,255,436
<b>Total income tax after credits.....</b>	<b>3,458,830</b>	<b>1,935,290</b>	<b>2,819,044</b>	<b>2,915,160</b>	<b>3,266,933</b>	<b>6,075,433</b>	<b>68,412,250</b>

\*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."

# Corporation Returns/1991

## 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)
<b>Number of returns, total.....</b>	<b>1,942,450</b>	<b>69,803</b>	<b>938,422</b>	<b>343,597</b>	<b>214,757</b>	<b>155,290</b>
<b>Total assets.....</b>	<b>14,229,462,839</b>	<b>-</b>	<b>31,224,987</b>	<b>56,084,237</b>	<b>76,050,990</b>	<b>110,044,737</b>
Cash.....	570,373,007	-	8,134,539	11,224,656	13,503,022	16,699,626
Notes and accounts receivable.....	3,053,923,223	-	3,421,592	9,202,272	13,972,823	23,147,500
Less: Allowance for bad debts.....	76,224,876	-	37,398	97,338	105,121	168,804
Inventories.....	613,822,528	-	3,431,833	7,923,676	13,309,922	20,124,838
Investments in Government obligations.....	905,357,048	-	16,752	103,022	254,647	383,962
Tax-exempt securities.....	340,470,173	-	3,902	104,328	61,117	243,046
Other current assets.....	845,291,212	-	1,137,143	2,455,307	3,259,785	5,163,961
Loans to stockholders.....	52,340,888	-	2,714,759	3,355,880	2,763,651	2,522,151
Mortgage and real estate loans.....	1,180,256,573	-	304,915	660,198	853,490	1,196,841
Other investments.....	3,892,581,318	-	963,779	2,409,448	3,706,775	5,915,330
Depreciable assets.....	3,256,302,920	-	31,487,225	40,117,658	48,203,672	63,447,646
Less: Accumulated depreciation.....	1,454,670,560	-	22,933,213	26,553,933	31,122,795	39,757,081
Depletable assets.....	93,194,815	-	190,949	*51,963	215,140	390,630
Less: Accumulated depletion.....	41,084,054	-	117,664	*30,023	58,716	226,073
Land.....	122,612,162	-	706,395	1,979,686	3,889,933	6,722,579
Intangible assets (amortizable).....	306,420,133	-	1,069,573	1,688,788	1,352,366	1,885,054
Less: Accumulated amortization.....	73,046,472	-	565,225	957,128	570,443	789,311
Other assets.....	641,542,822	-	1,295,132	2,445,778	2,561,721	3,142,841
<b>Total liabilities.....</b>	<b>14,229,462,839</b>	<b>-</b>	<b>31,224,987</b>	<b>56,084,237</b>	<b>76,050,990</b>	<b>110,044,737</b>
Accounts payable.....	1,235,657,876	-	3,689,219	7,234,654	9,949,412	15,765,825
Mortgages, notes, and bonds payable in less than one year.....	998,103,629	-	3,093,962	4,298,520	6,211,426	9,941,740
Other current liabilities.....	3,505,080,303	-	3,061,065	4,153,278	5,313,769	7,941,220
Loans from stockholders.....	142,242,371	-	7,113,483	6,816,194	6,212,795	7,108,622
Mortgages, notes, and bonds payable in one year or more.....	1,691,964,866	-	5,171,035	9,751,359	12,573,114	17,758,256
Other liabilities.....	2,143,804,461	-	1,631,552	1,103,542	1,651,456	2,325,491
Capital stock.....	1,349,779,870	-	4,946,141	5,702,755	6,428,964	8,294,977
Paid-in or capital surplus.....	2,482,277,740	-	3,376,195	4,413,405	4,100,978	6,534,446
Retained earnings, appropriated.....	66,157,111	-	152,020	188,711	500,555	460,224
Retained earnings, unappropriated.....	1,621,193,455	-	273,447	14,946,379	25,691,722	37,490,585
Less: Cost of treasury stock.....	1,006,798,839	-	1,283,130	2,524,560	2,583,198	3,576,448
<b>Total receipts.....</b>	<b>8,369,035,947</b>	<b>88,102,549</b>	<b>192,573,500</b>	<b>200,138,930</b>	<b>216,861,469</b>	<b>276,092,926</b>
Business receipts.....	7,263,537,078	40,887,082	188,102,869	195,928,747	212,117,114	269,263,531
Interest.....	666,232,682	38,656,653	380,870	569,971	816,220	1,150,739
Interest on Government obligations:						
State and local.....	24,484,776	140,787	*15,937	8,733	14,700	33,407
Rents.....	71,688,560	208,926	315,037	375,789	559,940	869,468
Royalties.....	28,988,622	54,386	54,745	74,742	77,795	107,454
Net short-term capital gain reduced by net long-term capital loss.....	12,344,119	117,238	35,143	20,168	25,495	74,541
Net long-term capital gain reduced by net short-term capital loss.....	30,117,588	1,082,841	249,367	211,313	302,182	453,542
Net gain, noncapital assets.....	21,651,976	1,311,731	408,536	341,614	353,843	447,083
Dividends received from domestic corporations.....	11,263,154	51,668	2,933	38,838	74,804	79,576
Dividends received from foreign corporations.....	26,428,189	9,207	-	*19,461	*3,607	*1,814
Other receipts.....	212,299,201	5,582,028	3,008,062	2,549,553	2,515,768	3,611,772
<b>Total deductions.....</b>	<b>7,837,174,102</b>	<b>78,052,783</b>	<b>178,508,952</b>	<b>189,835,569</b>	<b>207,055,583</b>	<b>265,140,700</b>
Cost of sales and operations.....	4,760,857,118	25,831,208	84,032,710	107,572,541	127,401,586	168,101,380
Compensation of officers.....	137,903,326	876,189	18,355,913	14,880,985	12,548,148	14,388,147
Repairs.....	68,346,662	216,384	1,661,040	1,730,390	1,803,407	2,063,844
Bad debts.....	52,881,092	1,776,289	313,741	376,064	479,068	702,748
Rent paid on business property.....	123,197,555	1,111,998	8,289,390	6,270,881	5,667,201	6,194,109
Taxes paid.....	189,602,002	1,190,448	5,727,398	5,503,297	5,907,302	6,946,026
Interest paid.....	488,923,044	32,400,754	1,349,262	1,703,903	2,154,903	3,113,096
Contributions or gifts.....	4,592,177	21,746	32,582	49,061	62,975	78,169
Amortization.....	19,824,507	121,056	158,043	209,169	185,768	205,266
Depreciation.....	226,175,051	877,838	2,891,657	3,522,889	3,869,853	5,026,247
Depletion.....	5,755,691	12,099	15,666	*2,619	21,063	66,732
Advertising.....	92,701,645	769,548	2,060,486	1,733,082	1,778,004	2,443,020
Pension, profit-sharing, stock bonus, and annuity plans.....	34,663,956	135,401	583,608	706,005	734,423	1,097,275
Employee benefit programs.....	94,310,598	482,996	1,063,561	1,305,102	1,584,551	2,245,414
Net loss, noncapital assets.....	6,343,465	599,983	26,565	97,968	47,465	49,384
Other deductions.....	1,531,096,214	11,628,826	51,947,331	44,171,614	42,809,868	52,419,843
<b>Total receipts less total deductions.....</b>	<b>531,861,845</b>	<b>10,049,786</b>	<b>14,064,547</b>	<b>10,303,361</b>	<b>9,805,886</b>	<b>10,952,227</b>
Constructive taxable income from related foreign corporations.....	28,439,553	870	-	*2,371	14,119	*2
<b>Net income.....</b>	<b>535,816,622</b>	<b>9,909,869</b>	<b>14,048,610</b>	<b>10,296,998</b>	<b>9,805,305</b>	<b>10,918,822</b>
Income subject to tax.....	349,706,278	4,602,893	1,965,309	3,259,536	3,887,829	4,590,392
Income tax, total.....	120,193,689	1,350,520	320,606	559,660	765,911	1,006,026
Regular tax.....	116,157,183	1,425,511	317,744	555,698	760,602	991,957
Personal holding company tax.....	14,501	*142	*874	*332	*151	*1,033
Recapture of investment credit.....	69,852	*11	-	-	-	-
Alternative minimum tax.....	4,543,433	48,113	1,698	3,004	4,994	15,519
Environmental tax.....	473,610	5,000	*14	*12	55	*56
Foreign tax credit.....	21,082,049	10,898	*4,806	*5,927	*5,419	*409
U.S. possessions tax credit.....	3,472,330	232,224	416	23	339	507
Orphan drug credit.....	18,475	-	-	-	-	-
Nonconventional source fuel credit.....	244,732	-	-	-	-	*265
General business credit.....	2,195,950	4,635	4,593	11,128	13,120	23,527
Prior year minimum tax credit.....	1,497,750	6,726	*1	*58	1,602	10,557
<b>Total income tax after credits.....</b>	<b>91,682,402</b>	<b>1,096,037</b>	<b>310,789</b>	<b>542,524</b>	<b>745,432</b>	<b>970,762</b>

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

# Corporation Returns/1991

## 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 under	\$10,000,000 under	\$25,000,000 under	\$50,000,000 under	\$100,000,000 under	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Number of returns, total.....	160,607	22,779	15,566	7,467	5,400	4,392	4,370
<b>Total assets.....</b>	<b>334,603,634</b>	<b>158,934,209</b>	<b>243,952,025</b>	<b>288,965,089</b>	<b>383,738,405</b>	<b>705,998,895</b>	<b>11,839,865,630</b>
Cash.....	37,803,586	16,116,474	20,340,058	19,763,885	22,764,093	34,399,657	369,623,411
Notes and accounts receivable.....	80,664,060	38,835,339	64,779,522	81,932,126	113,767,078	177,452,771	2,446,748,139
Less: Allowance for bad debts.....	1,112,192	623,663	1,389,415	1,673,478	2,616,206	4,728,912	63,672,350
Inventories.....	72,778,139	31,685,270	39,354,257	29,182,016	25,612,916	36,404,505	334,015,156
Investments in Government obligations.....	2,279,223	2,345,266	12,129,891	25,069,010	44,375,372	72,407,050	745,992,853
Tax-exempt securities.....	1,201,317	811,536	2,713,184	5,452,438	10,339,888	22,403,903	297,135,514
Other current assets.....	17,102,643	8,839,150	12,766,952	14,810,487	16,971,630	33,952,813	728,831,342
Loans to stockholders.....	4,741,682	1,665,899	1,416,701	952,720	821,054	1,462,298	29,924,073
Mortgage and real estate loans.....	3,124,196	1,378,639	4,130,152	9,974,983	27,389,583	66,314,540	1,064,929,035
Other investments.....	21,767,643	13,518,803	25,748,550	38,317,817	62,017,479	153,363,466	3,564,852,227
Depreciable assets.....	166,013,508	72,037,578	95,779,168	89,914,583	78,543,757	126,950,374	2,443,807,750
Less: Accumulated depreciation.....	97,002,023	38,777,669	49,220,074	44,047,348	35,755,116	56,039,642	1,013,461,665
Depletable assets.....	954,140	813,941	1,630,879	1,154,968	1,667,755	2,781,818	83,342,630
Less: Accumulated depletion.....	361,123	417,574	858,959	481,368	625,335	824,578	37,082,640
Land.....	14,716,932	5,273,196	6,085,516	4,814,147	4,906,740	7,309,433	66,207,606
Intangible assets (amortizable).....	4,594,304	2,823,850	4,565,001	5,366,324	7,194,581	16,101,687	259,778,604
Less: Accumulated amortization.....	2,058,580	1,148,648	1,550,342	1,495,223	1,872,928	3,215,557	58,823,086
Other assets.....	7,396,180	3,756,823	5,530,984	9,957,001	8,236,082	19,503,268	577,717,031
<b>Total liabilities.....</b>	<b>334,603,634</b>	<b>158,934,209</b>	<b>243,952,025</b>	<b>288,965,089</b>	<b>383,738,405</b>	<b>705,998,895</b>	<b>11,839,865,630</b>
Accounts payable.....	53,707,544	24,487,699	42,203,345	54,985,285	77,465,635	110,728,739	835,440,718
Mortgages, notes, and bonds payable in less than one year.....	44,947,703	22,017,536	27,350,229	20,571,139	20,263,675	31,882,019	807,525,681
Other current liabilities.....	27,449,731	14,872,108	33,770,487	61,199,583	109,601,812	204,122,446	3,033,594,805
Loans from stockholders.....	14,482,253	4,409,059	4,250,111	2,632,555	2,646,059	3,563,457	83,007,784
Mortgages, notes, and bonds payable in one year or more.....	50,842,389	23,218,396	32,846,959	36,341,127	34,200,423	60,469,288	1,408,792,521
Other liabilities.....	10,030,357	5,733,506	10,010,379	14,167,363	15,043,474	37,777,508	2,044,329,834
Capital stock.....	18,325,327	9,145,308	12,464,933	15,321,940	19,055,912	45,762,259	1,204,331,355
Paid-in or capital surplus.....	19,394,982	12,586,695	23,018,649	33,780,379	57,583,338	138,275,013	2,179,213,659
Retained earnings, appropriated.....	1,037,203	422,112	700,432	1,631,243	1,416,019	2,792,552	56,856,041
Retained earnings, unappropriated.....	103,046,867	45,199,203	60,830,730	54,151,534	51,495,031	83,398,580	1,144,669,376
Less: Cost of treasury stock.....	8,660,721	3,157,412	3,494,228	5,817,060	5,032,971	12,772,966	957,896,145
<b>Total receipts.....</b>	<b>819,142,682</b>	<b>348,122,160</b>	<b>409,816,790</b>	<b>309,002,736</b>	<b>271,661,559</b>	<b>410,269,261</b>	<b>4,827,251,384</b>
Business receipts.....	799,187,888	337,406,551	394,254,190	287,491,098	243,864,165	355,261,240	3,939,772,602
Interest.....	2,860,425	1,728,114	4,871,512	9,971,348	18,021,274	33,927,854	553,277,703
Interest on Government obligations:							
State and local.....	147,525	109,381	267,565	480,757	917,145	1,851,700	20,497,139
Rents.....	2,533,594	917,523	1,700,038	1,678,876	1,161,409	2,764,653	58,603,305
Royalties.....	211,308	200,608	371,334	735,322	485,037	1,170,520	25,445,372
Net short-term capital gain reduced by net long-term capital loss.....	104,677	56,078	132,446	214,537	374,393	1,093,949	10,095,453
Net long-term capital gain reduced by net short-term capital loss.....	1,230,438	546,866	683,910	609,409	846,436	1,613,809	22,287,476
Net gain, noncapital assets.....	1,391,430	540,086	632,329	491,656	537,254	1,041,649	14,154,767
Dividends received from domestic corporations.....	334,278	195,300	217,436	310,480	248,455	462,904	9,246,483
Dividends received from foreign corporations.....	79,815	35,555	98,743	669,016	184,220	669,383	24,657,368
Other receipts.....	11,061,305	6,386,098	6,587,287	6,350,236	5,021,772	10,411,603	149,213,718
<b>Total deductions.....</b>	<b>788,808,546</b>	<b>334,118,157</b>	<b>390,800,180</b>	<b>291,598,193</b>	<b>253,968,372</b>	<b>378,049,000</b>	<b>4,481,238,087</b>
Cost of sales and operations.....	559,465,407	250,141,066	287,679,237	203,332,618	171,615,629	238,628,615	2,537,055,121
Compensation of officers.....	28,030,907	8,061,194	7,844,607	4,339,640	3,633,460	4,165,981	20,778,155
Repairs.....	4,484,562	1,510,692	1,674,854	1,275,139	1,167,585	2,156,549	48,602,216
Bad debts.....	2,269,648	1,039,764	1,257,932	1,069,868	1,052,929	2,347,937	40,195,106
Rent paid on business property.....	12,225,090	4,131,426	4,534,628	3,344,504	3,447,479	5,467,267	62,513,581
Taxes paid.....	16,851,491	6,379,917	7,626,453	5,482,789	5,072,204	8,534,027	114,380,648
Interest paid.....	9,509,536	4,188,715	6,880,531	9,444,785	13,033,434	22,765,474	382,378,651
Contributions or gifts.....	199,277	71,877	121,496	135,420	141,492	258,324	3,419,759
Amortization.....	634,722	372,075	574,623	627,749	628,384	1,235,169	14,872,483
Depreciation.....	12,822,611	5,303,103	7,216,853	5,718,562	5,842,182	9,289,138	163,794,119
Depletion.....	130,966	64,509	134,037	139,040	129,364	321,444	4,718,151
Advertising.....	6,334,151	2,486,568	3,443,699	3,777,415	2,606,339	5,273,213	59,996,120
Pension, profit-sharing, stock bonus, and annuity plans.....	3,070,655	1,161,928	1,363,497	1,170,225	897,362	1,569,500	22,174,080
Employee benefit programs.....	6,389,836	2,925,516	3,716,747	3,182,572	2,924,598	5,217,505	63,272,200
Net loss, noncapital assets.....	212,416	106,200	129,545	153,943	158,286	333,231	4,428,480
Other deductions.....	126,177,272	46,173,607	56,601,442	48,403,923	41,617,643	70,485,628	938,659,218
<b>Total receipts less total deductions.....</b>	<b>30,334,136</b>	<b>14,004,003</b>	<b>19,016,610</b>	<b>17,404,544</b>	<b>17,693,187</b>	<b>32,220,261</b>	<b>346,013,297</b>
Constructive taxable income from related foreign corporations.....	29,120	16,766	37,493	363,450	113,578	686,436	27,175,349
Net income.....	30,215,731	13,911,388	18,786,538	17,287,237	16,889,620	31,054,997	352,691,507
Income subject to tax.....	11,809,164	5,934,514	8,786,942	10,649,691	10,397,839	19,881,456	263,940,714
Income tax, total.....	3,563,063	2,029,235	3,057,981	3,916,033	3,650,863	6,992,182	92,981,609
Regular tax.....	3,430,154	1,971,911	2,961,925	3,751,963	3,529,440	6,741,259	89,719,019
Personal holding company tax.....	3,721	4,217	*391	*1,732	54	327	1,525
Recapture of investment credit.....	*78	*137	1,011	934	97	61	67,522
Alternative minimum tax.....	125,721	65,926	101,178	148,705	114,863	224,232	3,689,482
Environmental tax.....	625	1,103	3,495	9,541	9,455	23,379	420,873
Foreign tax credit.....	26,381	20,532	43,603	289,770	93,692	443,664	20,136,947
U.S. possessions tax credit.....	12,576	29,815	93,199	170,279	201,768	472,281	2,258,904
Orphan drug credit.....	-	-	-	*484	-	-	17,991
Nonconventional source fuel credit.....	2,019	*402	1,272	451	2,435	5,856	232,031
General business credit.....	70,146	33,355	56,915	60,359	70,825	126,767	1,720,581
Prior year minimum tax credit.....	45,059	22,592	32,515	38,116	38,523	71,582	1,230,420
<b>Total income tax after credits.....</b>	<b>3,406,883</b>	<b>1,922,538</b>	<b>2,830,476</b>	<b>3,356,574</b>	<b>3,243,620</b>	<b>5,872,032</b>	<b>67,384,736</b>

\* 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]

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.....	3,802,788	213,340	1,963,525	629,829	376,585	258,942	267,503	37,995	24,631	11,009	7,516	5,982	5,933
Total assets.....	19,029,508,839	-	60,831,833	102,269,942	133,398,224	183,078,016	558,017,320	264,101,157	383,658,181	389,027,738	533,131,086	962,808,384	15,459,186,978
Notes and accounts receivable, net.....	4,076,755,770	-	6,487,265	15,091,853	22,052,805	33,862,966	114,457,865	54,884,120	88,639,175	99,290,282	141,082,152	219,715,065	3,281,191,682
Inventories.....	883,913,179	-	7,517,302	14,969,799	22,351,248	31,661,622	116,378,416	50,365,791	58,720,249	40,529,647	40,079,059	55,133,331	446,208,716
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	3,457,970,162	-	15,565,246	21,434,109	26,054,462	33,040,804	85,835,511	42,346,998	67,229,925	82,798,988	120,073,158	210,645,836	2,752,945,122
Other investments and loans.....	6,363,842,781	-	6,742,813	11,177,299	13,383,136	17,234,850	51,378,817	28,981,400	51,292,145	68,465,471	118,830,648	280,563,055	5,715,773,149
Depreciable assets.....	4,549,055,093	-	61,695,683	75,963,903	88,110,550	107,901,714	285,421,847	124,559,237	158,470,411	117,880,309	126,470,260	206,167,720	3,196,413,458
Less: Accumulated depreciation.....	1,999,540,977	-	43,123,811	47,879,590	53,535,986	62,391,171	151,627,935	61,481,729	74,505,111	51,571,567	53,798,107	86,462,404	1,313,163,567
Other capital assets less reserves.....	675,528,200	-	3,189,497	7,000,011	10,386,337	16,210,863	41,749,176	17,404,653	23,313,488	20,509,787	24,432,907	42,604,020	468,727,461
Total liabilities.....	19,029,508,839	-	60,831,833	102,269,942	133,398,224	183,078,016	558,017,320	264,101,157	383,658,181	389,027,738	533,131,086	962,808,384	15,459,186,978
Accounts and notes payable.....	3,180,760,294	-	17,135,519	23,629,787	36,322,766	46,806,514	172,647,312	81,645,884	112,181,347	103,759,785	135,801,062	197,904,499	2,253,125,820
Other current liabilities.....	4,856,874,743	-	6,988,485	8,384,013	10,002,156	13,588,993	44,573,485	24,733,953	50,306,621	78,951,407	137,534,511	254,635,433	4,227,195,687
Mortgages, notes, and bonds payable in one year or more.....	2,697,909,300	-	14,350,807	23,426,487	29,201,749	40,623,941	120,362,523	55,432,926	75,718,753	65,935,836	74,529,678	132,481,034	2,065,845,565
Net worth.....	5,276,485,552	-	-11,741,616	22,616,982	35,700,935	55,721,334	157,223,915	77,461,813	114,173,350	112,608,800	150,212,245	308,246,773	4,254,263,021
Total receipts.....	11,436,474,767	171,630,701	343,585,144	313,008,384	326,731,486	397,472,192	1,174,352,977	497,549,938	563,361,011	393,954,387	393,687,262	591,529,448	5,100,178,001
Business receipts.....	9,965,628,799	103,002,307	336,589,796	306,704,640	319,681,772	387,917,237	1,143,701,710	481,882,989	541,251,453	368,755,075	357,123,866	518,839,952	5,984,473,292
Total deductions.....	11,087,119,512	170,399,630	343,445,341	311,671,644	325,504,162	395,144,692	1,166,188,124	492,731,910	556,314,707	386,220,322	384,288,224	570,737,464	5,984,473,292
Cost of sales and operations.....	6,654,370,271	76,177,547	161,658,730	173,114,231	196,272,981	247,220,770	816,665,107	361,796,949	426,123,694	266,123,694	254,304,944	358,693,232	3,345,022,648
Taxes paid.....	257,796,399	2,352,171	10,646,812	9,111,455	9,337,276	10,390,695	24,578,649	9,346,068	10,699,081	7,379,630	7,283,728	11,473,852	145,196,983
Interest paid.....	735,721,055	48,552,641	2,920,665	3,625,766	4,407,496	5,850,103	18,974,847	8,552,703	12,834,920	13,777,878	19,716,329	35,076,225	561,431,481
Depreciation.....	333,952,832	2,738,362	5,617,327	6,400,355	5,617,327	6,400,355	20,600,144	8,744,213	11,830,862	8,755,125	9,767,635	14,552,008	230,195,106
Pension, profit-sharing, stock bonus, and annuity plans.....	46,467,339	256,654	1,208,304	1,026,166	1,060,778	1,500,458	3,775,798	1,475,978	1,691,022	1,297,459	1,222,467	2,102,960	29,869,295
Employee benefit programs.....	133,467,913	901,697	1,999,994	2,026,310	2,542,275	3,388,935	9,364,346	4,304,982	5,438,506	4,096,992	4,558,608	7,800,011	87,044,258
Net income (less deficit).....	344,859,794	949,507	120,968	1,325,272	1,218,923	2,284,334	7,988,035	4,674,078	8,704,013	7,161,796	8,230,729	18,512,359	285,689,781
Income subject to tax.....	350,009,712	4,608,532	1,965,682	3,259,536	3,888,191	4,577,770	11,859,370	5,935,347	8,690,360	9,145,163	10,440,637	20,327,939	265,311,186
Income tax, total.....	121,121,231	1,362,849	322,162	561,866	771,038	1,003,751	3,614,825	2,041,996	3,047,017	3,227,426	3,690,175	7,373,147	94,104,978
Alternative minimum tax.....	5,320,587	50,310	1,698	4,934	9,298	17,728	156,644	77,053	119,881	121,601	138,161	299,360	4,324,367
Environmental tax.....	479,288	5,114	*14	*12	55	*40	625	1,104	3,368	6,572	9,517	24,846	428,022
Foreign tax credit.....	21,096,940	10,898	*4,806	*5,927	*5,419	*409	26,381	20,532	41,456	72,091	96,488	621,186	20,191,345
U.S. possessions tax credit.....	3,472,330	232,224	416	23	339	507	12,576	29,815	96,112	151,926	217,208	472,281	2,258,904
Orphan drug credit.....	18,475	-	-	-	-	-	-	-	-	*484	-	-	17,991
Nonconventional source fuel credit.....	244,732	-	-	-	-	*265	2,019	*402	1,272	451	1,472	1,728	237,123
General business credit.....	2,206,371	5,523	4,593	11,128	13,120	23,502	70,159	33,355	56,617	52,009	68,167	136,269	1,731,930
Prior year minimum tax credit.....	1,516,063	8,769	1	*58	1,602	10,557	45,059	22,601	32,515	35,306	39,907	68,251	1,255,436
Total income tax after credits.....	92,566,319	1,107,434	312,345	544,730	750,558	968,512	3,458,630	1,935,290	2,819,044	2,915,160	3,266,933	6,075,433	68,412,250
Agriculture, Forestry, and Fishing													
Number of returns.....	129,886	5,466	54,539	24,234	19,098	15,109	10,291	636	316	110	52	24	12
Total assets.....	67,756,553	-	1,858,927	4,125,595	6,817,300	10,718,344	18,665,630	4,380,985	4,860,527	3,895,042	3,765,090	3,924,818	4,744,293
Notes and accounts receivable, net.....	5,789,779	-	89,376	218,122	401,603	544,618	1,377,961	654,914	620,997	455,231	413,949	480,996	480,996
Inventories.....	7,284,831	-	65,726	216,720	349,028	818,292	1,736,814	570,932	628,222	690,149	640,918	796,262	771,768
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	7,566,870	-	408,425	576,539	1,101,283	1,163,287	1,740,437	496,377	432,864	435,438	433,298	258,303	520,618
Other investments and loans.....	7,960,334	-	220,870	502,226	770,756	1,064,275	1,925,365	463,916	606,115	391,850	420,853	1,069,223	1,069,223
Depreciable assets.....	50,297,759	-	3,138,775	4,875,976	6,754,609	7,769,543	12,916,911	2,635,093	3,179,113	2,255,416	2,284,229	2,013,346	2,474,750
Less: Accumulated depreciation.....	30,738,846	-	2,392,575	3,232,997	4,650,285	5,189,039	8,037,553	1,395,759	1,582,553	1,071,755	1,079,808	784,982	1,341,540
Other capital assets less reserves.....	16,410,972	-	240,367	863,391	1,726,782	3,811,999	6,158,763	845,066	435,482	435,482	435,482	590,161	309,942
Total liabilities.....	67,756,553	-	1,858,927	4,125,595	6,817,300	10,718,344	18,665,630	4,380,985	4,860,527	3,895,042	3,765,090	3,924,818	4,744,293
Accounts and notes payable.....	13,568,341	-	474,910	717,700	903,399	1,597,435	4,012,814	877,251	1,239,853	873,210	1,222,146	958,560	691,063
Other current liabilities.....	3,201,158	-	105,424	154,594	225,847	266,015	636,587	316,001	345,862	266,278	274,761	173,685	436,303
Mortgages, notes, and bonds payable in one year or more.....	16,988,309	-	477,069	1,284,174	1,728,955	2,505,103	4,957,840	1,262,742	1,199,762	778,794	690,730	1,082,316	1,023,023
Net worth.....	22,769,980	-	-395,030	752,818	2,459,245	4,873,642	6,308,473	1,323,655	1,527,438	1,292,054	1,052,481	1,373,483	2,201,724
Total receipts.....	85,945,700	614,175	6,868,833	6,749,297	10,416,224	10,675,750	19,825,842	5,400,772	5,260,286	5,317,040	4,836,649	4,952,464	4,757,547
Business receipts.....													

# 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)
Mining													
Number of returns.....	39,199	2,567	17,877	6,178	4,091	3,576	3,290	693	450	186	113	80	97
Total assets.....	212,962,835	-	519,506	910,005	1,457,485	2,467,152	6,739,841	4,876,693	6,919,073	6,750,958	8,110,122	13,686,827	160,525,173
Notes and accounts receivable, net.....	20,287,922	-	31,491	127,764	251,683	368,147	1,159,705	741,021	1,019,971	1,039,994	1,010,815	1,984,784	12,572,547
Inventories.....	6,124,084	-	27,067	118,782	52,336	45,460	207,125	147,844	246,230	286,251	308,663	660,856	4,123,470
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	15,542,023	-	118,598	174,944	349,855	637,834	1,414,822	987,792	1,081,843	762,754	1,012,728	1,266,899	7,734,155
Other investments and loans.....	83,360,915	-	83,431	81,567	246,931	282,471	1,152,619	631,459	909,824	1,131,922	1,245,361	2,311,137	75,284,194
Depreciable assets.....	97,902,990	-	879,707	1,156,467	1,356,746	2,027,855	4,271,026	2,952,001	4,877,630	3,234,393	4,273,710	8,983,865	63,889,586
Less: Accumulated depreciation.....	49,257,431	-	739,442	846,827	1,032,811	1,362,922	2,837,052	1,918,619	3,027,549	1,754,910	2,254,166	5,095,972	28,387,161
Other capital assets less reserves.....	30,576,540	-	53,566	145,830	212,475	438,009	1,049,614	1,169,818	1,551,501	1,882,441	2,204,139	2,826,057	19,043,093
Total liabilities.....	212,962,835	-	519,506	910,005	1,457,485	2,467,152	6,739,841	4,876,693	6,919,073	6,750,958	8,110,122	13,686,827	160,525,173
Accounts and notes payable.....	24,845,898	-	391,665	257,948	2,315,890	464,573	2,620,084	1,095,413	1,438,605	1,076,382	1,330,168	1,532,387	12,322,762
Other current liabilities.....	9,509,489	-	84,629	86,579	98,934	178,223	546,845	463,846	413,524	269,440	426,617	726,599	6,214,454
Mortgages, notes, and bonds payable in one year or more.....	50,040,395	-	111,189	391,473	183,111	679,797	1,297,728	1,043,440	1,334,877	1,546,680	1,792,118	3,236,221	38,421,761
Net worth.....	106,585,141	-	567,626	216,911	1,525,118	784,594	1,679,167	705,064	3,123,477	3,157,828	3,713,394	6,703,153	89,028,116
Total receipts.....	103,286,287	806,808	1,034,785	1,650,578	1,863,146	3,749,136	7,404,659	3,699,109	5,862,239	4,222,063	4,953,505	8,147,695	59,892,585
Business receipts.....	90,512,940	645,903	905,915	1,596,031	1,768,208	3,546,523	6,584,520	3,266,080	5,326,945	3,784,188	4,326,899	7,144,145	51,617,582
Total deductions.....	99,537,632	776,120	1,028,397	1,680,930	1,928,095	3,722,851	7,113,990	3,705,652	5,859,032	4,282,387	4,930,928	7,963,443	56,545,809
Cost of sales and operations.....	56,314,253	281,756	354,275	481,216	736,970	1,890,598	3,438,579	1,781,781	3,533,314	2,343,900	3,070,851	4,756,984	33,644,050
Taxes paid.....	3,231,776	33,391	52,373	65,495	92,466	167,450	270,651	135,294	195,412	127,759	154,612	359,229	1,577,642
Interest paid.....	6,315,413	63,989	23,268	47,231	35,738	103,757	186,198	125,517	181,570	156,137	209,397	431,637	4,750,974
Depreciation.....	5,779,081	74,852	53,931	71,325	105,035	193,873	327,819	218,373	349,420	249,121	243,166	442,399	3,449,763
Pension, profit-sharing, stock bonus, and annuity plans.....	465,543	4,373	4,658	1174	4,598	3,606	37,196	23,675	19,034	10,695	30,683	22,587	304,264
Employee benefit programs.....	1,518,115	12,182	7,299	11,690	35,491	119,584	127,496	63,153	68,109	54,071	55,817	97,892	865,330
Net income (less deficit).....	4,001,356	30,683	6,388	30,352	64,957	23,559	288,611	9,927	5,542	63,446	21,781	186,072	3,618,487
Income subject to tax.....	4,495,495	26,922	35,196	1,322	45,767	47,002	161,971	74,437	114,540	129,273	128,675	471,589	3,258,802
Income tax, total.....	1,814,367	11,647	7,134	209	7,708	10,811	59,442	31,260	50,289	53,094	57,971	173,833	1,350,969
Alternative minimum tax.....	298,531	2,321	-	10	221	7,874	6,532	11,735	9,139	14,126	12,897	233,550	7,096
Environmental tax.....	8,644	50	-	-	-	-	5	28	16	97	145	301	905
Foreign tax credit.....	639,076	4,639	-	-	-	-	6	-	1,752	1,908	39	1,524	58,745
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	51,054	-	-	-	-	-	1,782	225	561	418	169	1,077	46,824
General business credit.....	38,800	627	-	-	275	401	2,028	446	2,466	1,447	910	6,912	23,288
Prior year minimum tax credit.....	44,356	-	-	-	121	842	388	426	1,104	2,062	6,322	33,092	33,092
Total income tax after credits.....	1,041,082	6,381	7,134	209	7,433	10,283	54,790	28,449	44,929	50,088	53,306	100,777	677,302
Construction													
Number of returns.....	416,987	16,601	225,018	70,180	42,695	29,086	26,000	3,314	1,476	348	155	71	43
Total assets.....	243,035,939	-	6,849,213	11,721,792	15,034,975	20,502,232	57,302,073	22,705,473	22,168,428	12,031,637	12,505,546	11,354,233	50,860,335
Notes and accounts receivable, net.....	64,880,524	-	981,170	2,511,403	3,678,690	5,193,576	18,336,240	7,740,318	7,066,814	3,484,318	4,188,961	3,148,829	8,550,205
Inventories.....	29,616,722	-	429,061	1,341,382	2,209,982	3,528,017	8,638,964	2,674,971	3,168,043	1,622,851	1,406,912	1,423,236	3,153,303
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	54,648,513	-	1,957,034	2,675,862	3,622,234	5,061,776	14,137,224	5,907,452	5,433,056	2,851,339	2,509,220	2,117,037	8,376,278
Other investments and loans.....	37,660,562	-	847,439	1,373,800	1,295,648	1,648,239	4,022,465	1,736,567	1,588,925	1,445,220	1,029,596	1,849,274	20,823,388
Depreciable assets.....	101,677,487	-	8,156,241	9,362,376	9,838,074	10,679,805	24,158,934	8,280,021	8,631,016	4,174,128	4,556,945	2,910,278	10,929,670
Less: Accumulated depreciation.....	62,309,869	-	5,868,762	6,325,658	6,813,509	6,921,691	15,331,409	5,054,941	5,105,584	2,382,743	2,246,119	1,248,572	5,210,882
Other capital assets less reserves.....	9,074,437	-	217,080	454,890	640,705	851,586	2,062,139	718,890	864,099	475,155	668,598	663,553	1,457,741
Total liabilities.....	243,035,939	-	6,849,213	11,721,792	15,034,975	20,502,232	57,302,073	22,705,473	22,168,428	12,031,637	12,505,546	11,354,233	50,860,335
Accounts and notes payable.....	74,775,526	-	2,449,102	3,306,440	4,716,197	6,483,107	19,988,716	8,062,571	7,676,637	3,844,827	3,996,404	3,576,684	10,674,839
Other current liabilities.....	30,343,485	-	781,071	1,201,667	1,380,255	2,052,334	7,513,897	3,340,232	3,395,254	1,727,662	1,870,274	1,894,021	5,386,819
Mortgages, notes, and bonds payable in one year or more.....	42,923,484	-	1,408,980	2,019,167	2,196,220	2,798,124	6,952,751	2,729,446	3,032,352	1,607,625	2,384,479	2,099,009	15,695,332
Net worth.....	70,666,637	-	73,294	3,575,710	5,057,365	7,083,939	17,959,202	6,939,964	6,422,546	3,631,307	3,645,367	2,672,802	13,751,727
Total receipts.....	515,128,533	3,314,971	46,037,001	47,016,230	44,670,946	50,410,692	127,115,811	47,715,518	44,501,466	21,492,836	19,089,247	17,157,203	46,066,613
Business receipts.....	502,691,224	3,013,920	45,716,569	46,672,971	44,111,527	49,670,384	125,326,268	46,881,643	43,691,133	20,908,537	18,536,546	16,480,671	41,679,056
Total deductions.....	509,247,728	3,319,650	45,429,071	46,833,724	44,576,833	50,077,458	125,805,769	46,990,747	43,847,451	21,139,183	18,909,981	16,944,375	45,373,486
Cost of sales and operations.....	389,883,167	2,414,742	27,687,672	32,065,369	31,734,061	37,156,393	100,838,458	39,644,687	37,468,095	18,147,295	15,931,403	14,639,215	32,157,779
Taxes paid.....	10,856,215	43,151	1,429,987	1,386,437	1,247,895	1,338,355	2,698,670	800,056	655,772	298,488	261,507	188,804	509,093
Interest paid.....	6,984,942	41,494	386,000	401,359	450,865	544,925	1,256,980	421,742	477,313	252,075	278,073	293,311	2,180,807
Depreciation.....	8,439,450	50,737	859,738	949,417	910,365								

# 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)
Manufacturing													
Number of returns.....	300,122	13,229	110,087	48,200	36,875	31,002	41,421	7,954	5,728	2,292	1,292	952	1,091
Total assets.....	4,028,360,038	-	3,818,746	7,866,983	13,250,568	21,966,740	91,520,253	55,786,640	89,369,052	79,953,430	91,336,836	172,063,411	3,401,427,379
Notes and accounts receivable, net.....	790,086,253	-	775,186	2,024,425	3,377,341	5,755,452	23,571,476	13,424,770	20,700,583	16,960,768	18,203,713	32,737,997	652,554,540
Inventories.....	373,792,878	-	592,193	1,231,244	2,348,432	4,634,847	21,670,771	13,274,153	21,144,929	17,090,174	18,267,570	26,660,026	246,878,540
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	369,866,719	-	773,839	1,640,037	2,297,166	3,662,428	12,422,090	7,712,431	10,702,948	10,492,134	10,987,182	19,263,180	289,913,281
Other investments and loans.....	1,039,844,642	-	305,384	520,591	758,279	1,204,763	4,793,576	3,120,441	5,726,208	6,669,066	7,900,807	18,738,588	990,106,938
Depreciable assets.....	1,735,269,036	-	3,851,453	6,957,016	11,248,563	16,548,780	61,634,876	35,119,005	52,293,947	42,230,068	47,673,206	90,568,582	1,367,143,541
Less: Accumulated depreciation.....	867,268,033	-	2,773,948	4,961,954	7,544,687	10,946,838	37,368,770	19,990,650	27,742,291	20,589,382	22,255,317	42,313,168	670,781,029
Other capital assets less reserves.....	309,419,824	-	132,098	184,339	439,696	563,916	3,050,801	2,071,804	4,143,595	4,618,502	6,596,038	14,586,503	273,032,536
Total liabilities.....	4,028,360,038	-	3,818,746	7,866,983	13,250,568	21,966,740	91,520,253	55,786,640	89,369,052	79,953,430	91,336,836	172,063,411	3,401,427,379
Accounts and notes payable.....	784,392,611	-	1,168,291	2,254,783	3,927,617	6,105,948	27,010,936	16,092,955	23,499,282	18,885,048	19,433,533	31,339,537	634,674,682
Other current liabilities.....	388,289,440	-	651,394	828,419	1,381,691	1,670,504	7,653,926	5,152,043	7,951,279	7,517,627	8,539,527	15,955,324	330,987,706
Mortgages, notes, and bonds payable in one year or more.....	825,893,110	-	918,543	1,511,530	2,859,890	4,069,365	15,700,850	9,330,771	16,465,830	16,831,068	20,257,421	44,408,841	693,538,999
Net worth.....	1,481,203,473	-	874,198	1,249,033	3,005,659	7,780,181	33,659,050	21,915,798	36,538,221	32,333,636	37,240,957	64,149,295	1,244,205,841
Total receipts.....	3,658,501,307	15,548,651	21,584,514	24,860,989	33,329,767	52,558,920	204,126,833	108,014,593	160,240,975	123,824,351	128,379,753	205,641,254	2,580,390,708
Business receipts.....	3,409,490,090	14,566,634	21,266,005	24,328,118	32,844,031	51,843,537	200,997,532	106,303,266	157,537,441	121,212,643	125,210,267	196,821,181	2,356,559,433
Total deductions.....	3,548,746,793	15,486,838	21,950,007	25,065,629	33,515,154	52,301,011	201,641,948	106,052,744	156,314,923	120,039,025	124,943,946	199,369,114	2,492,066,454
Cost of sales and operations.....	2,355,261,594	10,462,272	12,085,023	14,142,150	20,245,693	34,297,612	140,809,398	76,682,129	113,948,578	86,687,489	89,626,490	134,479,430	1,621,795,329
Taxes paid.....	87,433,090	297,473	672,496	855,572	1,094,412	1,479,255	5,061,648	2,281,864	3,276,260	2,284,783	2,524,853	3,870,182	63,734,293
Interest paid.....	145,611,955	648,285	212,397	297,178	485,238	752,385	3,097,732	1,782,716	2,810,905	2,607,321	3,126,038	6,510,388	123,281,374
Depreciation.....	121,141,707	343,136	353,252	579,578	873,541	1,256,806	4,659,013	2,411,963	3,885,282	3,186,069	3,674,907	5,765,369	94,152,792
Pension, profit-sharing, stock bonus, and annuity plans.....	19,217,481	76,232	68,468	67,113	139,480	243,893	821,142	429,505	670,803	531,149	526,885	1,013,333	14,629,497
Employee benefit programs.....	58,797,239	181,711	178,789	216,915	430,365	625,439	2,585,438	1,357,344	2,131,971	1,803,961	1,932,807	3,411,892	43,940,605
Net income (less deficit).....	132,269,225	77,882	-365,493	-202,686	-186,352	254,546	2,462,452	1,941,038	3,907,768	3,769,267	3,463,045	6,802,099	110,345,658
Income subject to tax.....	152,624,397	854,699	137,940	281,965	524,175	683,468	2,774,602	1,794,571	3,347,282	3,765,074	4,149,578	8,981,993	125,329,152
Income tax, total.....	53,891,094	288,848	24,188	52,495	115,098	155,212	878,933	628,435	1,169,085	1,327,359	1,456,576	3,339,617	44,455,249
Alternative minimum tax.....	1,893,764	7,230	*373	*2,318	*213	4,300	31,134	21,951	35,585	41,939	39,403	122,788	1,586,531
Environmental tax.....	203,609	226	2	-	-	-	21	189	227	2,885	4,206	11,467	183,018
Foreign tax credit.....	16,905,943	*50	-	*5,921	-	-	1,538	2,941	18,925	32,474	55,456	469,067	16,319,572
U.S. possessions tax credit.....	3,351,884	231,797	-	10	339	348	10,753	28,200	89,373	143,746	210,238	466,488	2,170,592
Orphan drug credit.....	17,991	-	-	-	-	-	-	-	-	-	-	-	17,991
Nonconventional source fuel credit.....	151,675	-	-	-	-	-	*149	*161	*18	*20	299	(*)	151,027
General business credit.....	893,335	*1,012	*446	2,358	2,980	5,212	24,293	14,286	28,405	29,731	34,532	71,363	678,718
Prior year minimum tax credit.....	466,196	*1,778	-	-	-	-	*511	6,243	4,606	12,640	10,910	16,168	400,942
Total income tax after credits.....	32,104,071	54,211	23,743	44,207	111,778	149,142	835,957	578,241	1,019,986	1,108,748	1,145,142	2,316,510	24,716,408
Transportation and Public Utilities													
Number of returns.....	164,980	10,781	84,838	25,596	15,510	12,563	11,483	1,766	1,207	421	247	201	367
Total assets.....	1,573,824,265	-	2,797,616	4,094,269	5,487,448	8,900,446	24,143,421	12,316,288	18,493,273	15,055,963	17,363,807	31,601,736	1,433,569,997
Notes and accounts receivable, net.....	156,619,778	-	354,211	791,548	1,031,776	1,897,825	4,999,660	2,231,795	3,593,793	2,618,357	2,722,621	3,816,869	133,301,523
Inventories.....	29,847,667	-	37,335	57,976	150,745	146,155	625,872	272,406	394,923	367,467	290,000	566,426	26,938,364
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	90,666,709	-	679,154	866,779	1,130,992	1,633,753	3,932,412	1,935,618	2,876,002	1,801,531	2,037,569	3,402,412	70,370,484
Other investments and loans.....	239,072,813	-	292,561	348,356	412,849	672,747	1,758,280	988,765	1,710,274	1,581,752	1,305,176	3,289,696	226,712,358
Depreciable assets.....	1,353,543,264	-	4,225,258	4,916,481	6,617,290	9,097,483	24,596,238	11,373,285	15,363,981	11,381,515	13,122,319	22,998,296	1,229,851,118
Less: Accumulated depreciation.....	486,063,881	-	3,051,451	3,489,633	4,438,034	5,531,199	14,287,487	6,978,795	5,203,757	5,008,341	5,203,757	8,735,872	423,617,445
Other capital assets less reserves.....	71,036,947	-	96,256	166,745	267,680	495,887	1,596,895	818,385	1,666,036	1,520,004	2,199,324	4,078,858	58,130,876
Total liabilities.....	1,573,824,265	-	2,797,616	4,094,269	5,487,448	8,900,446	24,143,421	12,316,288	18,493,273	15,055,963	17,363,807	31,601,736	1,433,569,997
Accounts and notes payable.....	171,211,719	-	720,465	1,020,011	1,536,383	2,650,170	6,770,433	2,894,727	3,557,040	3,820,285	4,320,806	5,535,491	138,385,906
Other current liabilities.....	132,206,260	-	304,567	365,301	641,764	963,891	2,022,699	1,095,352	1,421,429	1,417,027	1,768,143	118,959,015	118,959,015
Mortgages, notes, and bonds payable in one year or more.....	507,392,874	-	932,996	1,134,425	1,267,383	2,390,317	7,152,904	4,449,584	6,773,965	5,311,113	6,923,627	12,883,557	458,173,004
Net worth.....	528,942,778	-	595,210	581,741	980,837	1,188,863	4,720,196	2,493,817	4,710,645	2,923,212	3,045,175	5,368,464	503,525,039
Total receipts.....	954,944,592	4,233,762	20,638,117	13,361,065	16,004,294	23,625,441	51,485,890	19,082,016	22,889,348	17,798,991	16,184,999	26,925,192	722,715,678
Business receipts.....	897,131,837	3,730,739	20,338,741	13,090,335	15,721,933	23,062,540	50,353,103	18,462,464	21,944,008	16,874,562	15,243,327	24,835,603	673,474,481
Total deductions.....	917,837,603	4,260,939	20,660,889	13,299,625	15,938,647	23,688,358							



# ▶ 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)
<b>Wholesale and Retail Trade</b>													
Number of returns.....	1,043,534	56,368	461,215	208,047	125,305	82,642	89,398	11,288	5,902	1,670	765	496	439
Total assets.....	1,483,427,907	-	17,550,547	33,864,777	44,688,679	58,345,378	186,808,548	78,129,237	88,349,495	57,810,918	53,106,215	79,406,388	785,367,725
Notes and accounts receivable, net.....	320,687,700	-	1,907,364	4,970,247	7,880,289	12,552,342	41,818,788	17,945,084	21,652,482	13,647,079	11,753,410	15,523,121	171,037,484
Inventories.....	384,005,805	-	5,300,060	10,564,652	15,157,946	19,370,002	75,044,811	30,389,865	29,432,223	15,229,865	15,229,865	21,188,734	144,639,374
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	202,542,554	-	3,193,130	5,817,937	6,777,495	8,495,554	23,025,413	9,060,748	10,026,555	6,749,707	5,985,746	8,071,120	115,339,146
Other investments and loans.....	179,038,523	-	1,279,871	2,147,369	3,103,077	3,616,648	8,828,620	4,084,582	5,430,009	4,208,244	3,517,911	6,559,225	136,282,965
Depreciable assets.....	488,545,890	-	13,436,655	19,087,098	21,623,269	25,704,454	66,506,424	26,437,934	30,769,017	20,464,265	19,939,637	29,712,957	214,864,181
Less: Accumulated depreciation.....	226,122,287	-	9,115,797	11,814,049	13,187,415	15,351,888	37,961,838	14,025,031	15,116,336	9,443,809	8,562,722	11,871,237	79,672,184
Other capital assets less reserves.....	78,523,990	-	612,368	1,413,258	1,829,487	2,653,482	6,496,512	2,753,578	4,247,998	3,289,000	3,131,895	6,815,309	45,481,100
Total liabilities.....	1,483,427,907	-	17,550,547	33,864,777	44,688,679	58,345,378	186,808,548	78,129,237	88,349,495	57,810,918	53,106,215	79,406,388	785,367,725
Accounts and notes payable.....	497,527,404	-	6,167,953	9,536,251	13,214,897	18,752,556	79,598,120	36,068,819	38,293,403	21,967,695	18,095,794	25,102,191	229,609,728
Other current liabilities.....	173,156,097	-	1,676,714	2,484,409	2,858,517	3,913,752	12,032,256	5,476,309	6,560,704	4,936,255	4,550,752	7,682,924	120,884,134
Mortgages, notes, and bonds payable in one year or more.....	283,642,854	-	3,910,761	7,310,561	8,479,400	10,002,727	25,817,012	10,071,881	14,379,718	11,067,466	11,313,039	19,166,594	162,123,696
Net worth.....	374,844,303	-	-3,035,582	7,188,596	13,561,840	18,949,221	55,995,630	21,649,541	24,166,660	16,691,389	15,250,877	22,951,909	181,454,221
Total receipts.....	3,380,598,972	64,491,183	100,251,345	138,086,826	149,890,073	182,296,807	610,826,612	256,651,308	252,213,445	158,691,721	139,378,665	192,858,372	1,136,962,614
Business receipts.....	3,291,357,866	62,851,078	99,112,554	134,665,819	148,073,697	179,681,557	602,247,512	252,523,296	247,828,418	155,714,400	136,619,919	188,324,066	1,083,725,549
Total deductions.....	3,350,908,857	65,191,763	101,558,515	135,957,399	149,594,556	181,508,714	607,786,031	254,716,779	250,041,218	157,187,911	137,780,900	191,739,854	1,117,845,216
Cost of sales and operations.....	2,527,007,700	55,645,665	62,408,397	91,959,896	102,756,601	129,734,085	474,883,096	208,194,576	198,628,238	125,752,455	109,336,447	147,489,647	820,238,593
Taxes paid.....	50,084,788	506,139	2,747,949	2,996,528	3,244,562	3,508,785	8,421,022	3,182,172	3,408,587	2,040,678	1,785,023	2,844,745	15,398,593
Interest paid.....	61,081,388	703,646	1,218,493	1,496,251	1,912,342	2,554,372	6,407,551	2,554,372	3,016,121	1,990,443	1,995,803	3,072,575	35,934,528
Depreciation.....	43,523,841	714,174	1,195,228	1,577,882	1,764,186	1,992,097	5,309,792	2,659,042	2,659,042	1,775,004	1,711,784	2,528,719	20,089,450
Pension, profit-sharing, stock bonus, and annuity plans.....	6,605,965	44,721	117,718	206,819	289,937	425,036	1,165,740	418,416	448,570	302,075	228,026	329,881	2,629,025
Employee benefit programs.....	20,279,110	172,845	297,924	463,787	693,753	884,110	2,821,896	1,304,168	1,458,418	921,392	862,438	1,488,053	8,909,527
Net income (less deficit).....	29,951,221	-703,561	-1,308,282	126,078	290,333	779,476	3,007,561	1,918,700	2,156,427	1,511,663	1,601,762	1,132,018	19,437,046
Income subject to tax.....	40,340,135	319,692	396,178	1,050,392	1,376,441	1,455,396	3,749,670	1,492,004	1,890,358	1,443,179	1,537,588	2,557,382	23,071,855
Income tax, total.....	13,227,114	104,827	60,427	177,607	260,548	292,031	1,063,314	506,126	662,673	508,897	545,818	899,050	8,145,796
Alternative minimum tax.....	375,810	3,587	-	8	81	1,607	15,923	13,327	20,757	16,622	19,728	25,356	258,713
Environmental tax.....	44,562	266	-	-	-	-	27	101	559	982	1,654	3,282	37,692
Foreign tax credit.....	876,460	44	-	-	40	-	430	2,127	11,133	8,903	6,590	20,226	826,967
U.S. possessions tax credit.....	24,086	-	-	-	-	82	697	445	-	2,841	1,009	3,121	15,891
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	173	-	-	-	-	2	-	16	14	4	3	52	82
General business credit.....	231,763	467	*1,297	*1,617	2,166	3,736	8,618	5,152	9,486	8,327	10,989	15,891	164,015
Prior year minimum tax credit.....	79,415	*1,632	-	-	-	*338	2,953	2,683	3,702	6,258	5,774	5,400	50,695
Total income tax after credits.....	12,015,216	102,683	59,130	175,990	258,342	287,872	1,050,618	495,723	638,338	482,564	521,453	854,359	7,088,146
<b>Finance, Insurance, and Real Estate</b>													
Number of returns.....	617,557	41,612	278,161	100,305	66,213	47,945	50,730	8,309	7,277	5,073	4,446	3,844	3,642
Total assets.....	10,780,681,276	-	8,399,703	16,417,698	23,449,608	34,057,346	106,389,092	57,991,510	118,300,999	181,633,128	315,462,633	601,295,224	9,317,284,338
Notes and accounts receivable, net.....	2,617,751,348	-	633,244	1,359,447	1,894,749	2,739,888	8,949,364	6,432,820	27,374,021	54,469,915	97,076,326	153,065,344	2,263,756,232
Inventories.....	31,454,985	-	76,498	279,447	677,194	1,604,680	5,271,101	1,979,259	2,355,331	1,842,588	2,406,357	2,176,215	12,786,196
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	2,624,386,886	-	2,875,164	4,391,622	5,514,514	6,749,410	18,038,311	11,605,729	30,671,836	53,729,301	91,779,894	168,314,526	2,230,716,481
Other investments and loans.....	4,640,441,968	-	1,558,030	3,175,890	4,170,533	6,201,257	22,493,731	14,962,156	31,443,703	49,108,478	99,512,917	239,477,428	4,168,337,846
Depreciable assets.....	388,499,384	-	5,816,397	8,553,660	12,182,775	16,535,100	46,231,431	19,862,602	22,790,544	18,827,083	17,839,113	27,890,969	191,969,710
Less: Accumulated depreciation.....	128,020,500	-	3,800,996	4,385,989	5,395,663	6,212,240	14,376,881	5,613,880	6,507,741	5,326,517	5,213,307	8,563,677	62,623,608
Other capital assets less reserves.....	106,090,867	-	948,393	2,365,605	3,665,728	5,445,989	16,371,169	6,740,790	7,041,806	5,118,539	5,653,401	7,286,426	45,453,021
Total liabilities.....	10,780,681,276	-	8,399,703	16,417,698	23,449,608	34,057,346	106,389,092	57,991,510	118,300,999	181,633,128	315,462,633	601,295,224	9,317,284,338
Accounts and notes payable.....	1,503,865,772	-	1,613,511	2,321,918	5,212,579	4,834,613	16,667,200	9,468,313	28,259,906	46,328,118	80,089,838	120,401,231	1,188,668,545
Other current liabilities.....	4,043,013,751	-	890,046	1,080,759	1,518,053	1,653,250	5,608,289	5,640,760	58,530,206	116,669,091	219,243,883	3,605,710,571	3,605,710,571
Mortgages, notes, and bonds payable in one year or more.....	792,003,552	-	1,853,881	4,265,153	6,624,158	11,131,604	39,692,466	18,265,664	22,877,815	19,408,698	20,656,362	34,385,352	612,842,398
Net worth.....	2,513,553,034	-	-4,223,606	3,348,582	5,617,332	8,636,869	23,470,137	15,855,432	28,821,024	45,012,126	78,918,837	190,371,953	2,117,724,351
Total receipts.....	1,924,317,623	71,754,442	24,846,690	14,914,624	13,979,755	15,062,648	36,871,877	18,975,596	28,095,711	27,642,985	45,987,198	89,920,529	1,536,265,568
Business receipts.....	928,022,390	7,522,078	22,930,478	13,382,708	12,124,438	12,891,023	28,714,008	13,662,635	18,175,037	12,446,748	20,349,116	39,467,020	726,357,101
Total deductions.....	1,771,169,018	69,704,225	25,180,594	14,876,118	13,826,807	14,792,569	37,192,174	18,042,744	25,820,051	12,446,748	20,349,116	39,467,020	1,402,720,103
Cost of sales and operations.....	556,461,819	1,374,447	5,447,112	2,514,378	3,447,946	4,566,931	10,526,773	5,789,278	8,359,696	4,483,370	10,621,121	22,194,259	477,136,508
Taxes paid.....	33,176,258	639,321	605,005	672,409	605,005	672,409	1,725,008	790,401	837,075	1,005,286	1,751,234	22,624,922	22,624,922
Interest paid.....	426,757,261	46,502,076	405,544	577,828	826,554	3,512,004	7,784,279	3,981,070	6,709,725	11,819,178	20,744,298	329,525,294	329,525,294
Depreciation.....	34,268,027	897,971	366,458	366,251	378,876	470,978	1,292,274	631,083	868,405	824,780	1,648,569	25,692,069	25,692,069
Pension, profit-sharing, stock bonus, and annuity plans.....	6,647,597	85,814	99,694	125,398	74,118	89,194	206,792	88,861	102,268	100,449	170,804	310,227	5,193,976
Employee benefit programs.....	15,722,521	334,844	146,112	147,082	172,054	117,886	335,466	201,584	262,721	279,936	453,328	1,087,578	12,183,950
Net income (less deficit).....	124,545,504	1,754,791	-349,259	34,013	160,754	254,428	-406,069	-405,649	-208,838	1,289,776	3,218,119	8,918,447	110,284,992
Income subject to tax.....	80,797,221	3,900,786	300,857	410,552	517,944	532,427	1,394,682	835,201	1,352,725	1,978,996	3,002,910	5,539,385	61,840,777
Income tax, total.....	27,261,531	858,680	51,834	117,577	111,011	117,577	415,975	269,443	455,400	684,016			

# 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)
<b>Services</b>													
Number of returns.....	1,061,657	60,181	713,925	144,675	65,506	36,720	32,469	4,020	2,252	906	446	314	242
Total assets.....	636,751,574	-	18,674,246	22,938,977	22,754,209	25,928,213	65,672,431	27,841,217	34,863,728	31,714,249	31,480,837	49,475,727	305,407,740
Notes and accounts receivable, net.....	100,305,198	-	1,683,138	3,060,956	3,442,080	4,671,427	14,153,457	5,836,219	7,398,817	6,405,713	5,671,075	9,044,170	38,938,146
Inventories.....	21,487,205	-	947,306	1,206,279	1,362,217	1,205,861	3,072,710	1,042,437	1,306,717	1,235,629	1,228,775	1,681,575	6,815,761
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	92,281,099	-	5,470,120	5,247,466	5,222,055	5,584,463	11,029,634	4,638,762	5,893,863	5,940,061	5,327,421	7,952,556	29,974,678
Other investments and loans.....	136,007,428	-	2,135,409	2,979,967	2,570,329	2,500,538	6,218,519	2,974,736	3,822,516	3,918,531	3,898,028	7,812,622	97,176,236
Depreciable assets.....	332,285,234	-	21,987,630	20,871,265	18,305,389	19,492,010	44,902,824	17,800,969	20,493,338	15,270,378	16,781,101	21,089,427	115,290,902
Less: Accumulated depreciation.....	149,342,296	-	15,266,758	12,738,936	10,620,699	10,864,586	21,356,838	7,695,905	8,433,499	5,983,500	6,982,911	7,868,924	41,529,739
Other capital assets less reserves.....	53,958,722	-	822,637	1,354,915	1,528,451	1,940,755	4,826,311	2,163,382	2,892,868	3,139,396	3,513,703	5,957,155	25,819,151
Total liabilities.....	636,751,574	-	18,674,246	22,938,977	22,754,209	25,928,213	65,672,431	27,841,217	34,863,728	31,714,249	31,480,837	49,475,727	305,407,740
Accounts and notes payable.....	109,912,882	-	4,038,019	4,179,236	4,383,412	5,579,985	15,761,552	7,034,801	8,158,507	6,908,299	6,312,374	9,458,419	38,098,278
Other current liabilities.....	76,932,128	-	2,437,443	2,162,823	2,062,348	2,842,217	7,582,055	3,245,252	4,640,857	4,265,133	3,986,461	5,190,855	38,516,685
Mortgages, notes, and bonds payable in one year or more.....	178,117,978	-	4,426,864	5,393,273	5,713,603	6,998,214	18,638,701	8,279,399	9,566,219	9,345,308	10,511,901	15,217,143	84,027,353
Net worth.....	177,668,039	-	1,722,664	6,031,998	6,539,866	6,361,704	14,266,910	5,586,723	8,708,496	7,522,142	7,345,155	14,655,715	102,371,997
Total receipts.....	809,724,469	10,697,649	121,393,330	67,577,686	56,061,235	58,875,502	115,746,910	37,944,987	44,146,825	34,726,724	34,877,247	45,926,738	181,749,635
Business receipts.....	761,569,005	10,025,538	55,762,438	54,760,676	57,117,480	110,055,546	110,055,546	35,651,506	41,620,595	32,446,206	32,194,907	41,140,642	162,007,252
Total deductions.....	800,163,940	10,836,728	119,814,608	66,343,861	55,163,822	58,260,798	114,602,568	37,663,151	43,910,527	34,608,697	34,822,284	45,344,478	178,792,418
Cost of sales and operations.....	301,802,690	3,890,261	37,526,248	23,164,601	22,338,670	26,338,670	46,634,216	15,863,459	19,758,611	15,596,983	14,513,614	19,130,893	61,737,086
Taxes paid.....	27,630,406	312,002	4,442,884	2,544,775	2,136,277	2,137,019	4,113,581	1,405,151	1,402,040	1,123,384	941,907	1,512,838	5,558,548
Interest paid.....	26,544,428	305,936	850,297	847,794	833,542	931,352	2,702,969	1,154,286	1,399,027	1,230,991	1,323,484	1,964,327	13,000,422
Depreciation.....	34,739,016	336,171	2,077,110	2,001,362	1,517,588	1,698,458	3,839,312	1,500,230	1,996,006	1,355,896	1,692,431	2,131,584	14,592,869
Pension, profit-sharing, stock bonus, and annuity plans.....	4,858,548	37,000	833,742	473,486	320,592	434,422	604,610	192,321	197,570	197,189	130,850	249,320	1,187,447
Employee benefit programs.....	12,057,610	126,064	933,564	718,195	534,803	761,359	1,649,296	710,405	820,872	590,934	814,739	1,071,101	3,326,279
Net income (less deficit).....	9,769,891	-135,931	1,576,713	1,229,104	892,088	607,306	1,145,178	274,418	225,926	97,952	38,703	571,415	3,247,020
Income subject to tax.....	16,071,091	192,513	586,217	749,950	813,018	777,694	1,382,385	662,100	845,317	874,155	836,552	1,251,560	7,299,629
Income tax, total.....	5,230,030	58,518	97,887	135,835	122,081	195,070	438,705	229,229	303,696	306,623	302,069	452,842	2,587,476
Alternative minimum tax.....	198,139	737	*520	*359	*1,696	5,185	12,226	6,943	14,190	9,014	16,911	25,158	95,200
Environmental tax.....	15,759	144	-	-	-	-	128	147	395	765	995	1,860	11,315
Foreign tax credit.....	474,901	*452	*2,934	3	*483	*382	*6,017	8,834	8,425	9,658	15,641	42,776	379,297
U.S. possessions tax credit.....	13,518	427	416	13	-	77	659	1,165	3,730	1,945	4,288	799	-
Orphan drug credit.....	*484	-	-	-	-	-	-	-	-	*484	-	-	-
Nonconventional source fuel credit.....	919	-	-	-	-	-	-	-	-	-	357	562	-
General business credit.....	127,665	*234	*1,714	3,362	2,349	6,272	12,260	5,489	7,675	7,315	12,268	18,315	50,411
Prior year minimum tax credit.....	51,166	*72	-	-	*181	*1,032	4,223	2,525	2,367	3,145	3,955	7,469	-
Total income tax after credits.....	4,561,377	57,333	92,823	132,458	119,069	187,306	415,546	211,216	281,500	284,075	265,559	382,921	2,131,571
<b>Nature of Business not Allocable</b>													
Number of returns.....	28,868	6,535	17,866	2,414	1,291	*299	420	*15	*24	4	**	-	-
Total assets.....	2,708,451	-	363,327	329,845	457,953	*192,164	776,030	*73,113	*333,606	*182,412	**	-	-
Notes and accounts receivable, net.....	347,266	-	32,085	*27,943	*94,594	*39,891	91,213	*81	*18,318	*43,142	**	-	-
Inventories.....	299,002	-	42,056	*53,317	*43,369	*6,190	*110,248	*13,925	*23,633	6,263	**	-	-
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	468,790	-	89,783	42,922	38,667	*52,278	95,168	*2,091	*110,957	*36,724	-	-	-
Other investments and loans.....	455,594	-	*19,817	*47,531	*54,737	*43,912	*185,642	*18,778	*54,570	30,610	-	-	-
Depreciable assets.....	1,034,051	-	203,569	183,564	183,835	*46,683	203,182	*98,328	*71,825	*43,065	**	-	-
Less: Accumulated depreciation.....	417,834	-	114,082	83,548	52,883	*10,767	70,107	*65,076	*10,762	*10,610	**	-	-
Other capital assets less reserves.....	435,899	-	66,732	*51,042	*75,335	*9,237	*136,974	*4,794	*60,517	*31,267	**	-	-
Total liabilities.....	2,708,451	-	363,327	329,845	457,953	*192,164	776,030	*73,113	*333,606	*182,412	**	-	-
Accounts and notes payable.....	660,142	-	111,601	*35,500	*112,391	*18,128	217,456	*51,035	*58,114	*55,919	**	-	-
Other current liabilities.....	222,936	-	37,198	*19,462	*14,948	*48,807	76,931	*4,358	*9,498	*11,734	**	-	-
Mortgages, notes, and bonds payable in one year or more.....	906,745	-	310,525	*116,730	*151,029	*48,690	152,472	-	*88,215	*39,083	**	-	-
Net worth.....	252,163	-	254,408	105,415	3,907	*62,320	139,251	*17,721	*134,843	*43,112	**	-	-
Total receipts.....	4,027,285	169,061	930,529	791,088	516,046	*217,297	948,745	*66,038	*150,805	*237,676	**	-	-
Business receipts.....	3,842,188	164,871	858,466	774,359	507,255	*185,721	916,752	*65,038	*135,371	*234,356	**	-	-
Total deductions.....	4,176,370	227,477	964,683	793,862	571,299	*238,583	926,730	*69,034	*133,801	*250,901	**	-	-
Cost of sales and operations.....	2,455,819	79,378	293,939	488,804	*383,341	*128,114	729,781	*47,695	*80,381	*224,385	**	-	-
Taxes paid.....	111,429	8,365	31,090	32,880	11,380	*10,353	11,694	*1,167	*2,982	*1,518	**	-	-
Interest paid.....	104,399	*1,600	31,816	*14,032	14,041	*14,811	10,283	*510	*6,751	*10,554	**	-	-
Depreciation.....	106,002	*6,296	42,241	13,957	*17,678	*10,485	12,573	*1,135	*637	1,000	**	-	-
Pension, profit-sharing, stock bonus, and annuity plans.....	*4,796	-	*1,719	-	-	-	*2,206	-	*530	*340	**	-	-
Employee benefit programs.....	11,308	*349	*2,836	-	*1,239	*2,251	*2,109	*1,421	*715	*389	**	-	-
Net income (less deficit).....	-149,629	-58,416	-34,154	-3,318	-55,253	*-21,286	22,015	*-2,996	*17,005	*-13,225	**	-	-
Income subject to tax.....	32,950	*1,635	*2,148	*5,159	*96	*12,349	*5,283	-	*5,444	835	**	-	-
Income tax, total.....	5,105	*359	*322	*793	*14	-	*1,479	-	*1,851	287	**	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-	-	-	**	-	-
Environmental tax.....	2	-	-	-	-	-	-	-	-	2	**	-	-
Foreign tax credit.....	1	-	1	-	-	-	-	-	-	-	**	-	-
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-	-	-	**	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	**	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-	-	**	-	-
General business credit.....	-	-	-	-	-	-	-	-	-	-	**	-	-
Prior year minimum tax credit.....	-	-	-	-	-	-	-	-	-	-	**	-	-
Total income tax after credits.....	5,103	*359	*321	*793	*14	-	*1,479	-	*1,851	287	**	-	-

\*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."



# 4 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 *	Under \$25,000 *	\$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 or more	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>All Industries</b>													
Number of returns.....	3,802,788	1,559,860	924,204	260,074	375,583	665,597	514,456	415,812	341,140	142,353	82,104	66,008	15,458
Total assets.....	19,029,508,839	245,812,300	177,507,928	26,009,497	42,294,875	98,545,100	117,410,859	169,327,879	346,631,319	399,526,811	568,925,728	1,765,884,875	15,319,443,968
Notes and accounts receivable, net.....	4,076,755,770	15,880,186	10,303,111	2,855,301	2,721,774	10,961,642	13,750,097	25,640,632	70,472,039	101,241,163	152,975,026	405,207,840	3,280,627,145
Inventories.....	883,913,179	8,596,636	5,013,429	1,217,945	2,365,261	8,301,379	13,187,123	21,959,100	41,655,586	42,649,050	51,418,503	124,368,154	571,727,149
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	3,457,970,161	44,816,099	31,625,083	5,007,156	8,183,860	18,366,921	22,216,450	32,457,741	74,319,215	93,099,522	137,048,256	416,710,731	2,618,935,226
Other investments and loans.....	6,363,842,781	64,564,313	49,370,220	5,895,847	9,298,246	20,949,164	21,418,086	28,258,332	63,417,401	83,172,600	135,951,373	570,148,931	5,375,962,583
Depreciable assets.....	4,549,055,093	106,143,318	70,955,048	11,185,812	24,002,458	55,795,447	71,159,467	97,027,986	154,725,282	129,996,598	132,716,599	310,997,167	3,490,493,229
Less: Accumulated depreciation.....	1,999,540,977	41,337,487	24,086,569	5,195,681	12,055,237	30,867,559	40,388,567	54,628,128	86,103,443	71,421,998	69,931,341	149,117,807	1,455,744,646
Other capital assets less reserves.....	675,528,200	34,767,757	25,199,547	3,556,799	6,011,410	11,190,304	10,883,095	12,901,810	18,918,622	13,093,020	15,494,646	46,051,019	512,227,927
Total liabilities.....	19,029,508,839	245,812,300	177,507,928	26,009,497	42,294,875	98,545,100	117,410,859	169,327,879	346,631,319	399,526,811	568,925,728	1,765,884,875	15,319,443,968
Accounts and notes payable.....	3,180,760,294	39,184,629	23,901,900	7,081,713	8,201,015	18,561,594	22,057,842	39,300,690	88,564,519	109,971,601	158,519,682	388,223,405	2,316,376,333
Other current liabilities.....	4,856,874,743	11,721,103	8,333,753	1,163,552	2,223,798	6,199,326	8,232,163	14,301,338	44,061,941	77,045,963	136,747,449	451,907,527	4,106,657,934
Mortgages, notes, and bonds payable in one year or more.....	2,697,909,300	75,519,853	56,397,595	7,176,007	11,946,251	26,082,881	29,847,381	41,752,079	64,645,669	58,420,867	176,955,420	2,169,502,840	17,889,087,497
Net worth.....	5,276,485,550	31,661,010	44,106,027	3,910,701	8,534,316	25,162,837	35,480,887	49,190,229	113,164,191	127,013,579	180,363,273	655,726,849	4,046,277,678
Total receipts.....	11,436,474,767	58,180,967	18,269,401	10,681,205	29,230,361	114,508,475	188,055,756	301,800,978	539,794,698	507,116,214	581,340,138	1,357,806,844	7,787,870,696
Business receipts.....	9,965,628,799	39,581,515	12,492,825	8,864,916	26,326,278	108,483,451	181,347,365	291,691,554	518,947,962	482,680,035	543,804,943	1,235,225,663	6,563,866,311
Total deductions.....	11,087,119,512	71,233,253	29,342,625	11,879,721	30,010,907	115,739,923	187,587,502	300,720,990	536,374,775	500,629,498	570,236,695	1,315,509,372	7,489,087,497
Cost of sales and operations.....	6,654,370,271	14,492,271	2,106,676	3,124,139	9,261,644	41,884,773	81,586,031	151,014,514	309,750,954	316,533,609	378,725,616	907,955,052	4,452,427,263
Taxes paid.....	257,796,399	2,910,646	1,117,106	530,273	1,263,266	4,555,197	6,835,822	10,065,586	15,384,576	12,128,262	12,288,839	24,489,916	169,137,557
Interest paid.....	735,721,055	4,385,968	2,537,846	610,324	1,237,797	3,233,700	4,087,387	6,154,046	12,153,981	13,996,804	19,873,837	51,670,090	614,165,241
Depreciation.....	333,952,832	4,328,899	2,070,297	708,834	1,549,767	4,153,007	5,477,066	7,520,013	12,177,400	10,084,910	10,719,025	24,781,448	254,711,065
Pension, profit-sharing, stock bonus, and annuity plans.....	46,487,339	166,028	77,591	73,955	140,277	740,366	1,287,360	2,357,017	4,412,737	4,490,133	5,077,992	11,914,395	102,695,532
Employee benefit programs.....	133,467,913	492,560	227,231	85,052	180,277	740,366	1,287,360	2,357,017	4,412,737	4,490,133	5,077,992	11,914,395	102,695,532
Net income (less deficit).....	344,859,794	-13,142,066	-11,110,376	-1,212,881	-818,809	-1,277,159	-1,277,159	983,692	2,938,583	5,631,717	9,384,568	35,916,882	304,023,527
Income subject to tax.....	350,009,712	2,183,136	1,126,698	374,233	682,205	1,708,039	2,537,579	3,834,888	6,504,302	6,303,494	7,953,103	23,928,998	295,058,175
Income tax, total.....	121,121,231	486,425	299,101	66,964	120,359	326,259	488,847	822,464	1,603,449	1,669,248	2,841,783	8,301,439	104,581,319
Alternative minimum tax.....	5,320,587	13,716	11,476	842	1,398	4,991	11,949	18,887	57,812	75,177	113,995	308,361	4,715,699
Environmental tax.....	479,288	248	244	3	(1)	56	56	95	223	742	1,179	12,954	463,724
Foreign tax credit.....	21,096,940	21,565	20,608	435	522	469	3,866	5,927	8,365	17,948	20,978	159,675	20,858,146
U.S. possessions tax credit.....	3,472,330	12,242	12,232	-	10	3	166	882	3,673	36,720	32,952	303,860	3,081,832
Orphan drug credit.....	18,475	-	-	-	-	-	-	-	-	-	-	-	18,475
Nonconventional source fuel credit.....	244,732	*19	*19	-	-	*203	*270	*59	*944	*169	*1,008	2,012	240,048
General business credit.....	2,206,371	5,768	4,239	*376	1,154	4,430	11,603	13,640	27,428	43,717	46,116	131,111	1,922,558
Prior year minimum tax credit.....	1,516,063	5,334	2,123	*2,880	332	1,938	1,731	2,104	9,140	24,571	32,512	98,765	1,339,967
Total income tax after credits.....	92,566,319	441,496	259,881	63,274	118,342	319,215	471,210	799,852	1,553,900	1,746,121	2,508,216	7,606,018	77,120,293
<b>Agriculture, Forestry, and Fishing</b>													
Number of returns.....	129,886	66,765	35,517	13,505	17,743	25,538	16,393	8,760	7,230	3,316	1,086	675	122
Total assets.....	67,756,553	13,182,520	7,125,330	2,226,917	3,830,273	7,257,247	6,419,413	5,815,951	6,808,005	4,525,409	4,169,331	7,935,683	11,642,993
Notes and accounts receivable, net.....	5,789,779	507,990	338,278	56,357	113,355	190,136	236,783	508,484	562,823	532,291	557,892	1,235,907	1,457,472
Inventories.....	7,284,831	297,552	132,487	52,929	112,136	514,529	348,976	415,528	574,879	769,461	1,158,896	2,491,165	
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	7,566,869	1,494,361	768,699	279,621	446,042	875,665	731,968	634,811	733,082	615,709	396,497	983,054	1,101,722
Other investments and loans.....	7,960,334	1,985,509	1,244,658	316,621	424,230	775,479	611,098	626,402	602,423	484,947	345,637	994,750	1,554,089
Depreciable assets.....	50,297,759	7,237,543	3,240,722	1,155,907	2,840,914	6,053,222	6,428,361	5,369,096	6,610,962	4,023,565	3,187,215	4,729,875	6,657,920
Less: Accumulated depreciation.....	30,738,846	4,341,000	1,782,862	641,172	1,916,965	4,071,842	4,486,250	3,500,901	4,303,830	2,453,266	1,924,048	2,492,370	3,165,339
Other capital assets less reserves.....	16,410,972	5,334,025	2,800,653	913,036	1,620,336	2,694,166	2,123,799	1,459,999	1,435,629	675,953	656,627	1,092,175	938,599
Total liabilities.....	67,756,553	13,182,520	7,125,330	2,226,917	3,830,273	7,257,247	6,419,413	5,815,951	6,808,005	4,525,409	4,169,331	7,935,683	11,642,993
Accounts and notes payable.....	13,568,341	1,126,735	501,421	177,354	447,960	864,355	870,215	1,082,198	1,916,998	1,267,975	1,578,233	2,093,853	2,767,778
Other current liabilities.....	3,201,158	432,037	284,238	9,627	138,172	200,469	128,792	216,101	321,541	321,541	237,108	754,710	790,124
Mortgages, notes, and bonds payable in one year or more.....	16,988,309	2,882,645	1,524,589	551,936	806,120	2,007,875	1,791,922	1,744,378	2,216,487	1,169,293	834,941	1,841,354	2,499,416
Net worth.....	22,769,981	5,081,334	2,470,476	963,052	1,647,806	2,614,724	2,486,987	1,700,231	1,684,424	1,273,591	1,034,523	2,536,557	4,357,611
Total receipts.....	85,945,700	3,275,338	947,423	619,454	1,708,461	4,944,683	6,318,900	6,532,870	12,360,601	11,378,450	7,818,190	13,581,800	19,734,869
Business receipts.....	80,981,260	2,000,469	161,422	494,779	1,344,268	3,422,027	5,912,652	6,097,545	11,852,133	11,266,433	7,562,994	13,136,746	19,008,261
Total deductions.....	85,331,571	3,846,040	1,409,204	684,138	1,752,698	4,878,418	6,279,912	6,443,905	12,219,017	11,231,331	7,670,789	13,435,972	19,326,187
Cost of sales and operations.....	51,674,544	588,459	124,329	321,810	1,111,467	2,012,687	2,628,876	6,560,638	8,019,485	5,026,327	10,367,167	15,359,439	19,326,187
Taxes paid.....	1,990,177	225,855	98,488	40,523	86,844	199,909	228,727	209,863	346,418	207,695	138,603	185,259	247,849
Interest paid.....	2,634,724	323,991	137,486	69,280	117,225	290,470	276,040	238,846	388,450	200,308	184,616	335,035	396,969
Depreciation.....	3,509,306	419,011	174,046	83,546	161,419	402,789	435,520	364,652	507,936	337,201	222,036	353,220	466,940
Pension, profit-sharing, stock bonus, and annuity plans.....	161,720	5,960	3,263	*29	*2668	4,985	9,130	17,590	14,960	19,373	18,521	29,842	41,359
Employee benefit programs.....	618,677	31,560	12,645	5,606	13,309	48,593	50,411	38,672	64,166	59,897	56,981	57,221	211,376
Net income (less deficit).....	625,656	-580,483	-468,878	-65,020	-46,585	64,772	37,210	88,738	139,162	146,735	148,738	147,182	435,602
Income subject to tax.....	1,875,241	311,942	148,737	47,315	115,891	196,664	191,663	156,164	113,500	126,425	113,550	187,055	478,277
Income tax, total.....	520,185	65,711	35,494										

# 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 <sup>2</sup>	Under \$25,000 <sup>2</sup>	\$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)
<b>Mining</b>													
Number of returns.....	39,199	23,347	18,641	2,467	2,239	6,056	2,087	2,510	2,813	1,014	624	567	181
Total assets.....	212,962,835	5,601,503	4,465,648	536,491	599,364	4,742,946	1,839,100	2,249,267	5,809,388	4,180,554	5,496,497	17,783,659	165,259,921
Notes and accounts receivable, net.....	20,287,922	933,867	759,060	111,827	*62,980	271,075	848,448	324,910	584,142	743,147	2,498,864	13,812,197	
Inventories.....	6,124,084	39,781	*39,257	-	*524	23,773	26,458	100,949	102,859	96,302	179,975	741,779	4,812,209
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	15,542,024	1,067,916	778,096	143,380	146,440	339,364	553,579	473,527	1,093,420	650,820	918,251	2,094,074	8,351,071
Other investments and loans.....	83,360,914	1,492,983	1,177,638	153,076	162,270	3,188,539	385,816	378,819	1,326,193	653,236	712,505	2,473,525	72,749,297
Depreciable assets.....	97,902,990	1,444,397	1,043,615	187,928	212,854	1,047,537	979,401	1,757,319	3,835,047	2,420,091	3,096,242	10,754,235	72,568,722
Less: Accumulated depreciation.....	49,257,431	980,919	703,626	125,592	151,701	758,197	662,684	1,274,640	2,633,247	1,377,049	2,038,275	6,084,324	33,448,097
Other capital assets less reserves.....	30,576,540	829,940	660,964	48,028	120,948	576,598	254,675	423,958	1,058,486	1,011,012	1,670,288	4,542,483	20,209,100
Total liabilities.....	212,962,835	5,601,503	4,465,648	536,491	599,364	4,742,946	1,839,100	2,249,267	5,809,388	4,180,554	5,496,497	17,783,659	165,259,921
Accounts and notes payable.....	24,845,898	3,262,195	926,572	2,181,109	154,515	1,122,863	477,610	360,897	1,384,910	831,967	1,249,304	2,744,190	13,411,960
Other current liabilities.....	9,509,489	391,206	328,429	33,587	*29,190	349,402	222,457	221,000	263,886	307,647	210,452	934,912	6,608,526
Mortgages, notes, and bonds payable in one year or more.....	50,040,395	1,080,457	882,430	60,633	*137,395	474,357	473,935	583,529	1,095,972	810,730	1,053,763	3,666,496	40,801,156
Net worth.....	106,585,141	-883,592	794,032	-1,798,156	120,532	2,111,542	129,658	541,477	2,683,228	1,874,336	2,400,487	8,908,288	88,819,718
Total receipts.....	103,286,287	950,336	616,435	148,525	185,378	1,280,608	984,428	2,091,386	5,029,662	3,941,554	4,759,986	12,996,526	71,251,800
Business receipts.....	90,512,940	320,766	82,421	98,649	139,696	1,019,781	791,725	1,830,094	4,475,489	3,552,095	4,317,566	11,780,287	62,425,137
Total deductions.....	99,537,632	1,242,001	831,371	182,030	228,600	1,274,759	1,026,244	2,095,945	4,911,724	3,857,471	4,618,406	12,969,023	67,542,059
Cost of sales and operations.....	56,314,253	163,627	58,922	31,806	72,899	367,761	274,515	759,789	1,991,440	1,754,656	2,257,206	7,076,182	41,669,077
Taxes paid.....	3,231,776	41,322	28,595	5,291	7,435	55,579	50,012	86,689	214,281	179,553	164,324	446,515	1,993,501
Interest paid.....	6,315,413	101,003	92,362	3,666	*4,975	38,115	40,139	80,164	142,775	111,939	162,047	498,267	5,140,964
Depreciation.....	5,779,081	69,018	37,068	15,034	16,916	77,643	68,579	106,127	274,410	224,922	220,078	810,739	3,927,566
Pension, profit-sharing, stock bonus, and annuity plans.....	465,543	*2,477	*2,397	*80	*299	*7,629	*1,331	*3,674	8,505	23,300	35,908	57,184	325,535
Employee benefit programs.....	1,518,115	4,101	2,948	*299	*854	9,935	10,744	21,909	70,260	51,154	124,275	193,579	1,032,158
Net income (less deficit).....	4,001,356	-296,417	-218,767	-34,429	-43,221	5,266	-43,017	-6,000	106,750	84,523	140,544	33,636	3,976,072
Income subject to tax.....	4,495,495	98,202	93,000	*375	*4,826	64,848	*24,409	58,761	103,461	44,914	101,129	280,549	3,719,582
Income tax, total.....	1,814,367	30,223	29,176	*57	*990	19,262	6,492	14,948	20,438	41,404	125,425	152,456	1,521,456
Alternative minimum tax.....	298,531	*1,233	*1,233	*1	-	*528	*523	*841	4,628	6,050	7,241	30,485	247,002
Environmental tax.....	8,644	*53	*53	-	-	56	10	*11	-	-	84	474	7,699
Foreign tax credit.....	639,076	*6	-	-	*6	*72	-	-	28	*29	-	-	6,699
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-	-	-	*3,255	6,699	629,043
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	51,054	*19	*19	-	-	*203	-	-	*789	-	*1,004	*1,543	*47,496
General business credit.....	38,800	*709	*709	-	-	*965	-	-	*23	*646	2,132	32,595	
Prior year minimum tax credit.....	44,356	*708	*708	-	-	*1,583	-	*45	*731	*326	-	3,353	37,610
Total income tax after credits.....	1,041,082	28,781	27,740	*57	*984	17,037	6,492	13,000	33,718	19,466	36,718	111,698	774,712
<b>Construction</b>													
Number of returns.....	416,987	126,056	62,748	22,575	40,733	81,827	69,347	58,063	48,802	17,241	9,356	5,666	631
Total assets.....	243,035,939	10,984,672	7,822,031	834,000	2,328,641	5,897,688	9,927,862	15,459,829	28,759,787	23,922,286	26,308,156	45,471,389	76,304,270
Notes and accounts receivable, net.....	64,880,525	916,289	556,150	116,898	243,241	763,417	1,727,089	3,309,687	6,852,164	7,108,346	8,977,440	16,439,732	18,786,361
Inventories.....	29,616,722	1,449,425	1,179,819	144,693	124,913	851,966	1,660,847	5,099,878	3,894,566	3,556,058	4,859,883	5,619,831	
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	54,648,513	2,897,446	2,039,072	191,643	666,731	1,321,049	2,457,397	3,418,707	7,062,777	5,874,445	6,442,634	11,774,418	13,399,641
Other investments and loans.....	37,660,562	2,333,529	1,710,319	93,277	529,933	1,010,705	837,892	1,572,811	2,206,591	1,524,769	2,038,632	3,468,208	22,687,426
Depreciable assets.....	101,677,487	4,052,088	1,710,316	824,643	1,717,129	4,430,277	7,051,388	9,948,797	16,157,499	11,439,809	10,236,581	17,675,369	20,685,228
Less: Accumulated depreciation.....	62,309,869	2,317,258	1,010,760	400,519	1,105,979	3,022,205	4,636,505	6,473,389	10,507,552	7,296,098	6,496,683	10,946,235	10,613,945
Other capital assets less reserves.....	9,074,436	999,294	672,586	26,825	99,884	403,946	522,991	669,294	1,154,305	718,564	687,453	1,295,863	2,622,726
Total liabilities.....	243,035,939	10,984,672	7,822,031	834,000	2,328,641	5,897,688	9,927,862	15,459,829	28,759,787	23,922,286	26,308,156	45,471,389	76,304,270
Accounts and notes payable.....	74,775,525	2,772,901	2,071,670	237,868	463,363	1,538,551	2,767,132	5,020,364	9,624,129	8,106,280	9,585,549	15,942,487	19,418,133
Other current liabilities.....	30,343,485	1,317,693	920,809	197,936	198,948	424,932	911,990	1,495,254	3,339,887	3,145,479	3,571,053	6,575,593	9,561,604
Mortgages, notes, and bonds payable in one year or more.....	42,923,484	2,527,720	1,836,649	154,334	534,738	1,180,385	1,829,332	3,144,725	4,233,817	3,228,771	3,035,789	5,655,186	18,087,759
Net worth.....	70,666,636	1,506,395	866,575	52,766	146,975	1,486,975	2,940,478	4,043,551	8,643,656	7,114,730	7,865,500	14,499,100	22,566,251
Total receipts.....	515,128,533	5,308,605	1,068,777	933,252	3,306,576	14,105,494	25,284,929	42,557,038	75,693,848	60,359,772	66,470,638	109,230,619	116,117,591
Business receipts.....	502,691,224	4,366,631	390,440	848,374	3,127,817	13,843,496	24,967,939	42,070,993	74,643,105	59,672,350	65,552,851	107,441,775	110,132,084
Total deductions.....	509,247,728	5,537,060	1,341,378	906,912	3,288,770	13,809,425	25,196,177	42,396,161	75,438,818	59,826,161	65,674,247	107,562,769	113,806,910
Cost of sales and operations.....	389,883,167	2,103,015	256,630	368,992	1,477,393	7,263,419	14,927,668	27,880,096	54,205,433	46,394,564	53,383,860	91,028,704	92,696,409
Taxes paid.....	10,856,215	204,068	61,158	38,118	104,792	855,968	1,301,349	2,077,506	1,367,669	1,447,699	1,765,015	3,222,425	2,553,491
Interest paid.....	6,984,942	213,307	108,093	21,683	83,530	224,298	326,543	529,874	836,515	643,476	720,662	1,322,425	1,350,659
Depreciation.....	8,439,450	293,208	86,343	46,467	160,398	674,127	918,995	1,438,511	974,965	932,159	1,438,656	2,553,491	
Pension, profit-sharing, stock bonus, and annuity plans.....	2,161,206	23,397	*11,850	*1,075	*10,472	20,732	63,742	128,815	273,938	278,234	365,925	537,042	469,382
Employee benefit programs.....	4,189,860	45,334	9,710	10,249	25,374	100,121	184,375	395,942	594,098	662,464	531,272	854,463	821,791
Net income (less deficit).....	6,103,605	-237,311	-279,620	25,286	17,023	295,993	84,446	162,216	251,126	527,808	789,522	1,631,219	2,598,586
Income subject to tax.....	6,662,049	119,315	46,341	*16,294	56,680	112,502	302,565	478,662	743,288	585,054	652,981	1,273,388	2,394,295
Income tax, total.....	2,008,680	28,396	11,598	*5,111	11,687	17,009	48,321	81,821	165,303	161,185	216,802	446,385	843,459
Alternative minimum tax.....	83,339	*608	*603	*5	-	-	*562	*1,183	11,494	11,196	20,291	17,537	20,467
Environmental tax.....	3,499	-	-	-	-	-	-	-	-	-	-	-	3,077
Foreign tax credit.....	181,412	*76	*74	-	*3	-	-	3,642	-	*16	-	*1,286	176,392
U.S. possessions tax credit.....	2,295	-	-	-	-	-	-	-	204	35	-	2,057	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	*464	-	-	-	-	-	-	-	-	-	-	*12	*304
General business credit.....	44,279	*30	-	-	*30	*636	*918	*867	3,911	4,300	4,295	3,617	25,704
Prior year minimum tax credit.....	57,807	*2,861	-	*2,861	-	*299	*186	*186	3,157	11,409	9,848	23,711</	

# 4 RETURNS OF ACTIVE CORPORATIONS

## 4 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 *	Under \$25,000 *	\$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)
<b>Manufacturing</b>													
Number of returns.....	300,122	73,270	43,655	12,846	16,769	42,157	43,423	40,341	45,233	22,227	14,742	14,035	4,695
Total assets.....	4,028,360,038	9,522,822	7,329,260	813,152	1,380,410	3,975,792	8,103,240	14,552,409	33,882,295	39,150,257	56,183,095	187,305,488	3,675,684,638
Notes and accounts receivable, net.....	790,086,253	1,030,048	788,867	119,669	121,512	634,088	1,428,613	3,032,283	8,126,663	9,417,772	13,605,637	41,367,651	711,443,498
Inventories.....	373,782,878	537,716	256,386	82,523	198,807	611,977	1,234,573	2,460,344	6,628,031	8,529,232	12,997,245	39,532,835	301,260,925
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	369,866,719	2,429,090	2,027,532	68,654	332,905	893,910	1,653,603	2,819,751	5,591,575	6,063,113	7,453,815	25,876,701	317,085,181
Other investments and loans.....	1,039,844,642	2,186,488	1,903,581	200,365	82,541	396,994	836,649	1,048,784	2,321,258	2,232,067	3,272,408	16,970,888	1,010,579,107
Depreciable assets.....	1,735,269,036	3,900,679	2,536,946	450,921	912,812	3,043,569	6,050,363	11,548,691	25,820,905	27,351,402	35,387,382	99,050,268	1,523,115,776
Less: Accumulated depreciation.....	867,268,033	1,560,210	940,339	140,921	405,725	1,939,755	3,693,365	7,475,577	16,607,863	16,638,710	20,017,518	52,434,057	746,900,978
Other capital assets less reserves.....	309,419,824	607,198	444,406	66,492	96,300	146,697	412,932	642,196	1,224,127	1,468,632	2,170,641	10,226,433	292,520,968
Total liabilities.....	4,028,360,038	9,522,822	7,329,260	813,152	1,380,410	3,975,792	8,103,240	14,552,409	33,882,295	39,150,257	56,183,095	187,305,488	3,675,684,638
Accounts and notes payable.....	784,392,611	2,158,724	1,632,874	190,692	335,157	1,083,361	1,551,637	3,920,033	8,491,804	10,729,105	15,881,218	47,107,854	693,468,876
Other current liabilities.....	388,289,440	1,029,075	765,559	92,319	171,197	461,964	630,809	1,267,050	2,962,889	4,996,190	16,433,782	357,917,946	357,917,946
Mortgages, notes, and bonds payable in one year or more.....	825,893,110	2,326,695	1,808,874	181,887	335,933	1,206,443	1,821,104	3,381,201	6,241,209	6,852,000	9,920,564	35,618,623	758,425,270
Net worth.....	1,481,203,474	1,447,404	1,395,717	-118,214	169,901	-62,727	2,626,429	3,636,809	15,512,156	21,617,001	77,749,608	1,345,781,713	3,042,822,246
Total receipts.....	3,658,501,307	3,149,022	1,333,483	516,124	1,299,415	7,445,891	16,258,533	29,821,335	72,716,129	79,985,524	105,620,739	300,681,888	3,042,822,246
Business receipts.....	3,409,490,090	1,962,112	258,878	459,054	1,244,179	7,232,278	15,842,751	29,264,470	71,416,179	78,579,865	103,814,498	294,221,816	2,807,156,119
Total deductions.....	3,548,746,793	4,663,483	2,448,302	696,410	1,518,771	8,180,586	16,384,400	30,219,176	72,702,984	79,143,495	103,861,646	293,369,073	2,940,252,116
Cost of sales and operations.....	2,355,261,594	1,046,900	175,992	262,811	608,096	3,644,887	8,254,232	16,571,511	45,810,109	53,810,509	71,564,305	209,507,024	1,945,052,116
Taxes paid.....	87,433,090	162,729	92,392	18,705	51,632	277,241	608,542	1,115,974	2,262,365	2,127,750	2,564,135	6,349,413	71,980,940
Interest paid.....	145,611,955	230,943	167,480	26,631	36,832	150,747	266,332	499,226	1,144,091	1,293,727	1,814,970	5,911,244	134,300,676
Depreciation.....	121,141,707	224,586	102,049	48,185	74,351	234,319	488,908	902,178	1,952,142	1,998,466	2,662,796	5,903,133	105,297,779
Pension, profit-sharing, stock bonus, and annuity plans.....	19,217,481	4,165	2,621	-	1,544	28,272	61,710	113,066	319,435	358,682	428,162	1,273,735	16,630,254
Employee benefit programs.....	58,797,239	39,064	27,946	5,821	5,297	54,719	196,808	379,541	1,032,388	1,443,356	4,022,457	50,681,771	125,185,984
Net income (less deficit).....	132,269,225	-1,516,204	-1,116,235	-180,266	-219,683	-734,535	-127,095	-401,413	-669	837,329	1,734,999	7,280,828	140,937,904
Income subject to tax.....	152,624,397	188,369	149,254	33,399	5,716	55,259	272,947	1,181,117	1,003,017	1,811,117	6,814,183	23,995,493	50,101,305
Income tax, total.....	53,891,094	56,398	48,084	7,444	*870	8,944	53,900	93,469	237,877	355,143	588,564	2,395,493	1,763,682
Alternative minimum tax.....	1,893,764	1,475	*1,353	121	-	*224	*1,164	*1,237	4,667	13,141	23,555	84,619	200,138
Environmental tax.....	203,609	*26	*26	-	-	*2	*23	*16	*19	*334	95	2,957	151,348
Foreign tax credit.....	16,905,943	*6,065	*6,038	*28	-	-	-	*113	*622	*367	702	45,358	16,852,715
U.S. possessions tax credit.....	3,351,884	11,615	11,615	-	-	-	143	561	2,829	32,586	27,863	286,717	2,889,570
Orphan drug credit.....	17,991	-	-	-	-	-	-	-	-	-	-	-	17,991
Nonconventional source fuel credit.....	151,675	-	-	-	-	-	-	-	-	-	-	*326	151,348
General business credit.....	893,335	*663	*663	-	-	*339	2,593	*860	7,438	20,192	18,901	58,044	784,306
Prior year minimum tax credit.....	466,196	*154	*154	-	-	-	-	-	*573	2,363	4,714	18,939	439,452
Total income tax after credits.....	32,104,071	37,901	29,615	*7,417	*870	8,605	51,164	91,936	226,415	299,635	536,383	1,986,109	28,865,923
<b>Transportation and Public Utilities</b>													
Number of returns.....	164,980	66,973	38,320	10,994	17,658	28,477	18,109	18,056	17,057	8,434	4,428	2,565	881
Total assets.....	1,573,824,265	10,168,647	7,576,437	1,026,358	1,565,853	3,321,911	4,406,411	6,368,882	13,694,362	13,184,469	16,696,980	42,475,355	1,463,507,248
Notes and accounts receivable, net.....	156,619,778	868,588	658,370	135,248	74,970	357,272	488,336	869,907	2,385,835	2,225,746	3,113,014	6,184,092	140,126,990
Inventories.....	29,847,667	100,742	68,006	*2,833	*29,904	96,562	54,978	134,236	267,202	383,278	292,522	694,501	27,823,646
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	90,666,708	1,799,633	1,429,749	202,253	167,631	577,558	816,112	1,406,559	1,990,320	2,337,717	2,436,132	5,222,855	74,079,821
Other investments and loans.....	239,072,814	1,929,703	1,637,091	114,781	177,831	327,968	285,098	572,388	1,020,835	1,220,356	1,827,320	5,588,366	226,300,781
Depreciable assets.....	1,353,543,264	7,802,962	5,406,033	707,700	1,689,193	3,816,487	4,436,809	7,131,180	12,441,834	15,132,181	18,229,300	43,294,300	1,255,857,428
Less: Accumulated depreciation.....	486,063,881	3,762,826	2,514,995	351,626	896,205	2,197,585	2,508,551	4,433,471	8,327,115	6,965,043	7,962,222	14,871,287	435,235,783
Other capital assets less reserves.....	71,036,947	575,568	437,085	56,071	82,412	164,372	453,210	483,144	1,161,287	981,194	1,196,134	4,872,062	61,149,976
Total liabilities.....	1,573,824,265	10,168,647	7,576,437	1,026,358	1,565,853	3,321,911	4,406,411	6,368,882	13,694,362	13,184,469	16,696,980	42,475,355	1,463,507,248
Accounts and notes payable.....	171,211,719	2,079,784	1,854,941	68,286	156,557	683,441	731,442	1,253,320	3,339,148	4,175,047	9,021,645	146,675,252	146,675,252
Other current liabilities.....	132,206,260	721,826	624,636	42,261	54,929	179,467	234,114	639,297	1,244,401	926,898	1,508,681	3,938,482	122,813,094
Mortgages, notes, and bonds payable in one year or more.....	507,392,874	3,534,544	2,603,249	249,394	681,901	1,348,857	1,621,384	1,878,449	4,766,738	4,209,272	6,129,888	14,952,818	468,950,924
Net worth.....	528,942,779	57,331	622,119	394,005	170,783	252,893	915,699	1,483,754	2,247,861	3,479,626	3,294,379	9,906,964	507,418,935
Total receipts.....	954,944,592	3,440,134	1,588,733	442,831	1,408,569	4,793,746	6,742,102	13,420,162	27,741,906	30,197,770	31,007,568	52,653,315	784,947,890
Business receipts.....	897,131,837	1,913,992	199,104	400,109	1,314,778	4,658,376	6,522,551	13,113,315	26,960,504	29,520,226	29,962,739	50,430,380	734,049,753
Total deductions.....	917,837,603	4,109,038	2,188,156	505,887	1,414,994	4,856,299	6,894,364	13,480,839	27,847,684	30,172,246	30,759,601	52,421,197	747,296,336
Cost of sales and operations.....	413,508,684	570,497	107,364	108,776	354,356	1,528,829	2,540,602	5,795,768	12,578,465	16,348,955	16,733,778	26,807,866	330,603,924
Taxes paid.....	43,282,260	155,174	69,628	26,967	58,579	210,583	267,523	550,791	1,040,222	939,503	982,264	1,718,653	37,417,546
Interest paid.....	59,686,545	360,778	251,971	36,619	72,188	195,245	189,729	696,314	1,457,368	1,267,987	1,062,611	2,711,111	54,580,835
Depreciation.....	82,446,402	403,327	200,703	55,511	147,114	359,215	435,785	651,526	1,457,368	1,267,987	1,062,611	2,711,111	73,796,571
Pension, profit-sharing, stock bonus, and annuity plans.....	6,364,482	*2,273	*1,115	*947	*211	*667	*7,475	33,997	63,701	98,470	105,643	166,786	5,885,470
Employee benefit programs.....	20,273,473	47,998	37,552	*1,653	8,793	33,789	53,951	102,648	340,601	324,367	358,948	728,745	18,284,427
Net income (less deficit).....	37,742,965	-672,940	-603,459	-63,056	-6,425	-62,552	-152,420	-63,536	-111,830	21,371	246,450	290,502	38,247,920
Income subject to tax.....	47,111,134	152,025	126,011	*10,044	15,970	100,564	128,207	332,598	442,430	484,443	1,163,913	44,084,985	14,084,985
Income tax, total.....	17,143,124	44,473	40,067	*1,608	2,798	16,073	24,888	56,078	93,298	140,947	161,970	428,748	18,178,647
Alternative minimum tax.....	1,154,195	*1,805	*1,805	-	-	*66	*605	*1,088	5,865	7,028	15,570	32,887	1,089,080
Environmental tax.....	86,085	*37	*37	-	-	(*)	-	*2	*17	55	168	1,018	84,789
Foreign tax credit.....	390,601	*512	*512	-	-	-	-						

# 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 *	Under \$25,000 *	\$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)
<b>Wholesale and Retail Trade</b>													
Number of returns.....	1,043,534	268,715	132,823	51,189	84,703	175,444	165,982	163,907	137,398	60,190	36,002	30,642	5,253
Total assets.....	1,483,427,907	15,771,360	9,240,271	2,227,378	4,303,712	13,645,269	22,388,348	40,850,523	73,192,604	69,624,737	78,605,352	187,698,346	981,651,368
Notes and accounts receivable, net.....	320,687,700	1,672,216	1,087,222	211,090	373,204	1,130,558	2,977,662	6,287,088	15,973,103	15,973,076	18,697,358	43,640,455	215,812,184
Inventories.....	384,005,805	2,369,402	736,693	559,752	1,072,957	4,153,469	7,482,408	13,046,309	24,322,427	25,605,690	30,365,815	70,951,181	205,699,105
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	202,542,555	3,371,629	2,158,278	415,869	797,481	2,252,703	3,383,996	6,207,965	11,662,342	9,649,256	9,251,537	21,165,712	135,597,416
Other investments and loans.....	179,038,523	3,586,736	2,911,083	263,814	411,839	914,386	1,613,435	2,870,792	4,767,292	3,942,714	3,836,538	10,682,400	146,824,049
Depreciable assets.....	488,545,890	5,769,245	2,375,711	1,088,992	2,304,542	7,403,393	12,405,130	21,535,682	33,114,898	27,452,508	29,114,405	63,364,251	288,386,379
Less: Accumulated depreciation.....	226,122,287	2,878,872	1,165,523	530,739	1,182,610	3,923,069	7,508,431	12,582,969	20,207,784	16,420,088	16,823,336	33,109,874	112,667,863
Other capital assets less reserves.....	78,523,990	1,010,492	641,257	100,098	269,136	916,461	1,065,993	2,086,711	3,091,646	2,149,670	2,815,867	7,402,082	57,985,069
Total liabilities.....	1,483,427,907	15,771,360	9,240,271	2,227,378	4,303,712	13,645,269	22,388,348	40,850,523	73,192,604	69,624,737	78,605,352	187,698,346	981,651,368
Accounts and notes payable.....	497,527,404	4,420,615	2,914,312	517,632	988,671	2,958,075	5,618,631	11,828,696	23,601,033	26,530,609	33,377,254	85,292,635	303,899,856
Other current liabilities.....	173,156,097	761,291	470,780	89,469	201,042	818,834	1,359,327	2,935,464	4,709,479	4,605,392	5,208,243	13,869,935	138,888,131
Mortgages, notes, and bonds payable in one year or more.....	283,642,854	3,442,557	1,807,441	583,751	1,051,365	3,632,831	8,883,875	9,028,263	12,855,048	10,629,478	11,122,374	26,791,417	201,457,011
Net worth.....	374,844,301	124,927	286,243	61,968	-223,284	1,487,271	4,985,579	9,755,037	23,818,525	22,593,757	23,785,957	52,068,194	236,225,055
Total receipts.....	3,380,598,972	10,668,090	1,879,647	2,078,857	6,709,586	30,083,242	60,795,715	118,351,633	219,141,389	213,994,249	254,019,742	623,452,048	1,850,092,865
Business receipts.....	3,291,367,866	9,012,071	770,121	1,905,821	6,336,129	29,446,613	59,550,185	116,305,133	215,798,481	210,013,624	250,679,177	613,561,318	1,788,001,263
Total deductions.....	3,350,908,877	12,595,548	2,898,578	2,455,427	7,241,453	31,284,708	61,007,981	118,313,772	217,806,612	212,671,818	252,480,719	619,116,851	1,825,630,847
Cost of sales and operations.....	2,527,007,700	4,825,251	528,172	1,003,225	3,293,854	15,982,322	34,942,587	72,947,413	147,522,889	154,480,424	194,295,985	498,879,242	1,403,131,587
Taxes paid.....	50,084,788	431,082	127,112	79,046	224,924	1,026,986	1,842,837	3,219,001	4,645,688	3,786,928	3,617,589	7,757,138	23,757,541
Interest paid.....	61,081,388	389,595	190,218	63,188	136,188	499,988	797,639	1,492,425	2,533,779	2,308,231	2,666,574	6,701,280	43,691,876
Depreciation.....	43,523,841	410,503	114,189	99,076	197,239	650,293	1,007,770	1,727,613	2,684,489	2,206,814	2,400,985	5,649,157	26,786,218
Pension, profit-sharing, stock bonus, and annuity plans.....	6,605,965	12,084	3,486	7,848	46,820	111,618	231,404	466,123	528,062	508,914	1,054,185	3,646,755	15,157,157
Employee benefit programs.....	20,279,110	58,370	13,283	11,079	34,008	102,022	248,723	556,839	1,029,057	1,073,939	1,167,106	3,139,375	12,903,679
Net income (loss deficit).....	29,951,221	-1,927,762	-1,020,991	-376,570	-532,201	-1,207,090	-214,849	32,144	1,322,999	1,301,453	1,532,833	4,326,335	24,778,157
Income subject to tax.....	40,340,135	183,181	114,023	28,602	40,556	245,952	529,432	1,169,739	1,951,892	1,618,298	1,679,847	4,003,342	28,958,452
Income tax, total.....	13,227,114	42,780	30,573	4,616	7,591	44,094	86,372	211,985	405,030	386,343	481,897	1,348,653	10,219,961
Alternative minimum tax.....	375,810	*1,639	*1,582	-	*57	*512	*85	2	10	*6	*5	737	43,707
Environmental tax.....	44,562	*53	*53	-	-	-	-	-	2,663	3,206	6,010	35,734	324,658
Foreign tax credit.....	876,460	*4,737	*4,737	-	-	-	-	2	*36	*791	*448	3,994	10,396
U.S. possessions tax credit.....	24,086	-	-	-	-	-	-	245	3	191	674	2,024	20,951
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	173	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	231,763	*438	*307	*12	*120	-	1,335	2,126	3,212	3,939	5,963	15,024	199,726
Prior year minimum tax credit.....	79,415	-	-	-	-	-	-	*351	*441	764	1,346	8,235	68,279
Total income tax after credits.....	12,015,216	37,605	25,529	4,604	7,471	44,084	85,037	209,228	400,568	381,000	469,920	1,312,971	9,074,805
<b>Finance, Insurance, and Real Estate*</b>													
Number of returns.....	617,557	405,856	285,356	57,065	63,434	82,857	50,852	31,662	21,218	9,718	6,149	6,610	2,637
Total assets.....	10,780,681,276	139,548,882	103,216,526	15,075,150	21,257,206	41,396,834	42,183,434	54,814,203	144,160,244	212,563,861	348,602,866	1,203,807,242	8,595,803,909
Notes and accounts receivable, net.....	2,617,751,348	6,489,789	3,317,933	1,839,582	1,332,274	6,145,692	4,155,124	5,580,564	30,059,329	58,580,564	99,863,577	277,391,854	1,217,328,418
Inventories.....	31,454,985	3,012,132	2,094,162	277,984	639,986	1,358,063	1,404,502	1,708,554	2,074,720	1,908,090	2,021,027	3,674,524	14,293,374
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	2,624,386,886	23,378,577	16,144,484	2,996,683	4,237,409	8,142,589	8,375,441	11,644,508	38,125,467	61,859,370	104,298,159	337,732,521	2,030,830,255
Other investments and loans.....	4,640,441,968	40,019,421	29,155,631	4,176,012	6,227,778	11,810,631	10,404,132	17,534,370	47,052,648	70,073,005	119,995,558	520,781,715	3,799,133,498
Depreciable assets.....	388,499,384	54,038,623	41,271,647	4,539,361	8,227,615	13,547,802	14,175,035	15,866,048	24,427,895	19,175,899	16,859,009	44,821,323	185,587,949
Less: Accumulated depreciation.....	128,020,500	14,736,525	10,086,457	1,627,704	3,022,364	5,557,568	5,525,889	5,747,299	7,926,209	6,409,654	5,777,430	13,994,747	62,345,180
Other capital assets less reserves.....	106,090,868	22,460,859	17,372,772	2,051,648	3,036,439	4,819,321	4,245,684	4,467,370	6,981,922	4,208,135	4,262,983	10,611,840	44,032,755
Total liabilities.....	10,780,681,276	139,548,882	103,216,526	15,075,150	21,257,206	41,396,834	42,183,434	54,814,203	144,160,244	212,563,861	348,602,866	1,203,807,242	8,595,803,909
Accounts and notes payable.....	1,503,865,772	16,497,543	8,868,947	3,145,129	4,483,467	7,471,575	6,223,020	9,793,622	31,019,491	51,444,462	83,962,988	209,377,866	1,088,075,206
Other current liabilities.....	4,043,013,751	4,629,171	3,134,968	484,421	1,009,782	2,097,435	2,985,411	4,764,981	27,281,613	61,192,832	117,174,907	399,482,536	3,423,404,866
Mortgages, notes, and bonds payable in one year or more.....	792,003,552	48,272,899	37,606,076	4,338,275	6,328,548	10,404,600	11,032,602	12,562,118	21,134,645	16,907,877	17,763,304	68,232,363	585,693,143
Net worth.....	2,513,553,034	30,916,044	21,380,279	4,597,973	4,937,791	14,256,793	16,266,357	21,837,519	53,234,930	71,149,942	112,409,090	470,971,163	1,722,511,197
Total receipts.....	1,924,317,623	7,899,551	1,303,600	2,061,351	4,534,600	13,326,900	17,938,361	22,062,778	33,346,480	34,099,669	43,174,050	137,412,975	1,615,056,860
Business receipts.....	928,022,390	5,334,303	728,409	1,362,904	3,242,990	10,815,445	15,045,629	18,096,038	22,422,380	18,124,681	15,715,957	42,229,234	780,238,723
Total deductions.....	1,771,169,018	12,958,211	5,936,616	4,699,023	13,444,982	17,883,629	21,602,746	32,724,366	37,444,662	31,273,366	37,444,662	110,886,298	1,492,954,663
Cost of sales and operations.....	556,461,819	1,092,849	185,568	244,322	662,961	1,795,393	2,839,715	4,557,828	6,624,660	6,367,539	5,866,304	18,072,585	509,244,946
Taxes paid.....	33,176,258	270,941	170,843	294,504	647,123	850,458	982,655	1,396,276	1,089,747	1,000,973	1,209,738	2,769,738	23,703,002
Interest paid.....	426,757,261	1,471,739	306,331	515,651	1,068,597	1,629,042	1,676,494	4,623,226	7,250,679	12,239,852	38,439,054	358,758,577	3,423,404,866
Depreciation.....	34,268,027	599,044	182,180	151,329	265,535	570,109	633,435	689,562	1,056,691	924,051	885,317	2,465,979	28,443,837
Pension, profit-sharing, stock bonus, and annuity plans.....	6,647,597	13,174	*1,444	2,947	8,783	80,036	137,122	117,142	168,330	155,357	195,494	483,524	5,297,420
Employee benefit programs.....	15,722,521	51,037	10,955	17,231	22,851	93,136	151,458	196,797	284,693	381,611	411,731	1,152,454	12,999,604
Net income (loss deficit).....	124,545,504	-5,094,877	-4,625,706	-270,363	-198,808	-148,792	978	380,328	4,056,460	2,003,683	4,056,460	20,160,511	102,997,360
Income subject to tax.....	80,797,221	648,316	165,917	178,065	304,334	546,356	569,262	680,985	1,168,506	1,592,273	2,529,583	8,076,488	64,985,452
Income tax, total.....	27,281,531	111,465	30,271	29,192	52,002	112,155	139,025	364,355	550,121	588,594	724,168		

# **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 <sup>2</sup>	Under \$25,000 <sup>2</sup>	\$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)
<b>Services</b>													
Number of returns.....	1,061,657	505,829	287,433	87,895	130,502	220,947	145,805	92,048	60,939	20,137	9,879	5,218	1,055
Total assets.....	636,751,574	39,645,524	29,661,488	3,138,735	6,845,301	18,158,882	21,897,859	28,974,669	40,100,875	32,202,301	32,813,666	73,244,103	349,713,695
Notes and accounts receivable, net.....	100,305,198	3,327,493	2,675,905	264,461	387,127	1,468,274	2,431,642	3,514,164	7,078,114	6,802,480	7,408,988	16,432,256	51,841,787
Inventories.....	21,487,205	749,048	496,068	96,433	156,546	842,686	1,443,442	1,443,442	1,580,229	1,212,533	1,212,533	2,731,716	9,777,395
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	92,281,099	8,135,744	6,091,025	687,673	1,357,046	3,931,866	4,194,465	5,839,361	8,030,265	6,030,156	5,840,577	11,823,627	38,455,037
Other investments and loans.....	136,007,429	10,726,938	8,887,932	577,901	1,261,105	2,518,684	2,791,790	3,622,656	4,051,321	3,042,662	3,920,747	9,178,295	96,154,335
Depreciable assets.....	332,285,234	21,437,417	13,118,412	2,315,324	6,003,681	16,343,359	19,509,110	23,787,655	30,062,861	25,581,702	19,692,291	38,266,490	137,604,349
Less: Accumulated depreciation.....	149,342,296	10,637,918	6,022,375	1,276,144	3,339,398	9,314,365	11,326,114	13,100,422	15,554,098	13,788,953	8,885,255	15,376,628	51,358,543
Other capital assets less reserves.....	53,598,722	2,668,521	1,727,993	277,409	663,119	1,439,595	1,786,663	2,615,774	2,803,607	1,875,066	2,034,116	5,967,351	32,768,030
Total liabilities.....	636,751,574	39,645,524	29,661,488	3,138,735	6,845,301	18,158,882	21,897,859	28,974,669	40,100,875	32,202,301	32,813,666	73,244,103	349,713,695
Accounts and notes payable.....	109,912,882	6,850,905	4,987,812	528,297	1,134,795	2,827,861	3,782,480	5,942,780	9,150,749	7,615,851	8,689,232	16,616,209	48,636,815
Other current liabilities.....	76,932,128	2,301,919	1,712,563	377,731	1,134,795	1,739,674	1,748,706	2,776,781	4,379,660	3,578,650	3,838,686	9,901,171	46,668,681
Mortgages, notes, and bonds payable in one year or more.....	178,117,978	10,867,995	7,825,210	1,039,149	2,003,637	5,792,901	6,533,959	9,936,726	12,053,315	11,264,008	8,560,243	20,153,296	93,565,535
Net worth.....	177,668,039	5,925,443	5,116,117	-310,975	1,120,301	2,994,255	5,041,631	6,181,635	8,004,610	3,965,151	7,929,540	19,052,136	118,573,638
Total receipts.....	809,724,469	23,156,447	9,379,173	3,822,220	9,955,055	38,170,434	52,858,618	66,574,991	92,967,753	72,900,076	68,129,652	107,320,424	287,646,073
Business receipts.....	761,589,005	14,422,671	1,728,487	3,237,394	9,456,790	36,862,878	51,868,067	64,527,042	90,610,808	70,833,684	65,860,258	101,947,577	264,656,019
Total deductions.....	800,163,940	25,817,540	12,029,635	4,049,853	9,738,053	37,645,312	52,038,448	65,769,867	91,898,821	72,204,146	67,388,797	105,304,788	282,096,220
Cost of sales and operations.....	301,802,690	3,995,531	641,881	940,635	2,413,015	10,066,688	15,368,430	19,580,736	33,995,363	29,157,868	29,303,627	45,865,157	114,469,293
Taxes paid.....	27,630,406	930,909	349,835	149,452	431,623	1,607,687	2,109,602	2,593,235	3,367,325	2,426,525	2,386,602	3,493,970	8,714,551
Interest paid.....	26,544,428	1,265,335	920,779	80,893	263,662	761,898	931,476	1,372,601	1,561,516	1,315,438	2,822,523	14,738,442	14,738,442
Depreciation.....	34,739,016	1,876,777	1,156,408	200,252	520,117	1,437,016	1,693,021	2,147,909	2,793,135	2,148,657	2,031,527	3,969,479	16,841,496
Pension, profit-sharing, stock bonus, and annuity plans.....	4,858,548	101,352	-	8,653	42,429	238,930	324,021	481,322	525,659	339,310	579,202	1,701,379	1,701,379
Employee benefit programs.....	12,057,610	213,623	-111,800	33,113	68,710	297,594	389,216	664,870	1,078,583	902,979	983,409	1,767,253	5,760,283
Net income (less deficit).....	9,769,891	-2,682,640	-2,668,921	-230,544	216,826	521,735	861,972	801,009	1,068,917	690,128	735,277	2,002,828	5,815,665
Income subject to tax.....	16,071,091	473,263	278,189	57,271	137,803	384,362	519,455	625,274	1,075,690	712,983	663,301	2,117,535	9,499,228
Income tax, total.....	5,230,030	105,569	72,921	9,554	23,094	69,841	93,150	133,248	273,383	217,841	224,723	745,799	3,366,476
Alternative minimum tax.....	198,139	5,229	4,401	-	-	-	-	-	-	-	-	-	-
Environmental tax.....	15,759	62	62	-	-	-	-	-	-	-	-	-	-
Foreign tax credit.....	474,901	-	-	-	-	-	-	-	-	-	-	-	-
U.S. possessions tax credit.....	13,518	599	-	-	-	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	919	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	127,665	-	-	-	-	-	-	-	-	-	-	-	-
Prior year minimum tax credit.....	51,166	-	-	-	-	-	-	-	-	-	-	-	-
Total income tax after credits.....	4,561,377	96,574	65,645	9,171	21,758	68,719	87,664	128,582	260,190	202,556	205,522	689,390	2,822,179
<b>Nature of Business not Allocable</b>													
Number of returns.....	28,868	23,050	19,710	1,537	1,802	2,295	2,459	466	450	77	39	32	-
Total assets.....	2,708,451	1,386,368	1,070,937	131,316	184,115	148,532	245,192	242,146	223,759	173,135	49,784	239,535	-
Notes and accounts receivable, net.....	347,266	133,906	120,626	169	13,111	933	33,773	57,109	61,560	16,747	7,972	35,266	-
Inventories.....	299,002	40,837	10,551	797	29,489	48,353	39,973	25,160	25,160	76,895	23,867	22,842	-
Cash, U.S. Government obligations, tax-exempt securities, and other current assets.....	468,790	241,703	188,148	21,380	32,175	32,217	49,889	12,550	29,968	18,937	10,654	72,871	-
Other investments and loans.....	455,594	303,006	282,287	-	20,719	5,777	15,185	31,130	68,841	18,845	2,027	10,784	-
Depreciable assets.....	1,034,051	460,400	251,646	115,036	93,718	109,801	123,420	83,519	65,295	109,789	11,292	70,534	-
Less: Accumulated depreciation.....	417,834	121,960	59,633	28,039	34,288	82,973	40,778	39,460	35,747	73,139	6,574	17,202	-
Other capital assets less reserves.....	435,899	281,860	241,832	17,192	22,835	29,148	17,148	53,363	7,614	4,794	538	41,435	-
Total liabilities.....	2,708,451	1,386,368	1,070,937	131,316	184,115	148,532	245,192	242,146	223,759	173,135	49,784	239,535	-
Accounts and notes payable.....	660,143	215,226	143,350	35,346	36,530	11,512	35,675	122,764	98,781	106,204	20,857	49,123	-
Other current liabilities.....	222,936	136,885	91,770	2,307	42,808	7,142	10,557	1,041	37,178	4,634	2,129	23,368	-
Mortgages, notes, and bonds payable in one year or more.....	906,745	584,341	501,078	16,648	66,614	44,634	59,268	92,692	48,438	10,880	-	66,494	-
Net worth.....	252,164	45,404	-26,310	68,283	3,432	21,110	88,069	10,216	48,123	50,289	26,799	58,399	-
Total receipts.....	4,027,285	333,444	152,132	58,592	122,720	357,478	874,171	388,784	796,930	259,150	339,574	677,753	-
Business receipts.....	3,842,188	248,501	71,038	57,833	119,630	322,557	845,867	386,923	768,881	257,077	338,901	673,481	-
Total deductions.....	4,176,370	464,332	259,385	76,491	128,456	369,434	876,348	398,580	824,653	249,464	337,829	655,730	-
Cost of sales and operations.....	2,455,819	106,330	27,828	57,260	124,007	425,595	941,957	292,498	461,957	199,609	294,223	551,800	-
Taxes paid.....	111,429	23,219	18,959	1,327	2,933	15,562	22,154	6,028	34,495	2,891	2,660	4,419	-
Interest paid.....	104,399	29,278	19,700	2,034	7,545	4,342	30,448	14,091	13,632	2,871	621	9,117	-
Depreciation.....	106,002	33,424	17,312	9,433	6,678	3,454	39,921	11,450	12,717	1,847	1,217	1,973	-
Pension, profit-sharing, stock bonus, and annuity plans.....	4,796	1,147	-	-	-	1,459	-	-	260	-	1,059	871	-
Employee benefit programs.....	11,308	1,472	391	-	1,081	457	1,676	-	4,144	1,533	914	1,112	-
Net income (less deficit).....	-149,629	-131,432	-107,798	-17,900	-5,735	-11,956	-2,177	-9,795	-	9,687	1,745	22,023	-
Income subject to tax.....	32,950	8,523	5,225	2,868	429	1,533	-	-	12,349	-	-	10,545	-
Income tax, total.....	5,105	1,411	916	430	64	230	-	-	-	-	-	3,464	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental tax.....	2	-	-	-	-	-	-	-	-	-	-	-	-
Foreign tax credit.....	1	-	-	-	-	-	-	-	-	-	-	-	-
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Prior year minimum tax credit.....	-	-	-	-	-	-	-	-	-	-	-	-	-
Total income tax after credits.....	5,103	1,411	916	430	64	228	-	-	-	-	-	3,464	-

\*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.

<sup>1</sup> Less than \$500 per return.

<sup>2</sup> Includes returns with zero receipts and receipts not reported.

<sup>3</sup> 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."

# Corporation Returns/1991

## 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	Total	Metal mining	Mining		
					Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	3,802,788	129,886	39,199	1,365	3,441	29,780	4,812
<b>Total assets.....</b>	<b>19,029,508,839</b>	<b>67,756,553</b>	<b>212,962,835</b>	<b>26,592,784</b>	<b>25,096,457</b>	<b>144,511,518</b>	<b>16,762,076</b>
Cash.....	786,735,219	4,957,939	7,093,120	687,882	696,607	4,776,515	932,116
Notes and accounts receivable.....	4,191,331,906	5,843,379	20,525,656	2,602,635	3,833,711	12,153,096	1,836,214
Less: Allowance for bad debts.....	114,576,138	53,600	237,734	9,705	24,216	164,918	38,895
Inventories.....	883,913,179	7,284,831	6,124,084	1,167,497	997,756	2,872,644	1,086,187
Investments in Government obligations.....	1,068,564,351	204,203	1,407,182	12,014	197,296	1,106,231	*91,641
Tax-exempt securities.....	489,245,187	187,439	246,695	*9,800	*92,643	130,398	*13,854
Other current assets.....	1,133,425,425	2,237,289	6,795,026	801,606	1,161,321	3,979,989	852,109
Loans to stockholders.....	84,545,282	1,870,181	1,137,050	*37,796	44,573	978,807	75,873
Mortgage and real estate loans.....	1,529,474,897	683,149	155,305	*1,182	*43	128,442	*25,637
Other investments.....	4,749,822,622	5,407,004	82,068,580	9,006,399	7,187,773	62,245,356	3,629,032
Depreciable assets.....	4,549,055,093	50,297,759	97,902,990	11,542,617	11,858,552	62,624,321	11,877,499
Less: Accumulated depreciation.....	1,999,540,977	30,738,846	43,078,069	4,899,934	6,358,059	31,492,557	6,506,882
Depletable assets.....	141,758,337	1,049,614	19,610,526	3,726,679	3,452,565	34,586,270	1,312,555
Less: Accumulated depletion.....	61,141,866	343,595	738,149	344,846	1,634,923	17,029,220	208,235
Land.....	215,498,441	15,444,877	3,479,276	344,846	390,706	1,783,918	959,807
Intangible assets (amortizable).....	489,782,490	417,570	5,829,162	1,102,459	771,588	3,519,328	435,788
Less: Accumulated amortization.....	110,369,202	157,494	2,199,441	257,044	236,578	1,598,720	77,101
Other assets.....	1,021,984,633	3,184,853	8,425,791	1,484,204	2,665,094	3,911,616	384,877
<b>Total liabilities.....</b>	<b>19,029,508,839</b>	<b>67,756,553</b>	<b>212,962,835</b>	<b>26,592,784</b>	<b>25,096,457</b>	<b>144,511,518</b>	<b>16,762,076</b>
Accounts payable.....	1,680,717,102	3,615,292	13,666,212	4,727,305	2,415,740	8,722,207	1,050,960
Mortgages, notes, and bonds payable in less than one year.....	1,500,043,182	9,953,049	11,179,688	1,983,706	1,153,950	6,127,750	1,914,279
Other current liabilities.....	4,856,874,743	3,201,158	9,509,489	988,776	1,197,187	6,445,236	878,291
Loans from stockholders.....	306,729,880	8,077,980	7,003,798	1,181,007	2,582,553	2,929,059	311,183
Mortgages, notes, and bonds payable in one year or more.....	2,697,909,300	16,988,309	50,040,395	5,962,974	3,366,971	37,317,047	3,393,404
Other liabilities.....	2,710,749,072	3,150,785	14,978,114	1,995,768	2,389,379	9,558,658	1,034,309
Capital stock.....	1,740,894,706	8,723,249	9,459,939	1,219,894	1,002,185	6,283,931	953,929
Paid-in or capital surplus.....	3,257,218,951	9,232,146	103,852,965	10,912,234	10,125,966	80,067,112	2,747,654
Retained earnings, appropriated.....	74,926,536	169,874	258,545	86,960	*20,055	88,892	*52,637
Retained earnings, unappropriated.....	1,365,865,627	6,257,606	-2,360,030	924,332	1,230,074	-9,578,761	5,064,325
Less: Cost of treasury stock.....	1,162,420,270	1,612,895	4,626,278	140,172	387,604	3,459,609	638,893
<b>Total receipts.....</b>	<b>11,436,474,767</b>	<b>85,945,700</b>	<b>103,286,287</b>	<b>9,727,598</b>	<b>20,859,079</b>	<b>60,510,800</b>	<b>12,188,809</b>
Business receipts.....	9,965,628,799	80,981,260	90,512,940	8,744,364	19,684,040	50,653,141	11,451,394
Interest.....	883,325,876	530,115	3,260,135	257,202	379,485	2,362,867	260,581
Interest on Government obligations:							
State and local.....	36,339,860	23,088	29,455	*2,888	5,537	19,471	1,558
Rents.....	101,958,702	527,861	350,203	19,070	63,104	205,999	62,030
Royalties.....	34,822,123	62,472	399,178	31,253	90,849	257,385	19,692
Net short-term capital gain reduced by net long-term capital loss.....	13,742,293	20,296	74,930	10,246	*8,061	53,522	3,102
Net long-term capital gain reduced by net short-term capital loss.....	41,111,234	452,601	2,144,868	218,590	69,382	1,778,173	78,723
Net gain, noncapital assets.....	31,476,569	402,828	1,476,368	5,160	69,676	1,343,065	58,446
Dividends received from domestic corporations.....	13,114,605	73,865	271,147	55,240	17,411	188,239	10,257
Dividends received from foreign corporations.....	28,760,176	84,390	272,614	39,418	10,658	221,942	*797
Other receipts.....	286,194,531	2,786,925	4,494,249	344,167	480,876	3,426,977	242,229
<b>Total deductions.....</b>	<b>11,087,119,512</b>	<b>85,331,571</b>	<b>99,537,632</b>	<b>9,491,752</b>	<b>20,970,019</b>	<b>57,217,629</b>	<b>11,858,231</b>
Cost of sales and operations.....	6,654,370,271	51,674,544	56,314,253	5,482,674	14,260,325	29,673,950	6,897,304
Compensation of officers.....	201,408,195	2,371,775	1,565,847	66,484	142,283	1,058,490	298,589
Repairs.....	94,643,427	1,740,113	941,956	97,483	257,066	328,133	259,276
Bad debts.....	100,875,268	204,140	334,322	11,143	55,893	224,396	42,790
Rent paid on business property.....	192,743,992	2,453,717	1,260,231	37,457	231,159	850,677	140,938
Taxes paid.....	257,796,399	1,890,177	3,231,776	273,139	878,105	1,728,821	353,711
Interest paid.....	735,721,055	2,634,724	6,315,413	642,647	638,742	4,503,203	530,821
Contributions or gifts.....	4,762,763	28,811	28,499	1,868	2,702	15,785	8,143
Amortization.....	35,923,984	85,195	563,275	153,321	93,905	284,074	31,975
Depreciation.....	333,952,832	3,509,306	5,779,081	747,977	744,165	3,399,598	887,340
Depletion.....	8,417,411	44,781	2,900,687	614,720	528,508	1,523,480	233,979
Advertising.....	129,194,304	336,696	114,657	4,091	16,036	69,514	25,015
Pension/profit sharing/stock bonus, annuity plans.....	46,487,339	161,720	465,543	19,900	52,518	313,495	79,629
Employee benefit programs.....	133,467,913	618,677	1,518,115	120,043	555,332	657,099	185,641
Net loss, noncapital assets.....	18,659,047	102,055	350,583	61,433	46,250	234,704	8,176
Other deductions.....	2,138,495,313	17,375,139	17,853,412	1,157,370	2,468,928	12,352,210	1,874,903
<b>Total receipts less total deductions.....</b>	<b>349,355,256</b>	<b>614,130</b>	<b>3,748,655</b>	<b>235,846</b>	<b>-110,939</b>	<b>3,293,171</b>	<b>330,578</b>
Constructive taxable income from related foreign corporations.....	31,844,399	*34,614	282,156	18,826	7,077	258,253	-
Net income (less deficit), total.....	344,858,794	625,656	4,001,356	249,784	-109,400	3,531,953	329,020
Income subject to tax.....	350,009,712	1,675,241	4,495,495	703,290	292,901	3,187,606	311,699
<b>Income tax, total <sup>2</sup>.....</b>	<b>121,121,231</b>	<b>520,185</b>	<b>1,814,367</b>	<b>271,529</b>	<b>108,753</b>	<b>1,302,585</b>	<b>131,501</b>
Regular tax.....	116,275,308	498,545	1,505,027	239,026	97,473	1,066,414	102,113
Personal holding company tax.....	14,764	*692	*283	-	-	*283	-
Recapture of investment credit.....	72,693	*4	3,346	-	5	*3,334	7
Alternative minimum tax.....	5,320,587	19,838	298,531	31,101	11,385	226,173	29,873
Environmental tax.....	479,288	787	8,644	1,401	489	6,241	513
Foreign tax credit.....	21,096,940	30,951	639,076	90,658	279	541,950	*6,188
U.S. possessions tax credit.....	3,472,330	2,167	-	-	-	-	-
Orphan drug credit.....	18,475	-	-	-	-	-	-
Nonconventional source fuel credit.....	244,732	-	51,054	-	7	49,887	*1,160
General business credit.....	2,206,371	11,298	38,800	5,712	928	31,142	*1,018
Prior year minimum tax credit.....	1,516,063	2,276	44,356	6,843	*2,575	34,445	*493
<b>Total income tax after credits.....</b>	<b>92,566,319</b>	<b>473,493</b>	<b>1,041,082</b>	<b>168,315</b>	<b>104,964</b>	<b>645,160</b>	<b>122,642</b>

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



# Corporation Returns/1991

## 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					Apparel and other textile products
	Total	General building contractors and operative builders	Heavy construction contractors	Special trade contractors	Total	Food and kindred products	Tobacco manufactures	Textile mill products	
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns, total.....	416,987	164,508	21,674	230,806	300,122	16,888	66	4,712	17,746
Total assets.....	243,035,939	120,206,878	50,462,644	72,366,417	4,028,360,038	324,454,714	220,838,622	43,627,210	42,633,024
Cash.....	27,267,065	11,778,901	5,434,760	10,055,404	107,165,214	8,738,679	547,273	1,254,351	1,730,536
Notes and accounts receivable.....	65,431,813	28,263,925	12,520,426	26,647,463	809,478,522	75,161,117	40,352,064	9,822,596	8,859,858
Less: Allowance for bad debts.....	551,289	180,580	177,898	212,810	19,392,269	825,863	*218,171	214,155	272,381
Inventories.....	29,616,722	21,486,638	1,750,772	6,379,312	373,792,878	31,758,691	8,601,722	8,186,288	11,560,845
Investments in Government obligations.....	2,563,156	1,790,664	507,538	264,958	19,392,269	2,184,124	172,731	730,514	189,436
Tax-exempt securities.....	1,171,983	1,790,664	805,280	196,264	20,440,217	540,515	388,679	279,663	31,150
Other current assets.....	23,648,307	13,763,682	3,841,141	6,041,504	214,651,401	13,541,296	2,460,088	920,730	2,007,366
Loans to stockholders.....	4,703,956	1,838,111	1,005,519	1,860,327	18,862,484	1,410,714	70,946	324,577	159,069
Mortgage and real estate loans.....	7,930,919	7,480,985	135,561	314,373	314,373	250,299	374,868	*10,938	31,513
Other investments.....	25,025,687	12,682,286	9,261,803	3,081,598	989,857,765	71,170,732	100,039,500	4,613,504	8,478,382
Depreciable assets.....	101,677,487	27,682,168	32,872,341	41,122,960	1,735,269,036	125,474,892	19,358,300	26,107,758	11,038,882
Less: Accumulated depreciation.....	62,309,869	14,247,996	21,134,195	26,927,678	867,268,033	55,197,967	7,002,171	13,010,819	5,544,703
Depletable assets.....	479,997	158,222	267,907	53,868	61,039	*6,181	797	*14,297	*25,406
Less: Accumulated depletion.....	152,396	48,321	70,588	33,477	34,846,229	*6,181		*6,503	*12,294
Land.....	7,526,445	4,908,442	1,232,844	1,385,158	47,375,681	5,356,506	717,751	351,673	258,768
Intangible assets (amortizable).....	1,732,655	637,942	221,867	872,746	275,033,302	31,426,209	39,371,284	1,647,422	2,596,281
Less: Accumulated amortization.....	512,264	184,299	68,674	259,292	60,791,899	3,234,971	237,876	221,757	519,851
Other assets.....	7,787,564	4,207,672	2,056,153	1,523,739	277,348,720	16,644,882	17,940,237	2,816,133	2,016,765
Total liabilities.....	243,035,939	120,206,878	50,462,644	72,366,417	4,028,360,038	324,454,714	220,838,622	43,627,210	42,633,024
Accounts payable.....	45,340,292	23,727,465	7,039,018	14,573,809	417,407,609	63,408,867	25,503,938	4,925,396	5,399,136
Mortgages, notes, and bonds payable in less than one year.....	29,435,234	18,829,414	3,332,795	7,273,024	366,985,002	24,875,289	6,738,812	5,508,172	4,733,954
Other current liabilities.....	30,343,485	15,313,880	5,111,714	9,917,692	388,289,440	22,663,475	10,155,498	3,809,789	3,948,215
Loans from stockholders.....	11,544,355	6,790,574	857,245	3,896,536	77,504,792	5,526,426	14,834,905	526,668	1,221,967
Mortgages, notes, and bonds payable in one year or more.....	42,923,484	26,596,929	7,481,349	8,845,206	825,893,110	73,416,214	42,038,076	12,593,065	9,464,160
Other liabilities.....	12,782,453	6,549,058	3,959,230	2,275,166	471,076,612	21,554,730	15,696,385	2,270,007	2,685,840
Capital stock.....	9,260,422	3,960,038	2,252,182	3,048,202	181,011,196	14,030,179	5,659,896	2,325,950	2,510,950
Paid-in or capital surplus.....	17,322,336	6,613,691	7,065,754	3,642,891	735,132,803	48,651,580	86,287,266	5,277,431	6,155,045
Retained earnings, appropriated.....	389,070	202,526	*40,160	146,384	8,609,832	620,479	144,596	*10,250	226,906
Retained earnings, unappropriated.....	47,597,756	12,818,465	14,354,875	20,424,416	668,234,073	63,936,885	15,300,121	7,021,691	7,282,924
Less: Cost of treasury stock.....	3,902,947	1,195,162	1,030,678	1,677,107	111,784,431	14,229,411	1,520,871	641,209	996,072
Total receipts.....	515,128,533	225,074,991	82,326,813	207,726,729	3,658,501,307	394,617,927	77,022,899	60,013,977	71,573,242
Business receipts.....	502,691,224	218,915,639	78,379,105	205,396,480	3,409,490,090	378,947,085	68,947,237	58,723,188	69,447,842
Interest.....	3,306,480	2,002,106	837,278	467,096	80,195,056	4,155,837	5,375,486	445,293	480,609
Interest on Government obligations:									
State and local.....	109,294	38,961	39,513	30,820	1,755,173	47,163	7,497	12,261	24,799
Rents.....	1,263,718	761,948	310,058	191,713	36,812,596	1,304,386	673,402	90,210	51,439
Royalties.....	72,656	27,907	31,605	13,143	26,970,038	2,312,002	570,879	74,287	396,004
Net short-term capital gain reduced by net long-term capital loss.....	47,402	16,213	27,188	4,001	943,057	28,034		3,379	*889
Net long-term capital gain reduced by net short-term capital loss.....	1,173,147	365,350	686,369	121,409	11,241,214	876,957	60,276	61,425	43,710
Net gain, noncapital assets.....	990,697	241,657	424,537	324,502	9,219,999	678,565	14,649	67,240	37,727
Dividends received from domestic corporations.....	96,675	23,594	59,736	13,345	3,867,717	548,712	58,423	13,188	7,894
Dividends received from foreign corporations.....	189,495	55,871	128,213	*5,410	24,526,343	1,871,758	748,522	65,366	254,580
Other receipts.....	5,187,745	2,625,745	1,403,189	1,158,811	53,480,023	3,847,428	566,528	458,139	827,750
Total deductions.....	509,247,728	224,153,448	79,945,132	205,149,148	3,548,746,793	379,012,939	70,803,433	58,962,778	69,508,724
Cost of sales and operations.....	389,883,167	184,350,235	60,978,848	144,554,084	2,355,261,594	260,281,707	34,188,440	44,720,254	50,134,229
Compensation of officers.....	18,675,410	6,246,575	1,674,400	10,754,434	37,168,607	2,900,278	287,379	800,581	192,441
Repairs.....	2,237,017	543,229	1,080,885	31,897,373	31,897,373	2,949,389	167,007	235,981	247,088
Bad debts.....	1,296,406	513,846	166,367	616,193	14,534,202	473,728	84,574	173,439	192,441
Rent paid on business property.....	4,981,409	1,464,209	924,241	2,592,960	37,627,874	3,342,421	454,961	469,079	1,041,700
Taxes paid.....	10,856,215	3,138,195	1,509,737	6,208,282	87,433,090	9,846,267	4,204,465	1,215,379	1,494,734
Interest paid.....	6,984,942	3,758,302	1,371,769	1,854,871	145,611,955	10,922,174	9,035,105	2,195,076	1,965,459
Contributions or gifts.....	109,046	39,500	31,923	37,823	2,222,720	321,617	*91,957	25,207	35,625
Amortization.....	224,151	85,674	33,228	105,249	13,393,324	1,288,290	909,782	105,292	146,254
Depreciation.....	8,439,450	2,029,092	2,465,528	3,944,830	121,141,707	8,900,448	2,253,415	1,840,384	877,777
Depletion.....	50,107	9,447	35,434	5,225	4,260,786	15,024	33	306	*204
Advertising.....	1,481,118	579,693	85,414	818,011	60,070,563	18,395,899	5,364,828	401,002	1,117,079
Pension/profit sharing/stock bonus/annuity plans.....	2,161,206	534,052	424,568	1,202,588	19,217,481	1,468,033	427,307	257,943	217,028
Employee benefit programs.....	4,189,880	1,226,401	581,753	2,381,705	58,797,239	4,805,221	1,036,440	823,871	693,333
Net loss, noncapital assets.....	248,413	115,484	40,341	92,608	2,769,841	170,875	5,251	26,335	45,515
Other deductions.....	57,429,811	19,519,534	9,008,776	28,901,501	557,396,337	55,921,569	12,112,478	5,672,648	9,532,612
Total receipts less total deductions.....	5,880,805	921,543	2,381,681	2,577,581	109,754,514	15,604,988	6,418,467	1,051,200	2,064,518
Constructive taxable income from related foreign corporations.....	332,094	49,640	271,932	*10,523	24,269,883	1,822,762	1,179,625	18,815	237,626
Net income (less deficit), total.....	6,103,605	932,222	2,614,100	2,557,284	132,269,225	17,380,587	7,591,594	1,057,754	2,277,345
Income subject to tax.....	6,662,049	2,010,183	2,343,458	2,308,408	152,624,397	16,673,483	7,320,812	1,354,015	2,326,205
Income tax, total.....	2,008,680	593,244	800,148	615,288	53,691,094	5,844,283	2,512,507	469,505	787,006
Regular tax.....	1,910,621	562,484	771,617	576,520	51,769,226	5,646,310	2,489,076	446,454	781,295
Personal holding company tax.....	*58	*58			526				
Recapture of investment credit.....	296	*49	213	*34	15,838	737	277	*11	(*)
Alternative minimum tax.....	83,339	25,370	22,313	35,656	1,893,764	172,715	12,754	20,278	2,684
Environmental tax.....	3,499	644	2,515	339	203,609	22,192	*10,399	1,765	2,427
Foreign tax credit.....	181,412	29,727	146,956	*4,728	16,905,943	1,268,473	478,919	15,820	180,514
U.S. possessions tax credit.....	2,295		2,260	35	3,351,884	501,344	18,353	2,217	42,124
Orphan drug credit.....					17,991				
Nonconventional source fuel credit.....	*464	*165	*289	*10	151,675	*78			
General business credit.....	44,279	4,519	33,005	6,755	893,335	64,618	*23,625	8,260	4,895
Prior year minimum tax credit.....	57,807	23,720	18,623	18,623	466,196	38,108		9,718	3,172
Total income tax after credits.....	1,722,422	535,112	602,173	585,137	32,104,071	3,971,682	1,990,610	433,490	556,302

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

# Corporation Returns/1991

## 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	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Number of returns, total.....	19,099	10,175	3,620	49,108	11,093	1,428	11,185	1,859	8,964
<b>Total assets.....</b>	<b>64,639,833</b>	<b>22,863,719</b>	<b>139,799,802</b>	<b>202,737,492</b>	<b>517,037,368</b>	<b>606,859,324</b>	<b>57,387,867</b>	<b>16,199,324</b>	<b>85,533,961</b>
Cash.....	2,378,683	1,361,975	1,710,368	6,813,920	13,732,010	4,018,889	2,120,289	401,587	2,141,532
Notes and accounts receivable.....	8,123,658	4,965,147	16,440,909	28,378,644	87,407,810	75,165,710	10,988,248	4,312,061	9,247,842
Less: Allowance for bad debts.....	151,002	161,288	379,104	2,487,034	1,746,824	661,442	340,315	58,293	401,458
Inventories.....	7,319,837	4,469,729	12,099,498	11,022,306	41,903,445	22,121,612	8,796,316	2,872,350	6,758,239
Investments in Government obligations.....	174,086	141,891	587,915	848,977	1,123,830	279,622	45,419	*41,838	144,107
Tax-exempt securities.....	*17,591	*6,815	266,739	477,925	2,381,666	422,278	6,370	12,509	58,093
Other current assets.....	3,135,548	1,022,414	7,011,997	10,324,010	21,186,808	24,359,745	1,531,978	469,309	2,212,371
Loans to stockholders.....	167,384	174,634	271,042	1,395,318	3,579,585	3,659,358	301,137	15,914	285,347
Mortgage and real estate loans.....	1,309,727	*38,888	1,884,516	139,826	4,004,323	72,832	54,306	574	85,497
Other investments.....	6,975,415	3,078,403	22,574,480	64,706,979	150,950,590	249,103,543	9,042,409	611,619	25,500,966
Depreciable assets.....	43,135,418	11,179,166	95,004,952	74,283,449	216,841,444	313,081,539	38,190,351	4,633,039	43,101,399
Less: Accumulated depreciation.....	22,136,740	6,018,831	39,985,853	37,145,341	103,396,873	182,249,466	17,870,113	2,585,860	21,938,800
Depletable assets.....	6,062,443	*5,366	3,768,206	150,882	8,401,050	53,730,952	*47,516	-	3,835,146
Less: Accumulated depletion.....	250,501	*1,115	673,624	92,698	4,586,268	27,801,898	18,427	-	291,675
Land.....	1,136,599	287,338	1,625,240	2,347,889	5,796,457	7,860,646	637,765	4,996,442	2,358,458
Intangible assets (amortizable).....	938,030	1,808,478	4,852,182	31,881,257	31,185,957	44,642,421	2,849,343	345,728	4,468,530
Less: Accumulated amortization.....	113,114	195,702	551,046	6,468,020	7,715,681	23,851,711	656,005	135,811	686,613
Other assets.....	8,416,772	803,411	13,291,383	16,159,204	45,986,155	22,904,693	1,863,279	266,318	8,674,981
<b>Total liabilities.....</b>	<b>64,639,833</b>	<b>22,863,719</b>	<b>139,799,802</b>	<b>202,737,492</b>	<b>517,037,368</b>	<b>606,859,324</b>	<b>57,387,867</b>	<b>16,199,324</b>	<b>85,533,961</b>
Accounts payable.....	6,351,290	2,887,651	17,056,522	13,238,751	49,003,490	54,770,173	6,178,954	995,098	4,987,489
Mortgages, notes, and bonds payable in less than one year.....	4,173,930	2,552,098	9,554,113	12,761,290	33,116,266	21,507,469	5,686,457	507,546	6,181,022
Other current liabilities.....	4,073,875	2,103,331	11,457,166	20,036,509	52,956,493	32,956,291	4,804,323	1,756,864	4,979,217
Loans from stockholders.....	916,526	416,495	1,623,196	4,171,656	8,104,450	7,775,585	1,221,695	161,008	12,491,544
Mortgages, notes, and bonds payable in one year or more.....	18,717,273	6,544,582	37,729,018	56,571,278	101,730,830	96,938,768	13,811,971	4,349,617	18,887,774
Other liabilities.....	4,390,833	902,778	11,564,939	19,986,935	53,995,454	90,601,185	4,931,229	5,212,083	8,437,838
Capital stock.....	3,368,079	1,072,199	6,253,911	10,778,158	25,396,651	17,253,799	2,709,015	950,277	4,149,082
Paid-in or capital surplus.....	9,335,085	2,627,000	17,141,018	43,880,732	111,787,907	159,053,033	10,149,880	777,952	20,501,453
Retained earnings, appropriated.....	64,376	30,192	74,507	112,467	988,137	1,049,327	36,640	8,232	835,591
Retained earnings, unappropriated.....	14,003,620	4,071,328	29,640,731	26,472,898	98,749,041	150,000,363	8,488,230	1,740,737	6,076,854
Less: Cost of treasury stock.....	754,854	343,933	2,295,919	5,273,181	18,791,352	25,046,669	630,506	260,090	2,073,903
<b>Total receipts.....</b>	<b>74,963,423</b>	<b>37,205,170</b>	<b>123,033,535</b>	<b>175,294,081</b>	<b>403,466,401</b>	<b>503,697,954</b>	<b>77,979,858</b>	<b>18,627,740</b>	<b>61,536,155</b>
Business receipts.....	71,328,731	36,317,705	118,040,962	165,231,606	371,203,178	475,536,604	75,283,515	17,943,274	57,421,442
Interest.....	834,863	97,954	1,133,429	3,208,934	8,341,265	9,333,300	668,163	316,886	2,328,117
Interest on Government obligations:									
State and local.....	19,065	10,769	25,986	69,946	138,097	41,872	13,024	4,531	9,370
Rents.....	91,161	34,105	211,275	645,573	1,166,588	2,510,213	145,627	35,228	137,289
Royalties.....	68,071	44,396	693,296	1,966,504	4,607,468	1,437,054	264,166	38,248	281,010
Net short-term capital gain reduced by net long-term capital loss.....	5,211	*385	56,404	63,732	79,158	21,034	19,406	*7,514	5,418
Net long-term capital gain reduced by net short-term capital loss.....	913,189	21,518	772,670	368,178	3,795,266	512,361	125,617	46,083	172,647
Net gain, noncapital assets.....	419,029	35,334	270,611	351,611	778,210	1,561,956	98,576	8,430	168,818
Dividends received from domestic corporations.....	25,801	6,553	112,986	171,275	688,682	881,089	12,502	4,943	67,495
Dividends received from foreign corporations.....	73,945	36,513	545,340	375,011	4,482,513	3,499,438	461,021	*22,801	229,313
Other receipts.....	1,184,355	599,938	1,170,716	2,841,711	8,185,966	8,363,032	888,242	199,803	715,237
<b>Total deductions.....</b>	<b>73,919,540</b>	<b>36,644,796</b>	<b>120,290,914</b>	<b>169,466,726</b>	<b>377,528,472</b>	<b>485,378,458</b>	<b>76,128,160</b>	<b>18,059,398</b>	<b>61,577,335</b>
Cost of sales and operations.....	53,771,000	25,591,488	80,739,524	82,335,241	222,639,872	372,070,683	52,000,447	12,161,875	38,271,815
Compensation of officers.....	1,141,530	760,207	971,458	4,466,863	2,883,347	634,825	1,484,808	352,766	910,919
Repairs.....	1,432,773	124,298	2,172,819	1,001,555	4,892,541	6,238,877	556,252	56,304	1,112,648
Bad debts.....	266,069	196,767	781,863	1,634,729	1,750,619	465,588	239,600	82,866	272,838
Rent paid on business property.....	723,146	541,646	1,140,146	3,057,368	4,205,536	4,012,433	898,875	317,881	759,028
Taxes paid.....	1,750,360	938,672	2,467,932	4,732,418	7,724,276	17,920,732	1,588,422	730,544	1,557,944
Interest paid.....	2,390,470	853,481	4,568,951	8,378,472	15,390,991	15,962,683	2,430,848	640,760	4,687,824
Contributions or gifts.....	20,398	17,591	57,037	165,914	487,704	193,087	28,122	10,731	17,543
Amortization.....	78,433	68,995	212,304	3,126,160	1,587,869	1,160,234	205,085	23,439	172,927
Depreciation.....	2,633,555	739,096	6,762,179	6,273,746	14,256,496	11,540,814	2,752,180	285,854	2,467,367
Depletion.....	440,203	*750	238,947	1,551	554,764	2,186,190	*2,151	112,198	146,628
Advertising.....	315,119	536,392	1,590,073	4,071,821	11,422,580	1,084,514	821,150	346,658	375,089
Pension, profit sharing, stock bonus, annuity plans.....	409,754	166,249	717,002	1,178,197	2,267,507	1,525,948	498,474	60,088	380,295
Employee benefit programs.....	887,949	617,166	1,977,479	3,149,745	6,467,909	2,729,552	1,584,337	206,585	1,283,326
Net loss, noncapital assets.....	32,239	40,522	109,232	159,282	241,486	585,952	68,090	10,295	46,895
Other deductions.....	7,628,540	5,451,474	15,783,969	45,733,669	80,754,975	47,066,346	10,969,321	2,660,555	9,134,250
Total receipts less total deductions.....	1,043,883	560,374	2,742,622	5,827,355	25,937,929	18,319,496	1,851,698	568,342	-41,180
Constructive taxable income from related foreign corporations.....	*48,239	17,737	625,811	159,073	5,333,954	4,508,595	250,923	*4,573	254,411
Net income (less deficit), total.....	1,073,058	587,342	3,342,446	5,916,481	31,133,785	22,786,219	2,089,597	568,384	203,661
Income subject to tax.....	1,603,790	823,980	4,688,049	6,572,127	32,129,216	22,605,091	2,339,964	487,310	1,527,821
Income tax, total.....	583,325	277,302	1,844,518	2,271,288	11,187,197	7,927,594	836,326	167,715	531,496
Regular tax.....	526,525	273,972	1,590,685	2,191,309	10,906,674	7,682,720	784,147	162,633	506,835
Personal holding company tax.....	-	-	39	-	-	-	-	-	-
Recapture of investment credit.....	*6,243	46	251	491	865	1,153	321	(*)	21
Alternative minimum tax.....	27,931	2,948	245,206	71,339	237,548	232,984	47,327	2,889	23,012
Environmental tax.....	2,119	913	8,065	8,876	42,021	31,282	2,625	550	1,895
Foreign tax credit.....	28,087	4,344	402,183	201,780	3,421,831	4,806,497	252,584	3,330	121,471
U.S. possessions tax credit.....	-	-	4,223	5,781	1,981,797	1,848	11,343	17,336	8,076
Orphan drug credit.....	-	-	-	-	17,710	-	-	-	-
Nonconventional source fuel credit.....	*5,510	-	419	*4	*26,947	118,521	22	-	69
General business credit.....	3,591	3,142	28,849	21,558	212,573	61,532	8,200	15,663	11,246
Prior year minimum tax credit.....	9,783	*444	7,250	11,311	91,117	112,747	6,778	*1,812	1,930
Total income tax after credits.....	516,355	269,371	1,401,593	2,030,856	5,435,222	2,826,449	557,399	129,574	388,705

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



# Corporation Returns/1991

## 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.....	4,761	49,423	27,724	22,669	2,516	4,633	6,909	23,435
Total assets.....	130,514,927	144,568,099	295,000,371	407,938,021	391,451,724	125,610,245	105,056,444	83,587,949
Cash.....	4,207,657	6,197,437	9,625,356	15,739,435	8,057,509	6,889,449	5,632,508	3,865,771
Notes and accounts receivable.....	18,638,104	31,836,012	69,805,275	98,105,538	152,372,102	22,071,342	24,775,904	14,550,786
Less: Allowance for bad debts.....	502,720	681,732	1,819,906	4,963,910	1,796,898	423,849	480,182	725,642
Inventories.....	18,188,418	22,700,848	38,894,161	41,093,046	18,673,111	31,822,274	14,687,753	10,462,389
Investments in Government obligations.....	421,708	710,534	5,578,681	7,419,860	5,006,411	51,880	333,278	1,521,945
Tax-exempt securities.....	40,232	849,542	4,034,824	7,158,903	2,385,715	23,735	341,781	717,691
Other current assets.....	4,499,848	7,988,265	17,183,148	61,271,344	18,421,580	6,521,632	4,739,697	3,842,448
Loans to stockholders.....	903,340	842,352	2,165,170	626,043	1,368,049	666,027	203,199	473,297
Mortgage and real estate loans.....	397,082	391,548	123,073	1,385,191	20,112,186	73,954	105,586	279,664
Other investments.....	22,754,642	23,403,904	47,728,789	65,584,768	68,440,832	13,606,236	15,208,717	18,284,344
Depreciable assets.....	89,195,232	70,908,024	129,934,795	151,631,509	134,267,673	63,781,502	48,864,056	27,075,657
Less: Accumulated depreciation.....	42,896,976	38,760,675	71,394,458	81,451,823	69,383,738	32,788,027	23,281,614	13,236,387
Depletable assets.....	2,732,282	116,224	3,330,123	81,442	632	201,978	8,313	92,875
Less: Accumulated depletion.....	960,174	78,338	15,878	12,850	455	31,730	1,540	4,081
Land.....	1,440,616	1,861,175	2,717,314	2,651,444	1,599,924	1,529,855	1,137,759	703,965
Intangible assets (amortizable).....	5,942,465	7,686,366	17,786,781	18,313,879	8,722,057	4,191,289	7,459,632	7,119,712
Less: Accumulated amortization.....	805,549	977,001	3,540,481	3,591,862	1,227,607	528,497	1,972,369	1,460,972
Other assets.....	6,318,921	9,763,615	22,861,795	26,717,968	26,432,681	8,171,094	9,273,965	10,024,488
Total liabilities.....	130,514,927	144,568,099	295,000,371	407,938,021	391,451,724	125,610,245	105,056,444	83,587,949
Accounts payable.....	12,800,674	13,845,205	29,092,335	42,136,981	32,751,957	13,471,759	11,747,689	6,854,256
Mortgages, notes, and bonds payable in less than one year.....	6,205,951	15,426,127	26,861,785	76,682,999	82,359,096	5,087,002	7,203,677	7,261,945
Other current liabilities.....	13,928,533	10,890,031	41,179,423	42,809,174	44,760,409	33,822,553	12,703,754	12,494,518
Loans from stockholders.....	2,493,722	2,857,957	2,814,443	2,938,399	1,618,875	655,886	2,564,782	2,568,609
Mortgages, notes, and bonds payable in one year or more.....	28,178,099	31,475,005	59,663,627	58,930,055	91,551,806	23,004,658	19,918,535	20,278,700
Other liabilities.....	26,054,111	14,013,187	26,829,593	78,664,294	58,735,931	8,654,359	8,255,536	7,639,594
Capital stock.....	7,373,698	7,613,483	23,404,391	16,412,234	10,208,249	7,678,528	6,961,260	4,901,204
Paid-in or capital surplus.....	29,671,530	20,824,383	40,638,253	44,437,507	34,267,122	10,384,696	20,433,459	12,850,493
Retained earnings, appropriated.....	644,106	257,271	629,040	770,982	613,544	98,413	1,115,047	279,732
Retained earnings, unappropriated.....	5,405,632	32,246,641	50,210,552	54,490,961	36,139,566	26,845,223	20,028,068	10,284,006
Less: Cost of treasury stock.....	2,241,128	4,881,191	8,323,041	1,554,831	3,892,834	5,873,364	1,825,107	1,825,107
Total receipts.....	138,312,974	180,700,755	291,950,984	318,562,841	278,973,559	177,968,467	109,230,299	84,769,065
Business receipts.....	132,772,117	174,083,396	252,342,104	289,322,376	246,283,449	169,101,624	100,727,828	80,484,828
Interest.....	1,743,329	2,392,523	6,502,614	8,358,186	20,285,845	1,382,505	1,655,811	1,154,106
Interest on Government obligations:								
State and local.....	12,670	56,529	315,561	530,192	240,139	21,343	71,871	82,488
Rents.....	548,937	638,883	11,219,527	6,795,141	7,541,712	1,582,328	1,093,778	315,786
Royalties.....	322,984	400,051	9,338,403	2,008,464	237,561	309,228	1,166,317	433,645
Net short-term capital gain reduced by net long-term capital loss.....	10,189	15,436	147,345	91,042	84,602	69,881	29,220	204,781
Net long-term capital gain reduced by net short-term capital loss.....	191,570	235,592	722,391	742,928	578,160	433,932	182,755	383,989
Net gain, noncapital assets.....	175,394	360,113	422,303	1,346,197	1,529,713	637,739	62,084	195,840
Dividends received from domestic corporations.....	119,368	111,596	237,914	224,520	118,784	114,870	46,028	295,096
Dividends received from foreign corporations.....	383,597	458,664	5,790,140	1,756,775	389,891	1,066,231	1,774,798	240,124
Other receipts.....	2,032,818	1,947,973	4,912,683	5,387,020	2,683,704	3,268,787	2,419,809	978,382
Total deductions.....	139,502,504	176,457,879	286,064,744	308,324,040	286,046,390	169,383,442	103,784,037	82,102,085
Cost of sales and operations.....	106,642,555	123,345,092	164,376,770	189,201,303	200,751,387	130,980,159	58,309,183	52,748,571
Compensation of officers.....	978,412	5,037,114	3,613,357	3,570,310	582,737	602,808	1,613,424	1,827,838
Repairs.....	2,439,207	835,274	1,728,251	1,854,390	1,989,819	1,105,844	390,221	381,483
Bad debts.....	692,878	705,917	1,185,842	2,256,281	2,126,746	217,192	293,909	385,667
Rent paid on business property.....	1,172,034	1,686,010	4,093,412	3,818,282	2,349,551	1,357,386	1,201,374	985,709
Taxes paid.....	2,478,006	4,294,427	6,800,034	6,724,001	5,145,671	2,918,220	2,226,940	1,673,645
Interest paid.....	3,672,641	5,158,497	10,749,109	17,311,157	19,640,435	3,268,855	3,306,707	3,102,258
Contributions or gifts.....	26,394	64,101	206,957	138,279	12,866	117,573	138,913	45,103
Amortization.....	276,103	407,550	1,058,481	1,004,061	439,273	293,192	446,475	375,115
Depreciation.....	4,984,735	4,998,516	9,904,802	15,365,947	15,851,068	3,370,488	2,992,474	2,090,369
Depletion.....	498,725	5,273	25,714	2,249	2,121	23,926	8	3,821
Advertising.....	241,210	1,370,362	2,955,665	3,455,183	2,979,964	375,695	2,927,420	1,922,860
Pension/profit sharing/stock bonus, annuity plans.....	1,290,384	1,629,626	1,629,626	2,146,057	1,393,694	1,043,634	807,040	309,124
Employee benefit programs.....	2,865,899	3,391,207	7,651,913	6,468,340	5,273,685	3,554,596	2,037,770	1,290,914
Net loss, noncapital assets.....	68,697	97,069	371,060	332,056	36,585	54,427	177,439	90,540
Other deductions.....	11,174,622	24,037,371	69,713,752	54,676,144	27,470,788	20,099,447	25,614,741	14,889,066
Total receipts less total deductions.....	-1,189,531	4,242,876	5,886,239	6,238,801	-6,072,831	8,585,025	4,466,263	2,666,980
Constructive taxable income from related foreign corporations.....	304,417	647,172	3,631,410	1,588,968	875,596	907,197	1,652,640	200,340
Net income (less deficit), total.....	-897,783	4,833,519	9,202,089	9,297,577	-5,437,374	9,470,879	7,027,032	2,784,832
Income subject to tax.....	1,920,644	5,306,289	12,434,908	12,507,808	692,399	9,347,478	7,271,354	2,691,654
Income tax, total.....	728,034	1,779,239	4,480,946	4,466,464	277,809	3,248,652	2,723,131	966,759
Regular tax.....	648,620	1,732,412	4,240,918	4,229,658	242,637	3,173,639	2,614,296	898,414
Personal holding company tax.....				487				
Recapture of investment credit.....	138	151	2,533	924	851	507	308	10
Alternative minimum tax.....	76,040	39,427	222,131	212,945	30,430	49,792	98,656	64,725
Environmental tax.....	3,142	5,372	16,225	17,048	1,012	12,382	9,801	3,498
Foreign tax credit.....	189,004	391,128	2,719,218	948,128	55,044	322,012	980,962	113,614
U.S. possessions tax credit.....		3,759	14,582	320,265	9,648	547	371,394	37,248
Orphan drug credit.....			104				280	
Nonconventional source fuel credit.....					(1)			(1)
General business credit.....	8,163	50,774	74,702	165,356	9,322	19,267	80,972	17,031
Prior year minimum tax credit.....	6,155	24,109	31,550	10,140	2,474	71,254	20,198	6,146
Total income tax after credits.....	524,712	1,309,469	1,640,790	3,022,574	201,320	2,835,572	1,269,325	792,720

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

# Corporation Returns/1991

## 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				
	Total	Transportation	Communication	Electric, gas, and sanitary services	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.....	164,980	134,131	18,034	12,814	1,043,534	329,284	27,269	52,730	249,295
Total assets.....	1,573,824,265	296,241,240	546,334,628	731,248,400	1,483,427,907	685,251,102	51,534,394	73,476,216	560,240,492
Cash.....	27,653,046	11,044,575	9,193,053	7,415,418	79,808,073	37,351,592	2,760,484	4,758,303	29,832,604
Notes and accounts receivable.....	161,464,530	39,433,630	77,330,294	44,700,606	327,611,333	201,899,923	14,480,239	20,833,032	168,586,651
Less: Allowance for bad debts.....	4,844,752	970,491	2,720,299	1,153,962	6,923,833	4,032,696	313,873	491,999	3,226,823
Inventories.....	29,847,587	5,062,873	5,996,970	18,798,024	384,005,805	174,365,773	12,024,639	22,928,872	139,412,262
Investments in Government obligations.....	8,379,227	2,854,505	1,596,784	3,827,878	19,452,440	17,478,623	44,699	208,349	17,223,575
Tax-exempt securities.....	1,949,503	449,005	990,808	512,590	18,377,207	1,088,707	79,009	188,145	819,553
Other current assets.....	52,684,933	12,136,449	18,542,023	22,006,481	84,904,834	48,338,952	1,921,002	3,504,635	42,913,315
Loans to stockholders.....	3,411,738	1,568,077	699,830	1,143,831	13,663,717	5,006,984	770,912	726,385	3,509,687
Mortgage and real estate loans.....	3,319,808	866,702	215,278	2,439,830	13,318,245	2,356,451	189,638	139,719	2,027,094
Other investments.....	232,341,267	26,595,920	133,942,821	71,802,527	152,058,561	67,201,424	3,869,296	7,226,893	58,105,234
Depreciable assets.....	1,353,543,264	264,834,097	378,811,008	709,788,161	1,488,545,890	717,256,814	19,505,571	19,682,750	132,068,293
Less: Accumulated depreciation.....	486,063,881	107,718,757	150,622,140	227,722,885	226,122,287	84,505,683	9,747,196	10,370,778	64,387,709
Depletable assets.....	10,017,449	626,713	119,938	9,370,600	2,112,902	1,588,595	934	148,964	1,438,696
Less: Accumulated depletion.....	4,681,588	188,824	77,003	4,485,781	854,817	635,321	157	66,882	568,282
Land.....	13,738,934	5,028,929	3,386,077	5,323,928	37,028,181	10,806,607	944,710	1,081,478	8,580,419
Intangible assets (amortizable).....	63,389,327	8,890,388	44,268,670	10,230,270	51,965,038	23,570,146	3,226,814	1,458,889	18,884,643
Less: Accumulated amortization.....	11,427,175	1,373,683	9,668,815	3,084,677	11,727,314	4,643,353	582,830	387,881	3,672,543
Other assets.....	119,100,968	27,204,272	31,559,235	60,337,461	56,205,731	16,961,765	2,380,701	1,907,441	12,693,623
Total liabilities.....	1,573,824,265	296,241,240	546,334,628	731,248,400	1,483,427,907	685,251,102	51,534,394	73,476,216	560,240,492
Accounts payable.....	88,115,367	29,346,601	25,684,556	33,084,230	251,779,917	138,101,118	11,779,463	15,455,165	110,866,491
Mortgages, notes, and bonds payable in less than one year.....	83,096,332	22,544,328	32,284,690	28,267,314	245,748,087	139,082,396	4,660,846	12,830,430	121,591,120
Other current liabilities.....	132,206,260	34,591,118	47,387,273	50,227,870	173,156,097	74,703,590	5,125,479	5,554,715	64,023,396
Loans from stockholders.....	12,665,049	4,627,822	2,881,341	3,355,886	58,116,800	23,766,942	1,445,369	2,343,797	19,977,776
Mortgages, notes, and bonds payable in one year or more.....	507,392,874	89,668,647	159,312,700	258,411,528	283,642,854	103,479,390	10,419,439	11,744,224	81,315,727
Other liabilities.....	221,405,583	48,272,297	66,553,313	106,579,974	96,140,451	25,289,465	2,357,398	2,842,858	20,089,409
Capital stock.....	174,397,515	16,745,904	52,245,041	105,406,001	83,925,073	45,747,618	2,522,846	5,087,151	38,127,620
Paid-in or capital surplus.....	230,626,570	38,020,989	120,577,470	72,028,112	140,340,529	53,361,947	4,320,418	6,320,931	42,720,597
Retained earnings, appropriated.....	5,255,156	332,032	3,077,019	1,846,106	1,385,720	457,150	48,550	57,647	350,953
Retained earnings, unappropriated.....	139,545,921	15,390,161	49,039,628	75,116,134	173,923,159	91,394,265	9,789,342	12,519,788	69,085,137
Less: Cost of treasury stock.....	20,882,384	5,098,658	12,708,973	3,074,753	24,730,178	10,132,779	934,757	1,290,288	7,907,734
Total receipts.....	954,944,592	357,410,190	286,044,588	331,489,814	3,380,598,972	1,631,014,688	235,234,054	136,677,519	1,258,903,114
Business receipts.....	897,131,837	338,637,416	244,627,613	313,866,807	3,291,367,668	1,590,963,037	231,652,780	132,762,522	1,226,547,734
Interest.....	17,599,445	3,654,387	6,929,427	7,015,631	29,751,373	15,758,571	513,892	803,016	14,441,683
Interest on Government obligations:									
State and local.....	320,128	41,617	127,417	151,094	1,533,707	194,849	19,696	27,132	148,021
Rents.....	10,296,518	3,282,445	4,710,377	2,303,697	9,346,502	4,399,406	333,068	913,243	3,153,096
Royalties.....	429,751	86,455	190,504	152,782	2,433,957	595,287	24,655	48,664	521,968
Net short-term capital gain reduced by net long-term capital loss.....	368,075	217,170	86,189	64,716	247,918	184,937	2,073	9,934	172,930
Net long-term capital gain reduced by net short-term capital loss.....	5,657,765	2,972,849	1,343,938	1,340,978	2,829,285	1,080,439	63,772	94,148	922,520
Net gain, noncapital assets.....	3,672,213	2,268,184	558,923	845,107	3,304,496	1,941,684	89,520	223,733	1,628,431
Dividends received from domestic corporations.....	853,567	85,167	384,696	383,704	650,262	329,790	17,327	23,151	289,311
Dividends received from foreign corporations.....	553,989	119,171	351,794	83,024	1,354,762	1,089,625	77,792	35,038	1,046,795
Other receipts.....	18,061,303	6,045,328	6,733,711	5,282,264	37,778,843	14,477,063	2,509,478	1,936,939	10,030,645
Total deductions.....	917,837,603	357,248,721	250,174,706	310,414,176	3,350,908,857	1,617,694,035	233,138,097	135,577,854	1,248,978,094
Cost of sales and operations.....	413,508,684	152,192,178	159,759,732	252,007,700	2,527,007,700	1,322,695,047	200,568,223	100,261,805	1,021,865,020
Compensation of officers.....	7,963,868	5,016,259	1,384,322	1,563,287	50,117,483	25,011,803	2,220,271	4,083,477	18,708,054
Repairs.....	31,562,434	9,621,754	10,168,406	11,772,273	13,396,834	4,281,914	721,696	429,646	3,130,754
Bad debts.....	8,865,821	1,363,884	4,178,046	1,323,890	10,287,847	4,375,834	426,389	573,412	3,376,033
Rent paid on business property.....	28,850,406	19,716,806	5,069,447	4,074,153	61,947,875	13,920,054	1,611,966	1,563,553	10,744,534
Taxes paid.....	43,282,260	13,138,186	10,467,065	19,677,009	50,084,788	17,718,713	2,031,093	1,876,095	13,811,525
Interest paid.....	59,686,545	10,230,161	20,543,512	28,912,872	61,081,388	26,660,130	1,803,488	2,289,750	22,566,892
Contributions or gifts.....	556,418	84,240	264,314	207,865	638,408	256,577	52,978	29,196	174,403
Amortization.....	5,905,574	756,438	4,292,838	856,298	5,406,575	2,864,267	219,415	150,927	2,493,924
Depreciation.....	82,446,402	18,488,188	29,973,408	33,984,806	43,523,841	18,070,685	1,673,182	2,284,237	14,113,266
Depletion.....	851,547	109,929	7,640	733,978	149,446	140,962	77	16,373	124,513
Advertising.....	4,936,315	2,100,042	2,292,899	543,374	41,421,191	12,064,148	869,037	792,463	10,402,649
Pension/profit sharing/stock bonus/annuity plans.....	6,364,482	2,989,384	1,591,939	1,783,159	6,805,965	3,110,190	426,589	446,034	2,237,567
Employee benefit programs.....	20,273,473	8,652,475	7,784,089	3,836,909	20,279,110	7,112,827	1,174,545	1,017,942	4,920,340
Net loss, noncapital assets.....	1,831,486	352,762	930,738	547,985	2,165,624	601,826	23,597	71,370	506,859
Other deductions.....	202,951,888	112,436,035	49,679,268	40,836,586	456,794,782	158,809,058	19,315,552	19,691,756	119,801,750
Total receipts less total deductions.....	37,106,989	161,468	15,869,882	21,075,638	29,690,115	13,320,652	2,095,957	1,299,665	9,925,030
Constructive taxable income from related foreign corporations.....	956,105	218,466	602,493	135,145	1,794,813	1,477,933	5,402	30,517	1,442,014
Net income (less deficit), total.....	37,742,965	338,317	16,344,959	21,059,690	29,951,221	14,603,736	2,081,663	1,303,050	11,219,023
Income subject to tax.....	47,111,134	5,943,196	19,167,895	22,000,042	40,340,135	16,267,870	1,920,640	1,935,028	12,412,201
Income tax, total.....	17,143,124	2,174,823	6,819,994	8,148,306	13,227,114	5,340,458	642,769	594,263	4,103,426
Regular tax.....	15,887,339	1,914,850	6,495,768	7,476,721	12,789,106	5,156,718	628,631	576,000	3,952,087
Personal holding company tax.....	*187	*27	*141	-	*975	*767	*283	-	*484
Recapture of investment credit.....	44,774	270	13,353	31,151	1,832	949	*10	*27	912
Alternative minimum tax.....	1,154,195	252,758	276,576	624,862	375,810	152,418	11,701	15,185	125,532
Environmental tax.....	86,085	8,612	35,508	41,964	44,562	15,860	1,946	1,094	12,820
Foreign tax credit.....	390,601	44,415	292,174	54,013	876,460	610,971	*2,627	18,588	591,755
U.S. possessions tax credit.....	56,757	28	56,728	-	24,086	1,927	70	64	1,792
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	37,164	563	9,132	27,469	173	171	-	*57	*115
General business credit.....	628,897	147,507	103,423	377,968	231,763	46,313	7,341	5,693	33,279
Prior year minimum tax credit.....	236,287	18,007	89,735	128,546	79,415	31,327	3,778	2,066	25,485
Total income tax after credits.....	15,793,417	1,964,304	6,268,803	7,560,310	12,015,216	4,649,750	628,955	569,794	3,451,000

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

# Corporation Returns/1991

## 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									
	Total	Building materials, garden supplies and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total.....	709,289	41,049	7,582	65,463	100,815	45,048	39,145	173,684	236,504	4,951
Total assets.....	795,047,341	38,768,237	276,090,574	99,198,829	108,136,855	49,159,539	25,390,388	85,597,590	114,705,329	31,294,641
Cash.....	42,087,911	2,656,854	7,745,130	6,296,801	7,073,491	2,167,916	2,074,788	5,130,549	8,942,382	368,571
Notes and accounts receivable.....	125,159,958	6,346,638	64,895,478	6,520,626	13,752,624	6,257,799	5,344,888	4,491,345	17,550,560	551,452
Less: Allowance for bad debts.....	2,879,608	124,064	1,206,620	88,890	243,603	206,187	150,316	187,539	672,388	11,330
Inventories.....	209,021,202	12,555,597	45,290,157	22,591,517	57,274,683	15,823,067	9,712,997	2,805,871	42,967,314	618,830
Investments in Government obligations.....	1,975,818	85,880	880,280	460,573	81,357	96,761	26,148	37,563	307,156	-
Tax-exempt securities.....	17,290,500	20,180	18,445,142	395,940	59,604	9,227	128,657	25,886	205,864	-
Other current assets.....	38,489,158	1,420,411	18,471,511	3,017,334	2,703,734	2,574,041	697,868	3,096,304	4,507,956	76,724
Loans to stockholders.....	8,602,209	415,003	2,037,198	497,269	1,338,476	554,824	276,464	1,445,224	2,037,752	54,524
Mortgage and real estate loans.....	10,954,725	273,639	9,607,220	294,651	204,305	18,366	43,917	361,710	150,918	5,070
Other investments.....	84,727,788	1,860,519	49,720,498	8,062,101	2,520,962	6,334,823	1,472,584	9,423,717	5,332,584	129,349
Depreciable assets.....	316,000,250	15,457,149	68,314,351	62,748,587	34,118,883	19,842,429	8,479,765	64,277,468	42,761,617	1,289,026
Less: Accumulated depreciation.....	141,104,179	7,840,822	24,598,422	28,550,713	17,374,985	8,368,967	4,182,092	28,462,277	22,025,696	512,425
Depletable assets.....	511,359	50,417	126,431	99,736	41,908	1,450	-	153,186	38,232	12,948
Less: Accumulated depletion.....	215,616	9,800	58,918	25,579	15,274	443	-	80,756	24,397	3,880
Land.....	28,354,545	1,851,339	5,496,737	5,086,237	3,478,525	580,672	429,122	7,059,169	2,372,743	67,030
Intangible assets (amortizable).....	28,033,754	685,395	3,298,121	3,507,545	1,596,213	1,862,985	555,477	8,392,974	8,155,046	381,138
Less: Accumulated amortization.....	7,040,949	138,745	727,579	726,429	720,586	423,403	136,323	2,106,540	2,061,343	43,011
Other assets.....	39,078,518	1,022,549	10,353,865	8,911,524	2,246,989	2,034,179	816,443	9,733,736	4,159,231	165,449
Total liabilities.....	795,047,341	38,768,237	276,090,574	99,198,829	108,136,855	49,159,539	25,390,388	85,597,590	114,705,329	31,294,641
Accounts payable.....	113,220,788	5,218,573	40,841,382	17,337,266	9,333,397	6,468,758	4,476,852	6,743,920	22,800,640	457,411
Mortgages, notes, and bonds payable in less than one year.....	106,296,735	3,885,318	24,515,519	5,820,928	48,855,276	3,962,402	2,680,100	5,978,369	10,598,823	368,956
Other current liabilities.....	98,164,395	2,655,419	52,052,178	11,228,552	6,412,215	5,241,944	2,549,390	8,109,717	9,914,981	288,112
Loans from stockholders.....	34,204,584	1,808,375	2,990,146	2,524,356	6,957,724	2,661,405	1,181,180	7,478,036	8,603,362	145,274
Mortgages, notes, and bonds payable in one year or more.....	178,819,980	8,361,664	50,808,245	36,849,446	15,841,617	8,512,746	4,833,686	31,583,720	22,028,856	1,343,484
Other liabilities.....	70,154,153	1,126,167	44,409,823	6,805,630	1,640,256	2,207,604	844,686	7,656,006	5,903,982	256,834
Capital stock.....	37,971,721	1,973,611	6,166,464	3,672,402	5,687,027	4,064,964	1,843,559	6,954,360	7,609,333	205,734
Paid-in or capital surplus.....	86,731,044	3,192,434	30,393,850	8,886,901	5,891,865	6,478,611	2,528,153	9,323,731	20,035,499	247,538
Retained earnings, appropriated.....	82,871,054	9,415,675	25,811,194	7,618,895	9,113,635	10,364,109	5,755,268	4,481,884	10,110,395	-142,161
Retained earnings, unappropriated.....	14,555,682	947,843	2,215,822	1,615,856	1,681,348	937,769	1,384,055	2,758,859	3,014,672	41,718
Less: Cost of treasury stock.....	-	-	-	-	-	-	-	-	-	-
Total receipts.....	1,742,503,071	82,964,926	293,712,535	360,310,604	422,381,518	91,978,177	57,989,257	151,962,581	281,203,475	7,081,214
Business receipts.....	1,693,646,784	81,235,538	276,098,418	354,253,319	415,369,324	88,947,263	56,334,654	145,737,769	275,670,501	6,758,045
Interest.....	13,925,047	537,306	40,814,934	828,027	870,367	870,343	344,410	1,071,813	1,332,315	67,755
Interest on Government obligations:										
State and local.....	1,338,204	17,947	1,218,906	41,750	6,612	10,648	7,432	11,145	23,765	653
Rents.....	4,930,548	219,495	1,583,421	885,236	742,999	226,264	64,091	654,721	554,320	16,548
Royalties.....	1,832,943	152,671	126,554	47,136	5,722	419,085	1,765	801,726	278,285	5,728
Net short-term capital gain reduced by net long-term capital loss.....	62,912	5,032	17,570	8,224	2,594	1,929	1,068	19,943	6,552	69
Net long-term capital gain reduced by net short-term capital loss.....	1,645,514	93,384	666,129	286,655	146,420	36,771	29,242	227,708	159,205	103,332
Net gain, noncapital assets.....	1,311,729	57,464	161,720	139,615	344,606	11,184	60,267	361,136	175,756	51,083
Dividends received from domestic corporations.....	319,442	18,403	166,207	9,944	8,930	69,857	12,656	24,547	24,547	1,031
Dividends received from foreign corporations.....	265,137	451	46,380	7,769	1,632	100,182	7	51,776	56,940	-
Other receipts.....	23,224,810	627,506	5,556,295	3,802,928	4,882,308	1,284,673	1,137,423	3,012,388	2,921,291	76,970
Total deductions.....	1,726,205,338	81,992,161	286,835,518	356,638,921	422,944,146	90,354,022	57,944,452	150,484,177	278,931,940	7,009,484
Cost of sales and operations.....	1,199,434,873	57,592,496	180,096,396	270,092,152	355,479,657	54,097,312	38,101,529	61,037,516	184,937,816	4,877,780
Compensation of officers.....	24,807,141	2,187,502	852,076	2,081,110	4,843,671	1,280,940	1,607,667	4,037,485	7,916,691	298,539
Repairs.....	9,095,648	484,065	1,425,055	2,085,619	1,107,378	394,236	266,838	1,156,596	1,185,864	19,272
Bad debts.....	5,894,067	289,091	1,425,055	317,687	741,847	365,825	418,319	190,603	1,215,911	17,945
Rent paid on business property.....	47,928,635	1,457,352	7,821,839	6,607,068	5,033,384	8,164,922	2,323,133	8,994,328	9,526,609	99,186
Taxes paid.....	32,256,534	1,678,413	5,761,634	5,142,626	4,703,546	2,135,194	1,234,145	6,314,673	5,296,304	109,542
Interest paid.....	34,198,968	1,605,462	11,767,988	4,425,033	4,707,689	1,563,792	868,388	4,867,508	4,393,107	222,290
Contributions or gifts.....	380,709	17,307	116,469	76,572	21,545	36,338	18,056	31,166	65,256	1,121
Amortization.....	2,529,363	87,906	262,424	378,787	263,383	186,657	74,334	649,967	627,924	12,925
Depreciation.....	25,339,544	1,084,395	4,922,228	4,862,187	3,247,521	1,710,550	737,145	4,722,576	4,052,942	113,612
Depletion.....	8,447	4,007	2	87	3,138	452	-	447	313	37
Advertising.....	29,299,736	1,147,519	6,268,936	3,303,255	3,996,274	2,006,977	2,509,997	4,131,546	5,937,230	57,307
Pension/profit sharing/stock bonus/annuity plans.....	3,464,524	243,065	772,158	973,279	236,929	245,177	135,179	280,476	578,260	31,252
Employee benefit programs.....	13,115,791	603,360	2,718,700	3,859,166	1,863,296	618,285	344,747	1,474,405	1,835,831	50,492
Net loss, noncapital assets.....	1,563,456	30,690	212,206	245,505	174,229	158,939	140,944	246,102	354,841	342
Other deductions.....	296,887,882	13,479,529	61,584,819	52,190,590	36,520,662	19,400,426	11,166,031	51,328,785	51,217,040	1,097,842
Total receipts less total deductions.....	16,297,733	972,765	6,777,017	3,671,683	-562,630	1,624,155	44,805	1,498,403	2,271,535	71,730
Constructive taxable income from related foreign corporations.....	316,880	-	72,659	1,452	-	61,836	140	161,880	18,913	-
Net income (less deficit), total.....	15,278,408	954,819	5,630,770	3,631,385	-569,242	1,675,344	37,513	1,649,138	2,266,683	71,076
Income subject to tax.....	23,994,992	1,296,807	7,267,961	4,034,926	1,252,662	2,765,005	713,564	2,567,828	4,096,238	77,274
Income tax, total.....	7,862,574	396,973	2,592,810	1,373,868	346,555	901,308	209,025	813,515	1,228,520	24,083
Regular tax.....	7,610,129	391,895	2,463,427	1,329,006	329,829	892,636	205,542	795,209	1,202,584	22,258
Personal holding company tax.....	207	-	-	190	17	-	-	-	-	-
Recapture of investment credit.....	884	3	186	549	19	31	7	37	51	-
Alternative minimum tax.....	221,714	3,708	117,235	39,154	16,858	5,243	2,614	15,257	21,644	1,679
Environmental tax.....	28,557	985	11,962	5,383	332	3,398	373	2,756	3,368	146
Foreign tax credit.....	265,484	32	20,263	2,174	83	73,482	150	142,022	27,278	5
U.S. possessions tax credit.....	20,249	-	15,891	3,121	1,014	-	-	223	-	1,911
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-	-
General business credit.....	185,213	6,536	60,401	33,456	7,404	11,824	1,009	43,652	20,931	237
Prior year minimum tax credit.....	48,088	493	24,070	9,033	3,070	4,970	35	2,265	4,152	-
Total income tax after credits.....	7,343,538	389,911	2,472,185	1,326,084	334,985	811,032	207,831	625,351	1,176,158	21,929

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

# Corporation Returns/1991

## 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, 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.....	617,557	10,742	25,265	18,710	8,715	69,750	430,407	53,968
<b>Total assets.....</b>	<b>10,780,681,276</b>	<b>4,072,873,704</b>	<b>1,640,327,324</b>	<b>496,807,358</b>	<b>2,369,730,190</b>	<b>41,600,130</b>	<b>357,561,346</b>	<b>1,801,781,223</b>
Cash.....	483,045,301	309,126,497	67,039,158	21,892,619	25,696,611	7,329,878	20,829,798	31,130,741
Notes and accounts receivable.....	2,694,787,023	1,968,101,768	326,548,119	103,649,193	128,545,828	11,782,164	23,006,401	133,153,551
Less: Allowance for bad debts.....	77,035,675	55,528,564	17,964,162	512,856	1,509,675	128,277	834,586	557,555
Inventories.....	31,454,985	902,314	3,987,235	1,059,787	4,222,129	*12,482	19,635,126	1,635,912
Investments in Government obligations.....	1,005,915,600	492,585,332	52,231,423	37,008,935	235,093,796	484,900	1,470,175	187,041,038
Tax-exempt securities.....	425,238,206	65,042,031	10,145,876	529,653	157,724,482	405,355	809,960	190,580,849
Other current assets.....	710,187,779	121,821,463	88,398,990	164,227,222	245,364,670	2,307,307	21,745,604	66,322,522
Loans to stockholders.....	31,967,466	6,547,527	8,270,067	2,097,824	1,249,431	765,156	5,571,266	7,466,195
Mortgage and real estate loans.....	1,465,784,258	378,286,381	775,052,192	1,765,874	270,828,068	98,249	15,459,992	24,293,502
Other investments.....	3,142,690,244	433,516,533	234,993,925	137,583,350	1,177,170,879	10,477,165	56,273,850	1,092,674,542
Depreciable assets.....	388,499,384	96,110,129	30,867,238	8,697,127	38,495,445	7,935,196	175,008,695	31,385,554
Less: Accumulated depreciation.....	128,020,500	39,423,489	12,368,433	4,132,399	8,742,597	4,368,687	50,726,320	8,258,575
Depletable assets.....	2,053,790	17,850	120,282	*57,244	395,079	*96,159	740,196	626,981
Less: Accumulated depletion.....	519,942	6,109	*9,574	*33,689	127,032	*42,380	154,573	146,584
Land.....	70,550,011	7,436,088	3,497,397	216,300	2,412,767	256,499	50,734,194	5,996,767
Intangible assets (amortizable).....	44,389,679	15,400,301	10,920,438	1,931,977	4,710,671	3,892,731	4,226,086	3,307,476
Less: Accumulated amortization.....	10,382,671	2,796,775	1,677,716	515,770	1,458,928	1,427,983	1,474,014	1,031,485
Other assets.....	500,076,338	275,734,428	60,274,868	21,284,968	89,658,569	1,724,217	15,239,494	36,159,794
<b>Total liabilities.....</b>	<b>10,780,681,276</b>	<b>4,072,873,704</b>	<b>1,640,327,324</b>	<b>496,807,358</b>	<b>2,369,730,190</b>	<b>41,600,130</b>	<b>357,561,346</b>	<b>1,801,781,223</b>
Accounts payable.....	805,003,823	529,476,433	85,172,519	93,110,614	37,144,858	14,206,088	10,322,608	35,570,703
Mortgages, notes, and bonds payable in less than one year.....	698,861,949	242,836,230	269,985,583	33,720,082	48,318,168	1,894,508	36,053,859	66,053,519
Other current liabilities.....	4,043,013,751	2,556,053,668	717,517,915	288,331,547	420,837,900	4,973,442	18,128,561	37,170,718
Loans from stockholders.....	93,435,711	7,099,536	28,400,788	1,792,425	6,451,520	973,382	39,888,297	8,829,763
Mortgages, notes, and bonds payable in one year or more.....	792,003,552	180,042,024	292,416,325	22,646,648	64,525,571	4,704,180	152,474,339	75,194,465
Other liabilities.....	1,834,809,455	205,829,954	151,459,941	30,580,745	1,392,039,397	2,512,709	30,501,618	21,885,091
Capital stock.....	1,232,826,606	61,258,466	14,071,206	5,141,339	19,849,188	1,932,522	33,199,528	1,097,374,576
Paid-in or capital surplus.....	1,885,619,089	158,050,373	55,856,824	13,886,303	149,415,281	4,207,646	71,537,637	1,432,665,026
Retained earnings, appropriated.....	58,257,947	2,543,328	3,565,388	127,580	36,974,087	67,485	1,621,758	13,358,343
Retained earnings, unappropriated.....	320,191,815	133,381,507	25,535,087	9,929,628	201,831,904	7,358,515	-31,919,738	-25,905,087
Less: Cost of treasury stock.....	983,342,423	3,677,595	3,654,250	2,459,555	7,657,663	1,230,346	4,247,120	960,415,892
<b>Total receipts.....</b>	<b>1,924,317,623</b>	<b>487,158,844</b>	<b>292,155,191</b>	<b>79,953,009</b>	<b>781,482,980</b>	<b>39,651,167</b>	<b>112,637,043</b>	<b>131,281,589</b>
Business receipts.....	928,022,390	57,691,942	121,394,874	42,083,502	566,400,796	37,402,503	86,264,375	16,784,399
Interest.....	739,182,636	372,630,346	134,665,345	24,230,209	132,203,744	761,801	5,381,359	69,309,831
Interest on Government obligations:								
State and local.....	32,105,876	7,478,971	615,198	192,404	7,850,461	60,844	132,761	15,775,237
Rents.....	36,871,759	12,352,240	2,206,568	780,218	9,847,343	101,918	7,850,468	3,733,003
Royalties.....	833,851	21,499	95,848	7,601	85,745	*10,181	229,230	383,748
Net short-term capital gain reduced by net long-term capital loss.....	11,854,767	225,823	162,595	293,584	4,190,718	23,302	122,599	6,836,147
Net long-term capital gain reduced by net short-term capital loss.....	15,894,378	2,798,320	840,758	493,229	7,368,071	100,871	3,077,208	1,215,922
Net gain, noncapital assets.....	9,662,259	5,182,846	2,709,146	250,376	449,756	47,956	810,090	212,089
Dividends received from domestic corporations.....	6,816,606	605,884	598,538	262,923	4,301,096	50,575	234,808	762,783
Dividends received from foreign corporations.....	1,055,281	203,763	31,929	131,110	172,973	*202,457	39,095	273,933
Other receipts.....	142,017,821	27,964,992	28,834,391	11,227,854	48,612,277	888,760	8,495,051	15,994,496
<b>Total deductions.....</b>	<b>1,771,169,018</b>	<b>487,229,813</b>	<b>278,483,858</b>	<b>75,908,138</b>	<b>744,812,345</b>	<b>37,360,075</b>	<b>119,663,959</b>	<b>77,170,834</b>
Cost of sales and operations.....	556,461,819	654,225	82,851,569	5,766,935	418,082,679	5,435,459	35,298,325	8,372,627
Compensation of officers.....	32,681,110	12,266,604	2,836,925	3,651,438	2,558,804	4,956,155	5,131,888	1,259,498
Repairs.....	6,081,930	2,569,249	706,465	143,407	285,612	200,417	2,029,299	147,480
Bad debts.....	61,339,731	39,354,407	15,913,534	726,708	1,975,989	202,941	1,932,814	1,233,339
Rent paid on business property.....	24,165,152	8,161,687	2,476,283	2,217,763	5,722,056	1,616,420	3,423,454	547,489
Taxes paid.....	33,176,258	7,807,275	2,582,929	1,351,940	13,140,061	1,318,591	5,965,552	1,009,911
Interest paid.....	426,757,261	256,418,620	105,646,420	20,724,721	18,873,244	722,108	14,134,953	10,237,194
Contributions or gifts.....	878,204	426,813	73,818	74,214	174,016	31,208	73,111	25,024
Amortization.....	5,513,354	1,980,899	916,368	284,305	1,096,423	321,250	522,628	391,483
Depreciation.....	34,268,027	15,858,011	2,922,519	911,755	6,401,823	716,992	5,431,604	1,925,324
Depletion.....	137,028	9,633	19,627	700	24,562	*1,193	50,905	30,407
Advertising.....	8,853,267	2,673,383	1,966,151	664,441	1,461,096	363,386	1,493,727	231,082
Pension/profit sharing/stock bonus, annuity plans.....	6,647,597	1,800,544	599,543	404,448	2,826,141	541,505	342,731	132,687
Employee benefit programs.....	15,722,521	6,112,737	1,430,693	831,008	5,409,594	781,187	757,678	399,624
Net loss, noncapital assets.....	10,140,422	4,709,655	3,593,866	67,754	198,966	20,226	1,097,462	454,493
Other deductions.....	548,365,338	106,328,072	53,947,146	38,086,600	266,583,280	20,131,040	41,978,029	21,313,172
<b>Total receipts less total deductions.....</b>	<b>153,148,605</b>	<b>19,928,831</b>	<b>13,671,335</b>	<b>4,044,874</b>	<b>36,670,635</b>	<b>2,291,092</b>	<b>-7,026,916</b>	<b>83,570,756</b>
Constructive taxable income from related foreign corporations.....	3,502,774	1,563,400	271,339	401,250	877,868	124,604	*5,786	258,528
Net income (less deficit), total.....	124,545,504	14,011,260	13,327,476	4,253,719	29,698,040	2,354,652	-7,153,891	88,054,047
Income subject to tax.....	80,797,221	23,042,497	18,002,560	4,739,373	26,705,248	1,782,265	3,227,535	3,297,744
Income tax, total <sup>2</sup> .....	27,281,531	8,151,451	5,143,489	1,611,967	9,745,001	562,704	938,955	1,127,964
Regular tax.....	26,890,049	7,808,439	5,980,986	1,593,409	9,020,643	558,328	871,902	1,056,342
Personal holding company tax.....	11,885	*123	15	248	*1,899	-	4,632	5,232
Recapture of investment credit.....	6,228	4,521	-	994	-	-	*308	142
Alternative minimum tax.....	1,296,872	310,775	207,280	12,065	669,838	2,798	48,807	45,412
Environmental tax.....	116,341	31,707	24,190	6,211	47,647	1,581	1,488	3,537
Foreign tax credit.....	1,597,594	437,115	101,754	194,940	613,382	108,080	11,217	131,108
U.S. possessions tax credit.....	21,824	-	20,788	-	123	-	486	227
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	3,283	840	661	*14	960	193	*500	*115
General business credit.....	230,333	100,754	46,100	34,832	32,634	4,177	8,978	2,860
Prior year minimum tax credit.....	578,580	199,184	31,930	27,971	297,950	*317	9,637	11,571
<b>Total income tax after credits.....</b>	<b>24,850,137</b>	<b>7,413,558</b>	<b>4,942,258</b>	<b>1,354,210</b>	<b>8,799,954</b>	<b>449,937</b>	<b>908,139</b>	<b>982,084</b>

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

# Corporation Returns/1991

## 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							Nature of business not allocable	
	Services								
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services		
	(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	
Number of returns, total.....	1,081,657	25,068	78,887	351,585	125,856	95,454	384,806	28,888	
Total assets.....	636,751,574	62,261,410	20,896,460	219,163,062	51,914,743	126,678,776	155,837,123	2,708,451	
Cash.....	49,421,040	2,883,373	1,903,041	18,180,114	3,018,181	6,400,222	17,036,108	324,423	
Notes and accounts receivable.....	105,841,217	3,840,873	2,660,273	46,825,539	6,515,394	15,520,244	30,478,894	348,432	
Less: Allowance for bad debts.....	5,536,019	326,187	54,008	1,363,098	166,547	724,928	2,901,254	*1,166	
Inventories.....	21,487,205	517,568	1,276,896	6,610,850	4,096,473	5,501,768	3,483,852	299,002	
Investments in Government obligations.....	3,014,233	*45,520	*30,199	1,229,256	103,877	183,342	1,422,238	*18,420	
Tax-exempt securities.....	1,653,916	48,871	180,565	744,121	*106,577	48,832	523,951	-	
Other current assets.....	38,191,910	2,402,684	865,632	14,823,963	2,480,907	6,181,114	9,437,610	125,947	
Loans to stockholders.....	8,753,822	1,541,921	333,327	2,815,360	595,702	802,100	2,665,413	174,847	
Mortgage and real estate loans.....	7,099,740	955,716	119,032	4,562,647	203,816	540,614	717,914	61,079	
Other investments.....	120,153,866	9,917,556	1,864,293	45,683,207	3,111,134	35,332,707	24,244,969	219,668	
Depreciable assets.....	332,285,234	41,997,877	15,148,712	96,763,683	43,640,469	54,674,019	80,060,273	1,034,051	
Less: Accumulated depreciation.....	149,342,296	13,826,336	8,383,082	50,096,497	18,158,370	25,286,400	33,591,632	417,834	
Depletable assets.....	313,978	*18,820	*13,106	71,278	*44,995	65,273	102,508	*5,569	
Less: Accumulated depletion.....	130,487	*732	*5,296	23,247	*32,276	*23,147	45,789	*2,286	
Land.....	20,069,977	6,033,802	865,592	2,363,937	1,808,075	4,535,255	4,463,316	285,059	
Intangible assets (amortizable).....	46,851,725	1,698,124	2,013,981	18,467,959	3,358,421	11,837,734	9,675,507	172,031	
Less: Accumulated amortization.....	13,148,471	425,468	541,510	5,330,604	363,622	3,966,324	2,518,942	24,474	
Other assets.....	49,768,984	4,938,427	2,605,685	18,834,396	1,551,737	13,256,352	10,582,387	85,683	
Total liabilities.....	636,751,574	62,261,410	20,896,460	219,163,062	51,914,743	126,678,776	155,837,123	2,708,451	
Accounts payable.....	55,514,375	2,602,281	1,144,886	26,003,994	4,240,129	9,105,333	12,417,752	274,796	
Mortgages, notes, and bonds payable in less than one year.....	54,398,507	4,340,915	1,129,470	20,399,811	8,939,054	6,814,323	12,774,934	385,346	
Other current liabilities.....	76,932,128	3,756,186	2,056,459	33,712,656	5,480,596	12,649,964	19,276,267	222,836	
Loans from stockholders.....	37,948,117	7,258,838	1,809,030	12,113,219	2,608,025	6,523,632	7,635,373	433,277	
Mortgages, notes, and bonds payable in one year or more.....	178,117,978	28,011,602	5,266,998	50,298,629	17,376,592	32,448,816	44,715,243	906,745	
Other liabilities.....	56,172,431	4,061,177	1,870,755	19,829,996	2,202,113	17,615,985	10,792,404	233,187	
Capital stock.....	40,916,430	6,062,002	1,583,430	12,605,037	2,729,983	7,862,624	10,073,353	374,277	
Paid-in or capital surplus.....	134,572,731	14,459,660	2,387,450	44,245,182	3,091,638	33,463,765	36,925,037	519,762	
Retained earnings, appropriated.....	600,392	*4,919	*37,715	213,359	*46,671	68,109	229,621	*1	
Retained earnings, unappropriated.....	13,059,635	*7,381,643	4,291,395	4,842,494	5,947,819	2,272,233	3,287,337	*584,311	
Less: Cost of treasury stock.....	11,481,149	914,529	681,125	4,701,314	747,877	2,146,107	2,290,197	57,586	
Total receipts.....	809,724,469	40,779,567	34,812,044	297,374,506	76,352,252	85,355,468	275,050,631	4,027,285	
Business receipts.....	761,589,005	37,438,005	33,398,212	278,347,178	71,894,597	77,202,224	263,308,788	3,842,188	
Interest.....	9,479,178	774,993	348,471	3,492,208	735,781	2,128,832	1,998,892	21,458	
Interest on Government obligations:									
State and local.....	462,597	7,579	25,705	269,311	12,324	33,837	114,042	*544	
Rents.....	6,470,308	477,945	66,795	3,024,312	1,296,396	678,492	926,368	19,237	
Royalties.....	3,619,554	422,624	136,995	1,362,356	*20,300	1,332,649	344,630	*666	
Net short-term capital gain reduced by net long-term capital loss.....	185,847	*3,345	9,842	100,871	3,186	11,682	56,921	-	
Net long-term capital gain reduced by net short-term capital loss.....	1,713,557	314,673	83,800	490,412	68,632	202,655	553,385	*4,418	
Net gain, noncapital assets.....	2,747,287	100,854	73,973	819,870	1,113,343	161,788	477,459	*423	
Dividends received from domestic corporations.....	484,230	25,417	28,451	84,227	13,297	77,292	255,545	*535	
Dividends received from foreign corporations.....	723,102	140,562	*31,189	286,831	*5,757	221,273	37,490	-	
Other receipts.....	22,249,805	1,073,570	608,610	9,096,930	1,188,640	3,304,945	6,977,110	137,816	
Total deductions.....	800,163,940	42,092,738	33,775,625	294,186,193	75,787,620	86,729,495	267,592,269	4,176,370	
Cost of sales and operations.....	301,802,690	14,436,761	12,707,789	123,449,140	34,358,726	30,752,277	86,097,997	2,455,819	
Compensation of officers.....	50,773,864	515,957	2,064,581	16,917,516	3,578,379	4,103,140	23,594,391	110,131	
Repairs.....	6,815,053	765,121	409,156	1,709,142	1,049,034	962,970	1,919,631	30,714	
Bad debts.....	6,001,002	337,856	152,420	1,667,811	238,686	857,653	2,746,575	11,796	
Rent paid on business property.....	31,341,386	1,725,409	2,041,265	10,114,830	3,466,554	3,309,851	10,683,478	115,842	
Taxes paid.....	27,630,408	2,191,415	1,480,010	9,295,741	2,746,197	2,641,428	9,275,618	111,429	
Interest paid.....	26,544,428	3,277,010	831,294	8,204,684	3,029,863	5,016,505	6,185,072	104,399	
Contributions or gifts.....	300,563	8,920	24,912	78,770	15,357	32,781	139,624	*93	
Amortization.....	4,826,136	192,240	232,065	1,442,637	172,482	1,915,215	871,496	6,400	
Depreciation.....	34,739,016	2,284,639	1,199,774	12,577,442	6,880,707	5,447,701	6,348,754	106,002	
Depletion.....	22,901	*146	*48	7,388	2	1,287	14,029	*130	
Advertising.....	11,921,947	984,309	762,345	4,743,488	1,015,897	2,135,793	2,280,114	58,551	
Pension/profit sharing/stock bonus, annuity plans.....	4,858,548	52,202	168,193	1,752,965	346,864	275,607	2,262,697	*4,796	
Employee benefit programs.....	12,057,610	598,518	330,677	4,284,680	900,729	656,968	5,288,038	11,308	
Net loss, noncapital assets.....	1,203,573	114,122	41,436	413,815	44,568	220,311	369,321	*47,069	
Other deductions.....	279,324,715	14,608,114	11,329,659	97,526,144	17,943,554	28,400,011	109,517,233	1,001,890	
Total receipts less total deductions.....	9,560,529	-1,313,171	1,036,419	3,188,313	564,632	-1,374,027	7,458,363	-149,085	
Constructive taxable income from related foreign corporations.....	671,960	36,400	26,046	277,933	*10,266	208,684	112,631	-	
Net income (less deficit), total.....	9,769,891	-1,284,349	1,038,759	3,196,935	562,575	-1,198,890	7,456,951	-149,629	
Income subject to tax.....	16,071,091	785,976	1,005,591	5,567,434	985,696	1,786,525	5,939,869	32,950	
Income tax, total.....	5,230,030	274,688	303,743	1,832,285	281,590	600,932	1,936,792	5,105	
Regular tax.....	5,016,937	256,647	299,757	1,733,832	256,430	577,255	1,893,016	8,458	
Personal holding company tax.....	*158	-	-	*90	-	*50	*19	*19	
Recapture of investment credit.....	373	29	*24	89	23	(1)	209	-	
Alternative minimum tax.....	198,139	16,899	3,139	94,373	24,705	21,426	37,595	-	
Environmental tax.....	15,759	1,083	842	5,052	715	2,220	5,848	2	
Foreign tax credit.....	474,901	*40,687	23,399	265,863	*778	96,159	48,015	1	
U.S. possessions tax credit.....	13,518	5,510	-	3,798	-	199	4,011	-	
Orphan drug credit.....	*484	-	-	-	-	-	*484	-	
Nonconventional source fuel credit.....	919	-	-	-	-	-	919	-	
General business credit.....	127,665	7,357	5,373	58,998	19,801	6,370	31,767	-	
Prior year minimum tax credit.....	51,166	*323	*3,123	15,046	8,354	1,296	23,023	-	
Total income tax after credits.....	4,561,377	220,811	271,848	1,490,580	252,657	496,908	1,828,573	5,103	

\* 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."

# Corporation Returns/1991

## 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	Total	Metal mining	Mining		
					Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	1,942,450	69,543	17,893	180	1,312	15,064	1,337
Total assets.....	14,229,462,839	39,907,740	148,893,961	11,408,228	5,978,741	116,894,841	12,612,152
Cash.....	570,373,007	3,422,380	4,215,823	223,685	444,027	2,764,457	783,673
Notes and accounts receivable.....	3,053,923,223	3,710,877	12,229,759	1,118,328	1,047,795	8,680,689	1,382,947
Less: Allowance for bad debts.....	76,224,876	22,276	139,951	*524	3,865	108,314	27,248
Inventories.....	613,822,528	4,762,637	3,866,931	469,253	169,973	2,481,777	745,928
Investments in Government obligations.....	905,357,048	173,018	1,192,108	-	*139,413	983,052	*69,642
Tax-exempt securities.....	340,470,173	108,709	142,964	3,000	*56,422	77,877	5,686
Other current assets.....	845,291,212	1,312,204	4,851,915	562,019	571,231	2,941,964	776,701
Loans to stockholders.....	52,340,868	1,051,465	793,118	22,910	25,953	707,821	36,434
Mortgage and real estate loans.....	1,180,256,573	409,848	117,539	*1,120	*43	*107,381	*8,995
Other investments.....	3,892,581,318	3,362,429	66,471,139	4,760,284	686,798	57,826,488	3,197,569
Depreciable assets.....	3,256,302,920	28,779,940	66,862,912	5,479,016	3,735,993	49,068,086	8,579,817
Less: Accumulated depreciation.....	1,454,670,560	18,566,714	33,661,013	2,642,273	2,065,471	23,958,747	4,994,522
Depletable assets.....	93,194,815	383,063	21,568,451	655,112	533,842	19,303,316	1,076,179
Less: Accumulated depletion.....	41,084,054	141,098	9,441,846	*99,467	104,445	9,052,172	185,761
Land.....	122,612,162	9,213,520	1,892,841	25,080	138,297	1,087,004	642,460
Intangible assets (amortizable).....	306,420,133	208,135	3,901,572	*316,923	353,421	2,890,756	340,473
Less: Accumulated amortization.....	73,046,472	58,420	1,471,926	*61,890	124,415	1,227,544	58,077
Other assets.....	641,542,822	1,800,023	3,501,626	575,671	373,728	2,320,949	231,279
Total liabilities.....	14,229,462,839	39,907,740	148,893,961	11,408,228	5,978,741	116,894,841	12,612,152
Accounts payable.....	1,235,657,876	2,267,521	7,964,563	876,520	584,545	5,795,202	708,295
Mortgages, notes, and bonds payable in less than one year.....	998,103,629	4,901,357	4,266,186	318,013	391,910	2,138,198	1,418,065
Other current liabilities.....	3,505,080,303	1,712,174	6,698,338	503,020	489,960	5,119,927	585,430
Loans from stockholders.....	142,242,371	2,181,823	1,576,209	*372,402	86,855	1,032,231	84,720
Mortgages, notes, and bonds payable in one year or more.....	1,691,964,866	7,842,476	34,465,261	2,106,526	905,728	29,499,753	1,953,253
Other liabilities.....	2,143,804,481	1,733,669	9,891,724	732,359	804,695	7,736,704	617,767
Capital stock.....	1,349,779,870	4,944,510	4,929,672	451,508	274,122	3,499,121	704,921
Paid-in or capital surplus.....	2,482,277,740	3,256,268	68,604,010	4,017,734	1,315,051	61,205,655	2,065,571
Retained earnings, appropriated.....	66,157,111	117,322	150,555	23,533	*2,437	*72,368	*52,216
Retained earnings, unappropriated.....	1,621,193,455	11,889,658	12,294,967	2,128,251	1,293,396	3,843,849	5,029,472
Less: Cost of treasury stock.....	1,006,798,839	939,137	3,947,524	*121,639	170,159	3,048,168	607,558
Total receipts.....	8,369,035,947	57,188,270	70,081,012	5,016,986	8,854,544	47,316,696	8,892,785
Business receipts.....	7,263,537,078	53,750,684	60,229,122	4,290,195	8,379,400	39,219,467	8,340,060
Interest.....	666,232,682	375,836	2,241,997	131,281	92,852	1,806,600	211,264
Interest on Government obligations:							
State and local.....	24,484,776	17,160	12,513	*107	*2,325	9,071	*1,010
Rents.....	71,688,560	362,502	230,619	9,973	20,549	152,542	47,555
Royalties.....	28,988,622	55,345	291,109	*10,588	49,875	212,605	18,042
Net short-term capital gain reduced by net long-term capital loss.....	12,344,119	6,615	72,123	9,892	*8,061	51,069	3,102
Net long-term capital gain reduced by net short-term capital loss.....	30,117,588	353,341	1,951,326	193,585	39,292	1,666,011	52,438
Net gain, noncapital assets.....	21,651,976	270,059	1,296,366	*1,458	31,652	1,228,434	34,823
Dividends received from domestic corporations.....	11,263,154	64,527	256,284	*52,805	12,489	181,857	9,132
Dividends received from foreign corporations.....	26,428,189	76,280	223,198	13,857	3,813	204,730	*797
Other receipts.....	212,299,201	1,855,920	3,276,354	303,246	214,237	2,584,311	174,560
Total deductions.....	7,637,174,102	63,430,828	62,602,542	4,202,410	8,350,903	41,729,601	8,319,828
Cost of sales and operations.....	4,760,857,118	33,449,814	36,053,244	2,514,451	5,086,402	23,618,931	4,833,460
Compensation of officers.....	137,903,326	1,578,568	915,180	22,975	63,329	632,753	196,123
Repairs.....	66,346,662	1,080,340	692,175	*66,971	188,679	206,792	229,733
Bad debts.....	52,881,092	128,842	95,192	*3,530	8,567	60,488	22,607
Rent paid on business property.....	123,197,555	1,525,528	824,411	13,989	138,575	581,888	89,959
Taxes paid.....	189,602,002	1,301,194	2,237,943	204,861	469,877	1,308,697	254,509
Interest paid.....	488,923,044	1,319,274	4,118,804	200,255	172,521	3,420,487	325,541
Contributions or gifts.....	4,592,177	28,655	28,449	1,859	2,702	15,744	8,143
Amortization.....	19,824,507	31,235	275,886	52,898	23,343	182,689	18,956
Depreciation.....	226,176,051	1,938,305	3,512,488	267,038	313,576	2,319,275	612,601
Depletion.....	5,755,691	14,270	1,693,241	345,005	286,143	896,072	188,021
Advertising.....	92,701,845	238,430	74,471	*444	4,309	51,437	18,260
Pension, profit sharing, stock bonus, annuity plans.....	34,863,956	128,992	367,652	9,430	25,222	270,630	62,370
Employee benefit programs.....	94,310,588	374,308	1,028,247	56,802	332,266	498,266	140,692
Net loss, noncapital assets.....	6,343,485	16,981	39,617	7,644	6,357	18,708	6,908
Other deductions.....	1,531,096,214	10,276,194	10,645,262	433,959	1,249,036	7,646,742	1,315,625
Total receipts less total deductions.....	531,861,845	3,757,342	7,478,470	814,576	503,642	5,587,098	573,157
Constructive taxable income from related foreign corporations.....	28,439,553	*34,028	255,832	14,981	-	240,850	-
Net income.....	535,816,822	3,774,209	7,721,788	829,451	501,316	5,818,875	572,146
Income subject to tax.....	349,706,278	1,828,772	4,495,495	703,290	292,901	3,187,606	311,699
Income tax, total *.....	120,193,689	499,839	1,777,307	248,855	104,009	1,297,900	126,743
Regular tax.....	116,157,183	482,748	1,505,027	239,028	97,473	1,066,414	102,113
Personal holding company tax.....	14,501	*690	*283	-	-	*283	-
Recapture of investment credit.....	69,652	*4	*3,321	-	5	*3,315	(1)
Alternative minimum tax.....	4,543,433	15,725	281,303	8,363	6,405	221,574	24,972
Environmental tax.....	473,610	770	8,430	1,276	458	8,209	487
Foreign tax credit.....	21,082,049	30,951	639,076	90,658	279	541,950	*6,188
U.S. possessions tax credit.....	3,472,330	2,167	-	-	-	-	-
Orphan drug credit.....	18,475	-	-	-	-	-	-
Nonconventional source fuel credit.....	244,732	-	51,054	-	7	49,887	*1,180
General business credit.....	2,195,950	11,298	38,800	5,712	928	31,142	*1,018
Prior year minimum tax credit.....	1,497,750	2,278	44,356	6,843	*2,575	34,445	*493
Total income tax after credits.....	91,682,402	453,147	1,004,021	145,442	100,220	640,475	117,884

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

# Corporation Returns/1991

## 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.....	233,866	85,175	13,477	135,215	163,599	8,933	63	2,392	7,149
Total assets.....	152,851,949	65,336,040	40,323,625	47,192,283	2,847,730,433	274,522,480	219,167,139	24,857,758	32,797,840
Cash.....	20,041,771	8,318,381	4,332,802	7,390,588	74,056,885	7,093,359	*460,893	1,021,301	1,389,835
Notes and accounts receivable.....	42,599,695	15,551,736	9,692,444	17,355,515	536,653,177	68,414,891	39,998,015	5,547,525	6,805,042
Less: Allowance for bad debts.....	319,737	52,859	143,911	122,967	11,813,522	846,042	*195,756	119,622	161,431
Inventories.....	16,280,655	11,058,104	1,283,776	3,938,775	266,380,714	25,517,406	8,398,971	5,260,621	8,283,992
Investments in Government obligations.....	928,009	273,964	454,207	197,838	21,063,430	2,176,354	172,308	*703,739	*135,588
Tax-exempt securities.....	1,032,012	82,449	787,116	162,447	17,705,374	540,509	388,679	274,563	*24,813
Other current assets.....	14,232,937	7,589,473	2,846,491	3,996,973	146,504,631	9,549,125	2,355,805	572,716	1,260,538
Loans to stockholders.....	2,985,947	921,281	877,840	1,186,846	11,334,073	1,285,629	45,323	141,893	122,827
Mortgage and real estate loans.....	4,343,452	4,008,997	87,893	246,472	5,229,799	44,196	374,868	*10,916	18,212
Other investments.....	17,192,650	6,417,993	8,544,384	2,230,273	760,839,742	65,771,182	*39,728,163	2,059,922	7,832,307
Depreciable assets.....	64,519,386	15,188,064	23,904,060	25,427,263	1,234,908,943	104,700,217	19,045,683	16,930,601	8,346,940
Less: Accumulated depreciation.....	40,048,045	8,128,987	15,123,668	16,795,389	625,138,139	46,572,167	6,894,345	9,200,555	4,108,408
Depletable assets.....	403,349	135,421	239,112	28,815	60,058,656	*52,313	797	*14,297	-
Less: Accumulated depletion.....	129,653	*44,315	64,741	*20,598	26,850,057	*5,929	-	*6503	-
Land.....	3,920,944	2,121,268	876,113	923,543	34,494,381	4,024,700	*711,268	197,703	215,128
Intangible assets (amortizable).....	889,589	327,997	188,132	373,480	192,245,819	20,498,510	*39,165,811	490,759	1,406,875
Less: Accumulated amortization.....	286,606	91,619	52,666	142,321	46,985,959	2,173,850	*2,275,906	108,793	324,133
Other assets.....	4,267,596	1,658,714	1,794,152	814,731	196,842,484	14,272,077	17,686,562	1,066,685	1,749,515
Total liabilities.....	152,851,949	65,336,040	40,323,625	47,192,283	2,847,730,433	274,522,480	219,167,139	24,857,758	32,797,840
Accounts payable.....	26,845,930	13,375,370	5,070,446	8,400,114	302,455,106	57,830,580	25,267,246	2,565,275	3,864,760
Mortgages, notes, and bonds payable in less than one year.....	13,862,569	8,083,332	2,067,522	3,731,715	196,433,510	18,270,631	*6,365,523	1,635,998	2,393,022
Other current liabilities.....	19,088,349	4,068,580	4,068,185	6,851,585	261,073,569	18,482,295	*9,999,950	1,697,762	2,966,900
Loans from stockholders.....	4,548,825	2,469,714	499,042	1,580,069	42,622,071	3,181,337	14,834,643	293,615	586,979
Mortgages, notes, and bonds payable in one year or more.....	21,798,727	11,842,394	5,439,625	4,516,708	489,390,022	53,798,249	*41,065,521	5,161,736	6,439,827
Other liabilities.....	7,792,899	2,888,780	3,538,235	1,365,884	330,102,359	18,914,552	*15,509,050	1,019,724	2,310,809
Capital stock.....	5,026,029	1,493,289	1,795,952	1,736,788	114,903,079	11,189,932	5,486,897	1,002,578	1,538,869
Paid-in or capital surplus.....	10,801,436	2,680,621	6,275,164	1,845,651	520,487,851	38,865,334	*86,143,144	2,000,834	4,465,423
Retained earnings, appropriated.....	187,738	74,385	*38,569	74,784	6,728,852	610,207	144,596	*880	*222,964
Retained earnings, unappropriated.....	45,522,643	14,951,132	12,382,783	18,188,719	681,302,067	66,984,571	*15,870,051	9,792,670	8,795,737
Less: Cost of treasury stock.....	2,643,195	691,556	851,906	1,099,733	97,788,052	13,605,210	1,519,480	313,315	787,850
Total receipts.....	359,281,512	152,116,447	63,920,817	143,244,249	2,674,902,972	334,856,467	75,342,921	39,715,888	52,768,871
Business receipts.....	350,540,172	148,405,330	60,448,629	141,686,213	2,493,202,101	320,649,560	67,384,532	39,159,244	50,935,970
Interest.....	2,067,780	1,032,579	749,190	288,012	46,918,683	3,679,258	*5,333,087	141,754	449,061
Interest on Government obligations:									
State and local.....	92,868	33,067	35,019	24,782	1,461,621	46,856	7,457	10,818	22,546
Rents.....	772,456	389,295	245,474	137,687	27,610,109	1,127,928	671,466	27,071	43,154
Royalties.....	54,456	*17,589	28,987	7,880	23,286,682	2,267,160	555,548	21,241	334,527
Net short-term capital gain reduced by net long-term capital loss.....	33,726	6,427	25,663	1,636	764,903	19,463	-	*2,850	*429
Net long-term capital gain reduced by net short-term capital loss.....	972,087	219,209	657,234	95,644	7,682,492	768,581	60,198	11,214	31,320
Net gain, noncapital assets.....	666,886	124,792	341,720	200,374	6,700,794	643,906	14,649	46,650	26,238
Dividends received from domestic corporations.....	80,216	15,584	55,776	8,856	3,116,452	545,202	58,423	11,171	7,837
Dividends received from foreign corporations.....	186,629	54,523	127,834	*4,473	22,823,354	1,863,034	745,376	49,227	250,750
Other receipts.....	3,814,036	1,818,052	1,205,291	790,693	41,335,781	3,045,520	512,186	234,646	666,839
Total deductions.....	344,539,000	146,925,164	60,567,517	137,046,320	2,513,835,004	316,534,252	68,638,125	37,623,420	49,364,464
Cost of sales and operations.....	268,951,021	124,576,334	48,209,980	98,164,708	1,668,720,560	217,423,894	33,498,753	29,634,181	35,885,839
Compensation of officers.....	12,377,663	4,028,514	1,226,809	7,122,340	26,654,068	2,337,839	*252,445	572,443	1,302,586
Repairs.....	1,491,858	323,119	434,943	733,796	21,854,328	2,596,882	*160,649	147,501	146,777
Bad debts.....	530,107	145,934	76,779	307,394	6,657,519	332,431	*48,341	92,911	151,938
Rent paid on business property.....	3,292,073	929,211	723,233	1,639,630	25,751,277	2,726,959	432,425	226,981	651,138
Taxes paid.....	7,159,076	1,985,102	1,058,800	4,115,175	65,633,461	7,928,013	4,003,863	799,066	1,142,641
Interest paid.....	3,734,780	1,684,247	1,041,945	1,008,587	86,953,505	8,385,160	*8,918,448	717,411	1,277,981
Contributions or gifts.....	105,833	38,897	29,450	37,285	2,203,292	318,461	*91,957	25,032	35,623
Amortization.....	121,622	45,999	27,048	48,575	8,406,026	841,385	*886,817	40,645	101,108
Depreciation.....	5,463,399	1,203,826	1,735,862	2,523,711	79,603,941	7,224,745	1,229,878	1,127,641	667,636
Depletion.....	38,721	3,713	30,985	*4,023	3,144,583	6,055	33	306	1
Advertising.....	921,753	335,012	67,749	518,992	47,705,451	14,630,490	*5,303,944	225,870	821,943
Pension/profit sharing/stock bonus, annuity plans.....	1,611,206	427,877	350,724	832,605	13,998,698	1,317,789	411,057	176,626	180,742
Employee benefit programs.....	2,877,054	835,579	454,165	1,587,310	40,357,119	4,141,106	*1,009,735	537,168	504,771
Net loss, noncapital assets.....	81,947	34,110	14,245	33,592	1,406,995	48,821	7,375	10,082	9,276
Other deductions.....	35,781,086	10,327,689	7,084,798	18,368,599	414,784,183	46,274,218	11,596,045	3,289,555	6,484,463
Total receipts less total deductions.....	14,742,512	5,191,283	3,353,300	6,197,929	161,067,968	18,122,216	6,504,796	2,092,466	3,404,207
Constructive taxable income from related foreign corporations.....	315,681	48,356	*257,137	*10,169	22,277,901	1,759,557	1,179,625	15,995	229,974
Net income.....	14,965,305	5,206,571	3,575,418	6,183,316	181,884,248	19,834,917	7,676,964	2,097,643	3,611,634
Income subject to tax.....	6,660,340	2,009,572	2,342,600	2,308,168	152,597,949	16,673,483	7,320,812	1,354,015	2,326,205
Income tax, total *.....	1,969,623	577,690	793,347	598,586	53,612,824	5,832,062	2,512,507	461,312	786,959
Regular tax.....	1,908,672	562,202	771,320	575,151	51,749,967	5,846,310	2,489,076	446,454	781,295
Personal holding company tax.....	*58	*58	-	-	526	-	-	-	-
Recapture of investment credit.....	273	*32	213	*28	14,638	737	277	*4	(1)
Alternative minimum tax.....	48,975	11,238	16,855	21,082	1,643,594	161,259	12,754	13,168	2,640
Environmental tax.....	3,429	582	2,508	339	201,767	22,133	-	1,735	2,424
Foreign tax credit.....	181,412	29,727	146,956	*4,728	16,905,943	1,268,473	479,919	15,820	180,514
U.S. possessions tax credit.....	2,295	-	2,260	35	3,351,884	501,344	18,353	2,217	42,124
Orphan drug credit.....	-	-	-	-	17,991	-	-	-	-
Nonconventional source fuel credit.....	*464	*165	*289	*10	151,675	*78	-	-	-
General business credit.....	44,279	4,519	33,005	6,755	887,754	64,618	*23,625	8,260	4,895
Prior year minimum tax credit.....	57,807	23,720	15,464	18,623	483,146	38,108	-	9,718	3,172
Total income tax after credits.....	1,683,366	519,558	595,372	568,436	31,834,532	3,959,442	1,990,610	425,298	556,256

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



# Corporation Returns/1991

## 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	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Number of returns, total.....	9,907	5,340	2,139	26,990	6,149	1,028	6,688	1,254	5,298
Total assets.....	36,911,286	13,089,635	79,155,686	134,231,379	428,805,274	549,042,179	34,352,273	15,529,393	31,275,555
Cash.....	1,475,340	776,927	1,028,228	4,811,260	11,373,261	2,425,366	1,597,859	362,812	1,324,632
Notes and accounts receivable.....	3,031,735	3,232,377	8,724,757	20,786,557	77,576,031	68,074,561	6,782,443	4,071,487	5,199,309
Less: Allowance for bad debts.....	90,288	81,136	248,453	1,864,327	1,408,984	590,352	182,665	37,882	139,926
Inventories.....	4,883,960	2,681,294	8,134,734	7,684,753	35,248,357	18,610,748	5,424,413	2,592,467	3,018,500
Investments in Government obligations.....	*152,761	*35,969	265,555	758,184	898,198	279,622	45,348	*41,838	118,469
Tax-exempt securities.....	*13,125	*6,815	260,246	425,433	2,322,294	422,278	*5,525	12,509	54,843
Other current assets.....	926,334	375,186	2,093,781	6,435,064	13,537,210	19,032,078	1,010,584	431,968	1,012,343
Loans to stockholders.....	93,109	76,135	117,583	818,803	3,050,559	1,051,276	237,875	15,914	173,244
Mortgage and real estate loans.....	1,291,038	*19,090	*195,757	77,790	46,616	*50,594	*53,640	574	44,795
Other investments.....	3,401,847	1,197,248	9,931,667	36,221,886	131,801,285	233,482,352	4,576,034	609,238	8,840,809
Depreciable assets.....	23,028,786	7,502,665	57,540,045	58,827,514	180,738,084	283,298,545	24,257,697	4,457,187	21,583,137
Less: Accumulated depreciation.....	11,715,702	3,997,747	25,281,349	29,572,921	89,089,114	146,607,702	12,094,919	2,476,686	12,503,838
Depletable assets.....	3,725,897	*907	1,757,223	*28,571	7,353,917	42,477,423	*47,516	-	501,765
Less: Accumulated depletion.....	165,312	-	338,167	*13,945	4,141,449	21,673,903	*18,427	-	105,260
Land.....	611,730	197,868	758,469	1,780,900	4,552,708	6,778,602	429,866	4,994,876	699,386
Intangible assets (amortizable).....	497,252	752,148	3,570,709	18,666,064	22,148,020	42,983,467	1,411,916	326,467	689,927
Less: Accumulated amortization.....	68,766	115,685	367,891	3,286,673	6,618,267	22,908,019	407,764	127,405	208,363
Other assets.....	5,838,441	429,576	11,012,792	11,646,464	39,416,547	21,855,242	1,175,322	254,030	971,785
Total liabilities.....	36,911,286	13,089,635	79,155,686	134,231,379	428,805,274	549,042,179	34,352,273	15,529,393	31,275,555
Accounts payable.....	3,710,746	1,750,342	7,369,800	9,646,517	42,806,671	47,937,869	3,603,491	799,625	2,707,273
Mortgages, notes, and bonds payable in less than one year.....	2,223,664	664,865	3,218,134	5,715,611	25,793,539	19,332,911	2,319,630	420,516	1,164,316
Other current liabilities.....	3,164,298	1,149,957	7,036,926	14,090,423	35,070,651	30,516,631	2,571,041	1,684,501	2,102,435
Loans from stockholders.....	433,109	153,979	203,110	2,306,213	5,962,002	4,820,183	594,175	108,082	454,938
Mortgages, notes, and bonds payable in one year or more.....	9,076,854	1,945,568	18,534,391	29,352,355	76,902,345	76,739,059	7,308,512	4,214,947	5,890,350
Other liabilities.....	2,431,426	600,295	6,036,626	13,849,591	46,480,247	82,376,399	2,875,708	5,194,221	2,406,796
Capital stock.....	898,277	619,386	3,431,495	4,360,437	19,061,856	16,257,998	1,429,190	905,374	1,627,202
Paid-in or capital surplus.....	5,121,386	549,231	11,621,527	24,904,794	89,471,553	149,296,869	3,869,195	516,081	7,272,157
Retained earnings, appropriated.....	*26,001	*23,384	*49,596	85,775	951,576	1,049,327	*8,487	8,232	*770,233
Retained earnings, unappropriated.....	10,260,216	5,827,625	23,596,627	34,881,115	104,661,942	145,041,827	10,334,233	1,936,703	8,730,750
Less: Cost of treasury stock.....	436,692	194,996	1,942,546	4,963,454	18,357,108	24,326,896	561,390	258,889	1,850,895
Total receipts.....	46,500,509	24,383,184	77,105,662	131,440,376	349,773,784	450,582,992	53,751,610	17,240,974	32,285,553
Business receipts.....	44,324,399	23,892,066	73,816,125	124,506,749	322,438,221	424,001,860	51,957,568	16,578,568	30,959,955
Interest.....	366,117	68,121	455,164	1,512,720	6,867,921	8,465,239	304,332	312,743	200,261
Interest on Government obligations:									
State and local.....	18,381	10,019	24,787	64,442	133,165	41,010	11,175	4,496	7,806
Rents.....	38,959	18,358	108,376	492,420	908,240	2,331,342	103,244	34,687	74,615
Royalties.....	54,574	24,232	625,236	1,775,347	4,190,439	1,392,068	135,917	36,753	204,926
Net short-term capital gain reduced by net long-term capital loss.....	3,947	*385	53,407	60,140	72,207	18,727	*1,649	*7,492	*996
Net long-term capital gain reduced by net short-term capital loss.....	539,156	16,760	417,434	191,359	2,587,481	487,725	108,515	45,166	130,510
Net gain, noncapital assets.....	382,017	27,007	217,349	277,188	642,888	1,493,818	75,501	4,341	104,970
Dividends received from domestic corporations.....	23,920	6,013	102,837	117,087	520,518	735,887	10,428	4,854	58,712
Dividends received from foreign corporations.....	66,852	18,334	496,563	353,802	4,343,228	3,441,403	434,619	*22,801	171,643
Other receipts.....	682,186	281,871	788,384	2,089,120	7,069,478	8,153,912	608,663	189,073	371,160
Total deductions.....	44,255,513	23,052,388	72,150,995	122,586,056	319,628,916	431,220,846	50,372,276	16,566,416	30,363,104
Cost of sales and operations.....	32,641,225	16,386,115	47,143,030	60,288,231	189,431,247	330,059,976	34,467,759	11,116,767	19,513,862
Compensation of officers.....	745,899	480,569	710,252	3,158,302	2,278,223	509,367	1,067,839	310,742	544,421
Repairs.....	529,639	82,802	1,227,981	791,138	4,394,851	5,250,936	496,724	50,856	703,029
Bad debts.....	83,091	119,306	118,742	1,036,596	601,505	399,018	132,060	41,938	146,684
Rent paid on business property.....	289,557	330,827	662,529	2,191,091	3,589,546	3,504,490	546,292	295,709	303,519
Taxes paid.....	1,063,705	644,972	1,621,856	3,640,551	6,855,558	15,422,997	1,089,997	708,902	857,494
Interest paid.....	1,399,425	299,713	2,122,451	4,417,780	11,079,978	14,050,805	1,187,716	612,032	703,167
Contributions or gifts.....	20,373	17,581	56,667	163,447	485,988	193,087	25,810	10,731	17,474
Amortization.....	47,641	25,267	113,862	2,119,111	1,032,878	1,000,681	99,544	21,603	57,228
Depreciation.....	1,545,370	532,995	4,150,833	4,478,621	11,574,212	10,271,729	1,747,313	273,992	1,172,112
Depletion.....	393,272	*140	129,030	*1,029	496,264	1,716,654	1,773	112,198	74,009
Advertising.....	210,445	243,157	1,093,581	2,785,397	9,927,648	968,131	533,130	315,538	200,495
Pension/profit sharing/stock bonus/annuity plans.....	302,563	122,764	549,112	1,024,469	2,043,058	1,439,281	314,960	52,721	243,616
Employee benefit programs.....	409,635	386,426	1,356,327	2,474,796	5,576,168	2,316,061	1,152,270	176,285	593,522
Net loss, noncapital assets.....	6,636	5,533	40,499	66,229	124,111	551,718	19,989	9,887	11,063
Other deductions.....	4,567,038	3,374,123	11,054,244	33,949,267	70,137,686	43,565,918	7,489,100	2,456,516	5,221,408
Total receipts less total deductions.....	2,244,996	1,310,776	4,954,667	8,854,320	30,144,869	19,342,146	3,379,334	674,558	1,922,449
Constructive taxable income from related foreign corporations.....	*43,203	15,569	575,238	145,508	5,227,667	4,446,221	225,414	*4,573	188,832
Net income.....	2,269,817	1,316,326	5,505,118	8,935,386	35,239,371	23,747,357	3,593,573	674,635	2,103,475
Income subject to tax.....	1,600,757	823,980	4,688,049	6,549,019	32,129,216	22,605,091	2,339,964	487,310	1,527,821
Income tax, total.....	542,976	276,891	1,742,416	2,256,909	11,163,353	7,916,522	833,021	167,715	524,481
Regular tax.....	525,494	273,972	1,590,685	2,183,033	10,906,662	7,682,720	784,147	162,633	506,835
Personal holding company tax.....	-	-	39	-	-	-	-	-	-
Recapture of investment credit.....	6,219	46	149	489	791	1,152	321	(1)	19
Alternative minimum tax.....	8,783	2,537	144,121	64,787	213,996	221,582	44,031	2,889	16,059
Environmental tax.....	1,974	913	7,404	8,826	41,814	31,196	2,617	550	1,835
Foreign tax credit.....	28,087	4,344	402,183	201,780	3,421,831	4,806,497	252,584	3,330	121,471
U.S. possessions tax credit.....	-	-	4,223	5,781	1,981,797	1,848	11,343	17,336	8,076
Orphan drug credit.....	-	-	-	-	17,710	-	-	-	-
Nonconventional source fuel credit.....	*5,510	-	419	*4	*26,947	118,521	22	-	69
General business credit.....	3,591	3,142	28,849	21,472	212,561	61,532	8,200	15,663	11,246
Prior year minimum tax credit.....	9,783	*444	7,250	8,261	91,117	112,747	6,778	*1,812	1,930
Total income tax after credits.....	496,006	268,960	1,299,491	2,019,610	5,411,389	2,815,377	554,094	129,574	381,689

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



# Corporation Returns/1991

## 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.....	2,199	29,386	15,495	12,881	2,028	2,406	4,429	11,446
Total assets.....	50,454,705	104,272,072	203,675,765	328,448,827	22,681,444	109,665,468	91,888,905	62,905,572
Cash.....	1,658,494	4,677,736	6,647,397	11,208,630	984,795	6,420,647	4,373,205	2,944,808
Notes and accounts receivable.....	9,657,514	23,592,439	50,258,313	76,901,126	5,901,138	19,828,443	22,244,150	10,225,324
Less: Allowance for bad debts.....	199,200	495,760	1,303,370	2,511,594	122,445	291,320	388,497	534,474
Inventories.....	7,685,760	15,546,855	25,101,655	31,096,584	3,570,451	28,262,220	12,273,634	7,123,338
Investments in Government obligations.....	98,493	652,611	5,425,770	7,236,423	*120,626	*45,302	*185,761	1,514,510
Tax-exempt securities.....	31,919	825,401	3,872,221	7,113,557	*36,229	*23,735	337,386	713,295
Other current assets.....	1,327,599	6,561,381	13,029,740	53,164,327	888,163	8,076,904	4,062,809	2,800,976
Loans to stockholders.....	183,632	362,484	1,892,151	543,083	78,435	532,258	180,512	351,357
Mortgage and real estate loans.....	*26,983	358,531	112,698	1,344,089	*753,693	*59,650	85,078	250,994
Other investments.....	8,040,521	18,308,518	28,746,677	57,545,928	2,262,983	10,549,790	13,558,437	16,372,948
Depreciable assets.....	33,824,768	47,931,682	91,219,449	122,497,075	9,844,718	58,003,612	41,910,768	19,419,573
Less: Accumulated depreciation.....	16,165,097	27,175,667	49,727,259	66,159,708	4,772,183	30,249,307	20,859,004	9,914,461
Depletable assets.....	*365,912	114,832	3,326,339	*55,275	127	*201,978	*78	*33,490
Less: Accumulated depletion.....	*242,170	77,522	15,698	*10,343	127	*31,730	*7	*3,565
Land.....	643,485	1,215,665	1,818,764	1,852,181	303,045	1,252,561	1,011,609	443,868
Intangible assets (amortizable).....	1,042,413	4,786,196	10,018,909	10,866,678	771,412	2,473,149	6,183,037	3,495,937
Less: Accumulated amortization.....	247,599	406,257	2,023,252	2,363,819	125,116	320,808	1,660,186	847,406
Other assets.....	2,721,282	7,492,946	15,275,261	18,069,138	2,185,501	8,828,183	8,380,133	8,515,091
Total liabilities.....	50,454,705	104,272,072	203,675,765	328,448,827	22,681,444	109,665,468	91,888,905	62,905,572
Accounts payable.....	6,010,828	8,780,609	17,988,330	30,993,033	2,280,728	12,019,130	9,914,572	4,605,681
Mortgages, notes, and bonds payable in less than one year.....	2,773,098	10,470,308	19,029,170	58,886,171	1,940,436	3,976,625	5,619,541	4,119,800
Other current liabilities.....	4,943,976	7,556,532	28,973,693	32,793,596	3,319,135	31,778,893	11,087,310	10,086,663
Loans from stockholders.....	701,602	1,427,326	1,401,577	1,411,922	421,898	365,532	2,077,204	882,645
Mortgages, notes, and bonds payable in one year or more.....	9,090,862	18,578,094	31,920,503	43,125,758	5,390,860	16,973,150	16,557,057	11,324,023
Other liabilities.....	4,643,054	10,096,089	21,237,153	70,638,988	1,257,950	8,031,606	7,714,226	6,475,849
Capital stock.....	3,394,084	3,893,463	14,898,286	9,083,910	2,046,082	6,962,092	4,290,324	2,525,347
Paid-in or capital surplus.....	7,692,430	13,635,490	20,348,548	23,966,226	2,190,046	6,140,723	13,979,333	8,217,527
Retained earnings, appropriated.....	82,279	230,402	466,374	602,970	*10,476	*32,779	1,112,823	237,489
Retained earnings, unappropriated.....	11,842,617	32,729,229	52,584,790	64,496,105	4,752,994	27,010,863	25,132,491	16,038,912
Less: Cost of treasury stock.....	720,124	3,327,470	5,172,658	7,669,854	929,161	3,625,924	5,595,976	1,608,365
Total receipts.....	66,118,491	127,324,646	197,292,195	243,886,587	30,726,467	162,811,563	97,360,471	63,873,981
Business receipts.....	62,879,940	121,994,563	164,011,816	220,150,936	29,067,490	154,525,222	89,447,734	60,519,585
Interest.....	613,713	2,041,586	4,576,965	7,531,149	391,057	1,253,976	1,486,952	867,509
Interest on Government obligations:								
State and local.....	4,981	51,173	291,358	519,694	19,385	20,513	69,725	81,834
Rents.....	446,593	531,699	10,811,563	6,400,978	678,059	1,422,639	1,053,466	287,252
Royalties.....	209,547	375,398	7,755,951	1,611,705	50,510	290,918	1,111,126	263,561
Net short-term capital gain reduced by net long-term capital loss.....	*2,511	14,869	133,361	68,067	1,743	69,055	28,823	204,781
Net long-term capital gain reduced by net short-term capital loss.....	117,622	197,638	493,698	556,373	22,348	421,990	166,635	310,770
Net gain, noncapital assets.....	122,588	265,503	288,286	1,160,379	134,006	567,014	52,697	153,798
Dividends received from domestic corporations.....	37,078	71,480	188,786	168,413	17,109	100,559	41,109	289,030
Dividends received from foreign corporations.....	333,472	427,964	5,153,536	1,563,978	105,293	1,029,590	1,732,858	219,028
Other receipts.....	1,350,445	1,352,775	3,586,874	4,154,915	241,466	3,110,088	2,169,347	676,833
Total deductions.....	63,746,491	120,004,971	185,359,592	229,798,545	28,637,305	152,952,114	90,221,670	59,557,545
Cost of sales and operations.....	51,295,004	84,140,164	102,501,043	141,162,610	22,314,669	119,041,771	51,477,217	39,297,202
Compensation of officers.....	627,118	3,667,352	2,445,241	2,484,215	315,010	464,090	1,086,023	1,294,091
Repairs.....	488,805	483,015	1,014,229	1,468,608	112,349	1,060,883	346,217	302,458
Bad debts.....	84,546	428,926	806,398	1,397,168	70,474	106,767	214,663	244,017
Rent paid on business property.....	336,278	1,118,215	2,624,619	2,874,877	*182,805	1,223,186	971,354	668,779
Taxes paid.....	1,015,968	2,997,943	4,355,253	5,249,220	526,831	2,546,507	1,924,255	1,237,867
Interest paid.....	1,197,349	3,153,802	5,921,366	13,673,740	908,364	2,382,580	2,807,256	1,736,983
Contributions or gifts.....	23,751	63,019	202,914	137,833	12,821	117,529	138,683	44,514
Amortization.....	85,087	166,018	406,630	623,909	33,362	202,705	338,347	162,199
Depreciation.....	1,883,904	3,214,973	6,642,897	12,808,215	1,245,147	2,773,177	2,592,794	1,455,756
Depletion.....	156,421	4,338	25,144	*1,129	4	23,826	8	2,850
Advertising.....	132,710	1,052,831	2,057,322	2,666,412	179,598	303,856	2,764,179	1,288,773
Pension, profit sharing, stock bonus, annuity plans.....	365,319	769,837	1,155,229	1,482,057	107,216	849,233	743,383	247,666
Employee benefit programs.....	906,772	2,227,001	4,848,814	4,896,278	843,958	3,235,935	1,784,805	979,285
Net loss, noncapital assets.....	16,094	17,679	119,351	126,059	8,841	39,768	130,272	41,153
Other deductions.....	5,133,365	16,499,657	50,233,142	38,746,216	2,775,857	18,480,201	22,902,213	10,553,952
Total receipts less total deductions.....	2,372,000	7,319,675	11,932,603	14,088,041	1,089,162	9,859,449	7,138,802	4,316,436
Constructive taxable income from related foreign corporations.....	240,505	636,164	3,103,119	1,453,740	54,138	901,744	1,638,048	193,067
Net income.....	2,607,524	7,904,666	14,744,364	15,022,087	1,123,915	10,740,681	8,707,126	4,427,669
Income subject to tax.....	1,920,642	5,306,251	12,434,908	12,507,541	692,399	9,347,478	7,271,354	2,691,654
Income tax, total <sup>2</sup> .....	709,656	1,767,913	4,463,690	4,464,784	258,077	3,246,743	2,722,304	962,634
Regular tax.....	648,619	1,732,393	4,240,918	4,229,557	232,819	3,173,639	2,614,296	898,414
Personal holding company tax.....	-	-	-	487	-	-	-	-
Recapture of investment credit.....	17	144	2,516	903	30	506	*308	*10
Alternative minimum tax.....	58,117	28,267	205,366	211,542	24,224	48,702	97,829	60,960
Environmental tax.....	2,982	5,339	16,021	17,024	977	12,351	9,801	3,451
Foreign tax credit.....	189,004	391,128	2,719,218	948,128	55,044	322,012	980,962	113,614
U.S. possessions tax credit.....	-	3,759	14,582	320,265	9,648	547	371,394	37,248
Orphan drug credit.....	-	-	-	-	-	-	280	-
Nonconventional source fuel credit.....	-	-	104	-	( <sup>1</sup> )	-	-	( <sup>1</sup> )
General business credit.....	8,163	50,774	74,702	165,356	3,836	19,267	80,972	17,031
Prior year minimum tax credit.....	6,155	24,109	31,550	10,140	2,474	71,254	20,198	6,146
Total income tax after credits.....	506,335	1,298,143	1,623,535	3,020,895	187,075	2,833,663	1,268,498	788,595

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

# Corporation Returns/1991

## 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				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
						Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total.....	88,263	73,370	8,149	6,744	536,277	182,597	14,783	33,814	134,000
Total assets.....	1,264,239,664	152,049,144	481,130,431	631,060,089	1,064,481,275	482,803,409	40,786,386	50,364,731	391,652,292
Cash.....	20,844,682	7,558,037	7,815,281	5,471,364	57,803,359	27,204,189	2,129,853	3,694,322	21,380,015
Notes and accounts receivable.....	133,224,407	20,426,565	73,628,868	39,168,974	241,298,164	141,131,209	11,462,899	14,824,373	114,843,938
Less: Allowance for bad debts.....	3,942,456	387,724	2,512,811	1,041,922	4,245,557	2,188,108	233,879	264,139	1,690,090
Inventories.....	23,655,002	1,978,678	5,725,923	15,950,401	270,879,274	128,899,221	9,831,457	15,888,099	103,181,665
Investments in Government obligations.....	5,100,820	619,759	1,563,559	2,917,502	18,950,231	17,167,560	37,303	166,561	16,963,696
Tax-exempt securities.....	1,812,551	370,359	979,476	462,716	18,060,949	909,018	48,402	146,036	714,580
Other current assets.....	38,988,122	6,550,121	13,193,738	19,244,263	67,290,326	37,811,376	1,299,836	2,089,567	34,421,973
Loans to stockholders.....	2,390,491	1,101,845	397,297	891,349	7,969,004	3,409,524	697,591	487,817	2,224,116
Mortgage and real estate loans.....	800,822	541,967	165,485	93,370	12,481,029	2,042,569	171,577	134,589	1,736,403
Other investments.....	202,088,415	19,164,065	119,482,096	63,442,254	118,343,891	44,452,461	3,233,040	4,595,450	36,623,970
Depreciable assets.....	1,122,817,140	144,226,805	350,989,286	627,601,248	333,148,044	113,798,543	15,704,349	13,225,129	84,869,065
Less: Accumulated depreciation.....	409,467,454	64,334,363	139,477,464	205,655,627	157,058,123	59,186,858	7,967,235	7,226,905	43,992,518
Depletable assets.....	8,688,128	449,883	19,936	8,218,309	1,104,431	808,883	-	130,582	678,300
Less: Accumulated depletion.....	3,711,947	146,668	7,003	3,558,276	441,838	323,858	-	52,279	271,579
Land.....	10,624,801	3,220,929	2,919,973	4,483,899	25,362,814	7,217,451	717,765	710,979	5,788,707
Intangible assets (amortizable).....	31,899,721	3,265,592	20,093,124	8,541,005	25,016,343	11,423,223	2,275,542	843,910	8,303,771
Less: Accumulated amortization.....	5,667,410	559,236	2,384,854	2,723,319	5,806,901	2,627,935	393,486	200,723	2,033,727
Other assets.....	84,093,829	8,002,730	28,538,519	47,552,579	34,325,834	10,854,742	1,771,373	1,173,362	7,910,006
Total liabilities.....	1,264,239,664	152,049,144	481,130,431	631,060,089	1,064,481,275	482,803,409	40,786,386	50,364,731	391,652,292
Accounts payable.....	65,960,217	14,677,949	23,267,583	28,304,685	178,774,213	95,521,784	9,183,634	10,677,639	75,660,511
Mortgages, notes, and bonds payable in less than one year.....	57,209,746	8,269,099	25,058,237	23,882,410	158,026,401	96,294,616	2,928,543	7,340,882	86,025,191
Other current liabilities.....	99,682,534	14,720,797	42,317,815	42,643,922	133,433,278	58,717,684	4,319,758	3,640,512	48,757,414
Loans from stockholders.....	5,813,020	2,396,363	590,651	2,826,005	22,877,396	10,226,014	812,366	1,214,537	8,199,111
Mortgages, notes, and bonds payable in one year or more.....	358,122,671	36,057,717	113,267,595	208,797,359	177,097,577	62,219,012	7,374,941	6,776,895	48,067,177
Other liabilities.....	182,448,295	23,782,871	62,316,248	96,349,176	59,894,093	13,754,092	1,858,409	1,856,252	10,039,791
Capital stock.....	144,170,584	5,113,734	47,723,513	91,333,337	44,096,407	23,067,545	1,581,783	2,927,140	18,558,622
Paid-in or capital surplus.....	185,440,302	16,526,292	106,880,146	62,033,864	81,068,502	28,327,887	3,134,827	3,098,688	22,094,372
Retained earnings, appropriated.....	5,090,574	265,855	3,018,310	1,806,409	1,071,183	300,485	38,344	21,418	204,723
Retained earnings, unappropriated.....	177,742,692	33,669,654	68,045,078	76,027,962	225,920,123	104,355,478	10,320,357	13,709,697	80,325,424
Less: Cost of treasury stock.....	17,440,971	3,121,186	11,374,744	2,945,041	17,777,899	7,981,187	766,215	898,928	6,316,044
Total receipts.....	727,962,768	201,272,391	242,432,659	284,257,716	2,402,919,363	1,183,788,674	187,728,002	102,070,462	893,992,210
Business receipts.....	684,766,971	191,226,696	224,136,543	269,403,732	2,339,622,577	1,155,827,713	184,674,200	99,461,778	871,691,735
Interest.....	12,877,121	1,870,324	5,465,229	5,541,568	22,360,566	11,429,085	428,218	543,146	10,457,721
Interest on Government obligations:									
State and local.....	304,425	36,192	125,335	142,899	1,501,914	170,822	18,871	25,346	128,604
Rents.....	8,640,741	1,877,175	4,616,950	2,146,616	5,655,947	2,187,969	264,459	427,115	1,496,395
Royalties.....	395,168	77,504	187,571	130,092	1,588,401	369,878	*2,644	18,608	348,626
Net short-term capital gain reduced by net long-term capital loss.....	142,630	36,740	46,511	59,379	202,084	156,506	*972	3,938	151,596
Net long-term capital gain reduced by net short-term capital loss.....	3,545,467	1,392,740	908,785	1,243,942	2,003,737	701,268	52,468	78,924	569,876
Net gain, noncapital assets.....	2,296,298	1,083,005	484,814	728,480	1,254,964	65,926	132,898	132,898	1,056,340
Dividends received from domestic corporations.....	700,287	69,394	258,047	372,845	582,791	280,302	14,862	20,526	244,914
Dividends received from foreign corporations.....	473,860	44,179	351,440	78,241	1,283,569	1,036,233	7,750	31,848	998,636
Other receipts.....	13,819,798	3,558,442	5,851,433	4,409,923	25,905,718	10,373,934	2,195,631	1,326,536	6,851,767
Total deductions.....	674,990,442	192,814,094	222,034,529	260,341,819	2,338,631,533	1,155,904,379	184,865,093	98,784,413	872,254,873
Cost of sales and operations.....	315,397,820	85,855,620	95,883,860	133,658,341	1,780,625,824	955,192,953	159,422,140	74,848,644	720,921,810
Compensation of officers.....	5,327,879	3,248,448	839,668	1,239,765	35,042,790	18,413,880	1,633,777	3,011,246	13,768,857
Repairs.....	25,273,404	4,562,074	9,966,445	10,744,885	9,334,072	3,092,981	581,709	290,319	2,220,953
Bad debts.....	5,493,027	555,933	3,841,059	1,096,035	6,285,065	2,301,820	274,983	277,016	1,749,821
Rent paid on business property.....	15,617,603	8,151,945	4,431,625	3,034,033	40,808,974	9,160,526	1,228,130	1,028,803	6,905,594
Taxes paid.....	34,743,475	8,048,299	9,347,482	17,347,694	35,051,882	13,020,024	1,617,780	1,366,020	10,036,224
Interest paid.....	43,092,306	5,318,449	14,315,689	23,458,168	37,369,294	16,764,418	1,257,612	1,275,275	14,231,531
Contributions or gifts.....	555,464	83,692	263,948	207,824	629,274	253,597	52,858	29,040	171,698
Amortization.....	3,580,802	247,140	2,656,039	677,623	1,991,121	863,709	152,361	67,619	643,729
Depreciation.....	66,062,805	9,194,121	27,517,362	29,351,322	28,003,008	10,384,820	1,352,976	1,370,990	7,660,854
Depletion.....	651,045	95,720	7,277	548,048	96,142	89,515	*77	16,081	73,357
Advertising.....	2,974,978	602,926	1,944,266	427,787	27,722,447	7,779,099	731,843	491,131	6,556,124
Pension/profit sharing/stock bonus/annuity plans.....	4,381,194	1,285,941	1,532,778	1,562,475	5,414,273	2,447,108	353,944	371,388	1,721,776
Employee benefit programs.....	15,230,452	4,322,863	7,518,608	3,388,980	14,577,124	4,921,859	945,071	715,431	3,261,358
Net loss, noncapital assets.....	1,232,464	35,377	819,387	377,700	538,500	166,073	12,367	29,779	123,927
Other deductions.....	135,375,725	61,005,548	41,149,036	33,221,140	315,141,743	111,052,358	15,247,467	13,597,631	82,207,261
Total receipts less total deductions.....	52,972,323	8,658,296	20,398,130	23,915,897	64,287,829	27,884,295	2,860,909	3,286,049	21,737,337
Constructive taxable income from related foreign corporations.....	922,754	207,306	601,776	113,671	1,691,397	1,383,373	*4,951	*25,380	1,353,043
Net income.....	53,590,652	8,829,411	20,874,572	23,886,670	64,477,312	29,096,847	2,846,988	3,286,082	22,963,776
Income subject to tax.....	47,111,134	5,943,196	19,167,895	22,000,042	40,332,045	16,263,993	1,920,623	1,931,224	12,412,147
Income tax, total <sup>2</sup> .....	16,939,226	2,076,910	6,812,269	8,050,047	13,175,414	5,312,791	640,374	591,936	4,080,481
Regular tax.....	15,887,339	1,914,850	6,495,768	7,476,721	12,786,065	5,155,110	628,613	574,707	3,951,790
Personal holding company tax.....	*27	*27	-	-	*971	*764	*283	-	*481
Recapture of investment credit.....	44,057	207	13,297	30,553	1,591	917	*10	*26	881
Alternative minimum tax.....	949,763	154,228	268,590	526,945	332,793	128,958	9,398	14,256	105,304
Environmental tax.....	84,644	8,023	35,415	41,206	44,277	15,688	1,940	1,093	12,654
Foreign tax credit.....	390,601	44,415	292,174	54,013	876,410	610,971	*2,627	16,588	591,755
U.S. possessions tax credit.....	56,757	28	56,728	-	24,086	1,927	70	64	1,792
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	37,164	563	9,132	27,469	173	171	-	*57	*115
General business credit.....	628,897	147,507	103,423	377,968	231,259	46,288	7,323	5,693	33,272
Prior year minimum tax credit.....	236,287	18,007	89,735	128,546	79,415	31,327	3,776	2,066	25,485
Total income tax after credits.....	15,589,519	1,866,390	6,261,078	7,462,051	11,964,071	4,622,107	626,578	567,467	3,428,062

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

# Corporation Returns/1991

## 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.....	350,977	22,951	4,173	33,379	48,619	21,207	18,156	78,846	123,647	2,702
<b>Total assets.....</b>	<b>579,360,130</b>	<b>26,334,822</b>	<b>241,250,266</b>	<b>78,926,894</b>	<b>56,132,276</b>	<b>38,559,365</b>	<b>14,823,594</b>	<b>48,361,564</b>	<b>78,971,350</b>	<b>2,317,736</b>
Cash.....	30,342,370	2,111,967	5,558,841	5,109,515	4,381,031	1,536,366	1,358,670	3,641,759	6,844,223	256,800
Notes and accounts receivable.....	99,773,404	4,465,011	59,667,826	5,548,330	7,430,380	4,347,801	3,871,583	2,280,306	12,162,163	393,551
Less: Allowance for bad debts.....	2,047,417	72,624	1,107,824	81,545	116,598	144,998	81,400	88,498	375,930	10,032
Inventories.....	141,582,305	8,882,610	37,824,465	18,365,431	29,025,688	11,680,934	5,305,268	1,564,370	28,933,541	397,747
Investments in Government obligations.....	1,782,871	*57,393	*866,602	453,365	*24,946	*84,694	*23,823	22,782	249,066	
Tax-exempt securities.....	17,151,931	*19,342	*16,444,952	*392,216	30,296	*7,326	*70,448	25,813	161,537	
Other current assets.....	29,430,778	1,103,495	17,653,295	2,332,205	1,341,047	2,150,735	384,858	1,315,321	3,149,821	48,173
Loans to stockholders.....	4,511,302	267,690	247,469	284,285	724,583	490,877	194,596	883,792	1,418,010	*48,178
Mortgage and real estate loans.....	10,433,627	227,525	9,603,997	161,787	83,068	*17,134	21,406	201,028	107,663	*4,833
Other investments.....	73,828,310	1,345,852	47,567,929	7,190,519	1,479,342	5,195,870	569,900	6,804,829	3,674,070	63,121
Depreciable assets.....	218,353,763	10,829,913	54,319,885	49,633,615	17,715,299	15,089,553	4,724,497	37,763,854	28,277,048	995,738
Less: Accumulated depreciation.....	97,513,339	5,203,623	19,592,119	22,485,504	9,297,765	6,456,302	2,280,938	17,358,063	14,839,024	358,126
Depletable assets.....	295,549	*49,556	*127	*95,772	*11,010	*276		*100,634	*38,172	
Less: Accumulated depletion.....	117,880	*9,479	*76	*23,880	*2,225			*57,800	*24,364	
Land.....	18,113,857	1,418,220	4,362,466	3,686,023	1,840,994	278,659	281,945	4,570,749	1,674,802	31,506
Intangible assets (amortizable).....	13,268,002	311,977	1,848,932	1,755,164	545,811	1,066,251	92,302	3,553,633	4,093,932	325,119
Less: Accumulated amortization.....	3,156,088	64,694	204,235	433,523	293,837	288,964	36,136	916,156	900,543	22,877
Other assets.....	23,327,085	614,690	6,187,735	6,923,120	1,199,187	1,501,428	322,773	4,050,989	2,527,163	144,007
<b>Total liabilities.....</b>	<b>579,360,130</b>	<b>26,334,822</b>	<b>241,250,266</b>	<b>78,926,894</b>	<b>56,132,276</b>	<b>38,559,365</b>	<b>14,823,594</b>	<b>48,361,564</b>	<b>78,971,350</b>	<b>2,317,736</b>
Accounts payable.....	82,982,941	3,531,456	34,777,059	13,937,182	5,188,336	4,410,542	2,599,592	3,278,515	15,260,260	269,488
Mortgages, notes, and bonds payable in less than one year.....	61,498,913	2,143,137	21,693,419	3,330,826	22,155,591	2,198,566	1,216,089	2,635,106	6,126,180	232,872
Other current liabilities.....	76,493,741	1,921,416	46,729,541	9,137,079	3,166,631	4,137,210	1,389,353	3,693,297	6,319,214	221,854
Loans from stockholders.....	12,606,660	996,989	669,367	1,301,720	2,418,971	1,064,029	581,003	1,891,372	3,703,210	44,723
Mortgages, notes, and bonds payable in one year or more.....	113,769,159	4,967,678	40,995,582	26,303,363	7,056,749	4,934,406	2,564,409	14,581,387	12,385,586	1,109,406
Other liabilities.....	45,969,851	694,030	32,884,962	4,146,750	757,747	1,780,291	525,026	3,587,046	1,592,000	170,149
Capital stock.....	21,015,474	1,074,647	4,317,183	2,480,925	2,400,915	2,919,793	614,010	3,130,914	4,077,087	13,388
Paid-in or capital surplus.....	52,629,968	2,184,783	26,448,098	5,441,411	1,899,421	3,466,825	684,474	5,569,520	6,925,434	110,649
Retained earnings, appropriated.....	770,698	60,426	*289,311	50,133	58,855	*134,661	*48,278	*46,526	82,508	
Retained earnings, unappropriated.....	121,384,243	9,378,377	34,572,377	14,065,251	11,976,026	12,310,503	5,060,508	12,187,074	21,834,125	180,401
Less: Cost of treasury stock.....	9,761,517	628,117	2,126,632	1,269,747	948,965	797,459	439,149	2,219,194	1,334,253	*35,195
<b>Total receipts.....</b>	<b>1,215,034,771</b>	<b>60,720,376</b>	<b>247,150,628</b>	<b>287,019,421</b>	<b>223,031,249</b>	<b>72,132,330</b>	<b>34,891,848</b>	<b>91,808,353</b>	<b>198,479,387</b>	<b>4,095,918</b>
Business receipts.....	1,180,005,133	59,376,845	232,709,934	281,836,280	219,302,946	69,707,495	33,735,514	88,560,670	194,775,450	3,789,731
Interest.....	10,867,753	470,551	7,123,738	702,827	495,666	715,027	173,850	367,689	818,396	63,728
Interest on Government obligations:										
State and local.....	1,330,439	16,773	1,218,886	41,353	4,586	10,336	7,116	10,755	20,634	*653
Rents.....	3,451,865	184,055	1,256,082	765,172	416,546	113,333	40,530	317,367	358,780	*16,113
Royalties.....	1,212,796	*151,923	36,087	30,385	*2,608	409,098	*1,765	391,503	189,428	5,728
Net short-term capital gain reduced by net long-term capital loss.....	45,510	*4,784	17,570	2,215	*328	*1,129	*1,068	14,578	3,859	69
Net long-term capital gain reduced by net short-term capital loss.....	1,199,137	38,330	523,162	240,809	81,073	22,580	26,453	162,754	103,977	*103,332
Net gain, noncapital assets.....	909,801	30,250	101,997	97,680	210,046	8,740	26,257	316,736	118,095	*47,294
Dividends received from domestic corporations.....	301,469	16,958	164,367	9,326	6,764	68,224	3,575	10,564	21,692	*1,019
Dividends received from foreign corporations.....	247,336	*451	42,794	*6,925	*1,632	100,008	*7	*45,574	*49,945	
Other receipts.....	15,463,532	429,477	3,956,212	3,286,451	2,509,054	976,360	675,712	1,411,153	2,019,113	68,253
<b>Total deductions.....</b>	<b>1,178,860,538</b>	<b>58,702,480</b>	<b>238,184,330</b>	<b>281,668,972</b>	<b>220,020,278</b>	<b>68,853,392</b>	<b>33,605,104</b>	<b>88,906,697</b>	<b>190,918,288</b>	<b>3,886,616</b>
Cost of sales and operations.....	823,020,271	42,066,148	151,245,734	214,536,910	184,549,738	42,124,447	21,764,596	36,391,567	130,341,131	2,412,959
Compensation of officers.....	16,430,037	1,463,124	648,881	1,402,552	3,034,143	890,756	1,001,871	2,550,324	5,438,385	198,874
Repairs.....	6,226,227	351,119	1,156,902	1,636,146	604,925	290,799	153,258	1,264,882	768,195	14,863
Bad debts.....	3,974,452	169,188	2,040,943	225,079	275,225	251,119	194,190	83,683	735,016	8,793
Rent paid on business property.....	31,573,864	946,151	6,482,901	4,855,736	2,601,889	4,615,212	1,180,888	5,040,103	5,850,984	74,584
Taxes paid.....	21,962,198	1,156,082	4,768,601	4,078,506	2,424,910	1,639,106	710,814	3,661,692	3,522,489	69,659
Interest paid.....	20,420,266	1,011,376	8,397,829	3,148,989	2,093,429	970,317	412,462	2,141,117	2,244,747	184,610
Contributions or gifts.....	374,603	17,257	116,469	76,246	21,320	36,237	12,212	30,675	64,187	1,074
Amortization.....	1,121,287	28,648	152,796	196,570	100,430	98,735	20,976	256,315	266,816	6,126
Depreciation.....	17,543,554	760,348	4,101,917	3,808,172	1,709,082	1,341,141	387,051	2,839,598	2,596,246	74,634
Depletion.....	6,591	*2,804	2	1	*3,138	(1)		*447	*198	*37
Advertising.....	19,907,029	791,258	5,087,895	2,546,085	2,026,015	1,433,703	1,368,425	2,606,844	4,046,803	36,319
Pension, profit sharing, stock bonus, annuity plans.....	2,940,866	204,620	708,210	885,079	160,716	206,304	74,880	224,166	477,091	26,300
Employee benefit programs.....	9,619,301	397,628	2,352,734	3,354,157	961,232	455,232	181,009	813,617	1,103,691	35,964
Net loss, noncapital assets.....	372,098	11,470	50,032	85,279	11,999	66,767	6,420	45,924	94,208	*329
Other deductions.....	203,367,894	9,325,248	50,672,482	40,833,465	19,442,088	14,433,518	6,136,254	28,955,741	33,369,098	721,491
<b>Total receipts less total deductions.....</b>	<b>36,174,233</b>	<b>2,017,897</b>	<b>8,966,498</b>	<b>5,350,449</b>	<b>3,010,971</b>	<b>3,278,938</b>	<b>1,286,743</b>	<b>4,702,656</b>	<b>7,560,081</b>	<b>229,302</b>
Constructive taxable income from related foreign corporations.....	308,024		71,484	1,452		61,836		*154,844	18,407	
Net income.....	35,151,817	2,001,124	7,819,097	5,310,549	3,066,385	3,330,438	1,279,628	4,846,745	7,557,855	228,648
Income subject to tax.....	23,990,779	1,296,807	7,267,961	4,034,361	1,251,481	2,765,005	713,564	2,567,447	4,094,153	77,274
Income tax, total <sup>2</sup> .....	7,838,540	396,264	2,591,842	1,368,570	339,713	900,322	207,888	809,129	1,224,811	24,063
Regular tax.....	7,608,697	391,895	2,463,427	1,326,814	329,427	892,636	205,542	795,080	1,201,876	22,258
Personal holding company tax.....	*207			*190	*17					
Recapture of investment credit.....	675	3	30	547	*19	(1)	(1)	*30	45	
Alternative minimum tax.....	202,156	3,691	116,457	33,963	11,722	4,289	1,630	11,060	19,342	*1,679
Environmental tax.....	28,443	985	11,827	5,369	331	3,397	368	2,739	3,328	146
Foreign tax credit.....	265,434	*32	20,263	*2,174	*83	73,482	*150	142,022	27,228	5
U.S. possessions tax credit.....	20,249		15,891	3,121	1,014			223		1,911
Orphan drug credit.....										
Nonconventional source fuel credit.....	*2		(1)					1	*1	
General business credit.....	184,733	6,536	60,399	33,456	7,404	11,824	*1,009	43,852	20,452	237
Prior year minimum tax credit.....	48,088	*493	24,070	9,033	3,070	*4,970	35	2,265	4,152	
<b>Total income tax after credits.....</b>	<b>7,320,034</b>	<b>389,202</b>	<b>2,471,219</b>	<b>1,320,787</b>	<b>328,143</b>	<b>810,046</b>	<b>206,694</b>	<b>620,965</b>	<b>1,172,979</b>	<b>21,929</b>

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

# Corporation Returns/1991

## 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, 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.....	273,097	8,508	12,517	9,831	6,443	43,289	167,228	26,280
Total assets.....	8,350,894,452	2,854,509,332	1,328,182,375	405,754,358	2,077,832,878	33,670,474	110,892,882	1,540,252,154
Cash.....	356,474,738	226,716,024	51,510,268	12,795,951	20,262,295	5,827,705	11,402,389	27,960,106
Notes and accounts receivable.....	2,021,386,425	1,398,150,454	284,370,825	88,164,379	107,937,716	9,815,637	9,430,298	123,517,317
Less: Allowance for bad debts.....	52,914,493	35,281,255	15,295,496	466,292	1,298,753	112,796	254,128	205,772
Inventories.....	15,877,298	656,643	3,260,309	978,682	2,938,891	766	7,065,027	976,980
Investments in Government obligations.....	855,808,946	399,863,674	44,691,510	31,468,720	198,490,072	412,689	970,482	179,911,799
Tax-exempt securities.....	300,234,908	58,011,589	9,948,860	468,874	147,353,710	390,748	613,552	83,447,575
Other current assets.....	550,123,008	83,126,456	63,715,751	127,895,251	208,335,862	1,643,972	6,993,125	58,412,591
Loans to stockholders.....	19,738,049	2,803,524	5,568,419	2,008,691	1,190,861	487,870	2,073,022	5,587,662
Mortgage and real estate loans.....	1,151,855,705	255,482,458	633,802,363	1,410,031	237,686,505	71,730	4,125,910	19,276,707
Other investments.....	2,660,112,677	299,081,139	183,221,514	116,394,615	1,046,574,545	9,324,648	16,285,419	989,230,797
Depreciable assets.....	215,496,196	67,801,240	23,690,547	7,132,196	34,796,398	5,803,696	54,876,609	21,657,509
Less: Accumulated depreciation.....	79,464,448	27,765,958	10,022,739	3,473,725	7,582,133	3,199,074	21,167,713	6,253,106
Depletable assets.....	813,096	10,566	4,652	56,959	229,800	75,569	197,108	238,442
Less: Accumulated depletion.....	274,028	3,375	215	33,596	50,031	40,795	66,228	79,789
Land.....	27,539,035	5,527,210	2,656,458	143,905	2,143,345	216,163	13,553,229	3,298,725
Intangible assets (amortizable).....	27,807,330	9,350,438	7,475,548	1,109,400	3,906,541	2,599,873	1,374,131	1,991,400
Less: Accumulated amortization.....	6,184,824	1,864,702	947,171	319,409	1,280,582	822,610	402,111	548,239
Other assets.....	286,462,834	113,043,208	40,513,170	20,019,725	78,057,834	1,174,684	3,822,763	31,831,450
Total liabilities.....	8,350,894,452	2,854,509,332	1,328,182,375	405,754,358	2,077,832,878	33,670,474	110,892,882	1,540,252,154
Accounts payable.....	623,019,674	391,353,520	72,803,209	84,615,989	28,087,668	11,418,344	4,061,332	30,679,613
Mortgages, notes, and bonds payable in less than one year.....	538,207,333	161,830,310	237,005,312	27,798,245	45,678,459	1,165,709	9,854,727	54,874,571
Other current liabilities.....	2,938,271,131	1,794,605,456	537,104,257	224,442,510	341,042,028	3,602,766	5,473,610	32,000,504
Loans from stockholders.....	48,502,522	5,200,948	25,777,351	950,613	6,224,660	484,937	6,559,104	3,304,910
Mortgages, notes, and bonds payable in one year or more.....	524,049,814	118,079,540	245,046,674	17,501,256	57,307,821	2,954,565	36,106,316	47,053,642
Other liabilities.....	1,519,100,499	133,318,489	111,789,918	25,202,905	1,224,045,087	2,106,647	8,726,758	13,910,685
Capital stock.....	1,014,453,979	40,403,893	11,801,203	3,226,592	15,677,380	1,391,568	8,262,772	933,690,571
Paid-in or capital surplus.....	1,551,948,868	88,157,272	43,384,629	10,085,445	129,951,411	3,387,550	16,485,177	1,260,497,085
Retained earnings, appropriated.....	52,411,084	1,901,944	2,919,362	118,375	34,360,164	40,458	1,279,785	11,790,975
Retained earnings, unappropriated.....	399,026,240	122,315,527	44,072,036	13,445,932	202,661,291	8,173,553	16,228,306	7,870,404
Less: Cost of treasury stock.....	858,096,672	2,657,566	3,521,575	1,633,504	7,403,102	1,055,923	2,145,005	839,679,997
Total receipts.....	1,533,346,214	334,411,636	255,814,240	69,795,677	671,724,712	30,079,986	61,574,357	109,945,606
Business receipts.....	768,253,714	39,989,474	115,864,492	37,699,220	489,331,591	28,217,996	47,486,768	9,664,173
Interest.....	573,942,830	259,487,656	109,345,469	19,804,691	116,007,179	640,039	2,069,114	66,588,682
Interest on Government obligations:								
State and local.....	20,872,366	6,299,864	430,058	178,935	7,391,973	55,590	97,839	6,218,107
Rents.....	24,517,274	7,502,606	1,672,101	387,557	7,982,996	78,065	3,839,889	3,075,062
Royalties.....	727,727	10,463	91,329	7,217	79,834	10,156	167,498	361,230
Net short-term capital gain reduced by net long-term capital loss.....	11,035,109	166,932	117,034	238,554	3,623,716	16,786	63,317	6,808,770
Net long-term capital gain reduced by net short-term capital loss.....	12,383,047	1,246,946	565,189	431,025	6,849,350	90,449	2,080,991	1,118,097
Net gain, noncapital assets.....	6,593,265	3,254,097	2,068,756	204,680	418,322	33,919	432,394	181,097
Dividends received from domestic corporations.....	6,037,507	426,171	576,533	245,595	3,865,149	46,013	196,850	681,195
Dividends received from foreign corporations.....	915,543	96,749	29,573	128,693	161,859	201,618	33,768	263,284
Other receipts.....	108,267,831	15,930,679	25,053,707	10,469,511	36,032,742	689,354	5,106,928	14,964,909
Total deductions.....	1,340,903,643	302,668,612	230,472,518	64,088,564	631,910,276	28,936,577	53,792,914	31,034,184
Cost of sales and operations.....	457,488,383	403,624	81,686,178	4,943,731	344,553,241	3,686,861	17,491,009	4,723,739
Compensation of officers.....	23,374,821	8,571,383	2,321,218	3,027,122	2,183,135	145,541	3,162,914	654,963
Repairs.....	4,190,649	1,975,089	569,686	121,890	235,954	149,541	1,041,346	97,143
Bad debts.....	30,904,372	19,378,606	8,784,645	365,759	1,478,418	123,992	201,255	571,696
Rent paid on business property.....	16,433,354	5,168,897	1,943,119	1,656,206	4,618,941	1,194,387	1,566,957	282,867
Taxes paid.....	25,162,656	5,917,616	2,167,360	1,210,652	11,393,898	1,001,724	2,789,926	661,480
Interest paid.....	300,174,148	171,420,940	84,532,687	16,437,301	16,727,948	494,443	3,924,898	6,835,933
Contributions or gifts.....	829,830	425,812	71,696	74,187	158,645	31,141	43,764	24,585
Amortization.....	3,405,346	1,159,905	648,917	183,909	907,864	185,810	139,398	179,544
Depreciation.....	22,741,894	10,020,430	2,369,928	758,807	5,472,873	516,269	2,123,576	1,480,011
Depletion.....	102,548	7,990	18,596	224	16,351	(1)	37,966	21,421
Advertising.....	6,802,003	1,923,875	1,763,224	625,792	1,342,598	267,408	719,168	159,937
Pension, profit sharing, stock bonus, annuity plans.....	5,545,958	1,394,609	506,860	361,203	2,528,900	418,372	252,315	63,699
Employee benefit programs.....	11,601,524	4,076,759	1,159,531	724,407	4,362,509	631,102	403,969	243,248
Net loss, noncapital assets.....	2,687,846	1,125,461	1,213,913	27,987	147,360	11,563	87,537	74,026
Other deductions.....	429,458,310	69,697,616	40,714,959	33,569,386	235,781,639	14,769,990	19,804,917	15,119,894
Total receipts less total deductions.....	192,442,571	31,743,025	25,341,724	5,707,113	39,814,436	3,143,409	7,781,443	78,911,422
Constructive taxable income from related foreign corporations.....	2,479,408	584,655	270,484	394,077	863,764	124,327	3,764	238,356
Net income.....	174,249,613	26,027,816	25,182,130	5,922,255	33,286,227	3,212,146	7,687,368	72,931,671
Income subject to tax.....	80,585,466	23,028,320	17,989,350	4,739,373	26,524,347	1,782,265	3,224,283	3,297,528
Income tax, total *.....	27,027,908	8,072,239	5,134,222	1,610,851	9,606,855	562,605	920,441	1,120,695
Regular tax.....	26,815,871	7,802,464	5,976,293	1,593,405	8,959,171	558,328	869,941	1,056,268
Personal holding company tax.....	11,774	*123	-	-	*1,899	-	4,580	5,172
Recapture of investment credit.....	5,711	4,198	15	210	994	-	*293	(1)
Alternative minimum tax.....	1,133,356	242,070	202,839	10,991	595,724	2,700	37,005	42,027
Environmental tax.....	114,668	31,066	24,147	8,208	46,711	1,561	1,441	3,533
Foreign tax credit.....	1,582,941	436,356	101,754	194,940	599,487	108,080	11,217	131,108
U.S. possessions tax credit.....	21,624	-	20,788	-	123	-	486	227
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	3,283	840	661	*14	960	193	*500	*115
General business credit.....	227,800	99,253	46,039	34,832	31,664	4,177	8,976	2,860
Prior year minimum tax credit.....	563,887	199,137	31,654	27,971	283,601	*317	9,637	11,571
Total income tax after credits.....	24,626,373	7,336,654	4,933,327	1,353,094	8,691,019	449,838	889,626	974,815

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

# Corporation Returns/1991

## 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							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	551,235	12,837	41,788	178,050	87,180	40,398	210,885	8,677
Total assets.....	361,501,436	21,888,667	15,540,322	129,849,083	26,904,734	64,311,342	103,009,288	961,929
Cash.....	33,345,533	1,201,242	1,575,798	12,090,830	2,073,834	4,116,101	12,287,928	167,835
Notes and accounts receivable.....	62,725,506	1,311,908	2,034,122	29,696,047	3,822,862	4,343,374	21,517,193	95,212
Less: Allowance for bad debts.....	3,028,208	118,061	46,380	769,196	87,613	209,813	1,797,146	676
Inventories.....	11,955,588	219,387	900,480	3,785,288	2,869,179	2,048,945	2,334,307	164,431
Investments in Government obligations.....	2,124,228	*24,801	*16,030	859,170	38,950	*118,125	1,066,151	*18,259
Tax-exempt securities.....	1,372,706	*16,476	164,787	644,562	*14,765	*30,611	501,504	-
Other current assets.....	21,836,548	1,052,963	624,926	9,779,882	854,939	472,226	6,418,064	51,522
Loans to stockholders.....	5,975,978	1,207,479	219,828	1,894,923	472,658	3,205,775	1,708,765	102,743
Mortgage and real estate loans.....	5,006,876	178,169	80,767	4,265,282	106,170	154,699	221,790	*11,503
Other investments.....	64,143,102	2,785,869	1,553,806	25,760,577	1,538,639	18,546,348	13,959,865	*27,273
Depreciable assets.....	189,450,632	17,311,464	10,313,484	52,407,308	25,179,193	29,988,101	54,251,102	317,727
Less: Accumulated depreciation.....	91,106,617	7,372,578	5,916,085	29,175,857	11,928,578	13,524,755	23,188,763	160,008
Depletable assets.....	175,640	*1,625	*7,692	42,334	*41,423	*18,577	63,989	-
Less: Accumulated depletion.....	83,587	*384	*5,296	*14,282	*31,132	*12,351	30,142	-
Land.....	9,514,368	1,861,614	661,372	1,388,875	872,174	1,820,392	2,909,940	*49,460
Intangible assets (amortizable).....	24,370,830	382,010	1,451,900	9,871,339	918,497	6,030,828	5,736,257	82,794
Less: Accumulated amortization.....	6,577,168	158,547	335,960	2,744,624	170,694	1,566,885	1,600,358	7,258
Other assets.....	30,207,484	1,999,232	2,238,972	10,066,825	521,467	8,732,144	6,848,842	41,113
Total liabilities.....	361,501,436	21,888,667	15,540,322	129,849,083	26,904,734	64,311,342	103,009,288	961,929
Accounts payable.....	28,312,462	637,890	670,422	13,988,244	2,448,576	2,582,148	7,985,183	58,190
Mortgages, notes, and bonds payable in less than one year.....	25,093,158	693,276	564,628	10,644,549	3,946,286	2,067,337	7,177,084	83,369
Other current liabilities.....	44,998,032	1,263,113	1,641,219	21,911,064	1,468,267	5,940,312	12,774,058	122,898
Loans from stockholders.....	13,990,316	2,223,419	569,561	5,485,850	1,015,261	1,272,902	3,423,522	130,090
Mortgages, notes, and bonds payable in one year or more.....	79,010,136	8,882,129	3,199,398	20,900,717	7,675,304	13,119,392	25,233,196	188,181
Other liabilities.....	32,794,807	1,023,935	1,556,484	10,683,086	1,411,543	11,464,381	6,655,398	*46,116
Capital stock.....	17,141,686	2,204,337	905,368	5,861,222	1,157,861	1,989,687	5,023,210	113,924
Paid-in or capital surplus.....	60,616,457	2,565,261	1,630,201	19,611,694	2,007,463	14,975,338	19,826,481	54,045
Retained earnings, appropriated.....	399,823	*600	*37,695	130,150	*21,142	*51,325	158,912	(*)
Retained earnings, unappropriated.....	67,326,321	3,048,171	5,336,342	23,607,660	6,267,288	12,540,479	16,520,380	168,743
Less: Cost of treasury stock.....	8,181,763	655,485	570,976	2,974,952	514,256	1,691,958	1,774,137	*3,626
Total receipts.....	541,378,119	21,978,212	25,329,866	202,962,280	48,986,677	46,520,236	195,568,848	1,977,720
Business receipts.....	511,329,830	20,398,971	24,115,518	190,646,922	46,688,793	41,879,233	187,620,392	1,841,908
Interest.....	5,438,960	272,574	308,673	2,139,801	208,687	1,164,910	1,344,314	8,909
Interest on Government obligations:								
State and local.....	421,365	5,823	24,593	251,197	3,359	30,376	106,017	*544
Rents.....	3,894,438	327,722	52,740	1,537,505	1,084,490	288,762	603,220	*4,472
Royalties.....	2,589,069	34,911	136,775	1,227,523	*1,860	1,022,135	165,863	*666
Net short-term capital gain reduced by net long-term capital loss.....	86,928	*2,422	9,842	17,164	*2,527	8,165	48,809	-
Net long-term capital gain reduced by net short-term capital loss.....	1,222,929	209,058	74,121	320,458	44,261	148,331	428,700	*3,162
Net gain, noncapital assets.....	1,616,239	68,317	68,524	523,985	456,078	92,474	406,860	*10
Dividends received from domestic corporations.....	424,555	21,832	28,381	75,507	4,140	71,050	223,646	*535
Dividends received from foreign corporations.....	445,556	*38,865	*31,189	252,020	*3,940	104,518	15,004	-
Other receipts.....	13,906,250	597,697	479,509	6,000,198	508,542	1,712,282	4,608,021	117,514
Total deductions.....	506,453,667	20,543,115	23,601,431	190,756,719	46,951,878	43,026,578	181,573,847	1,787,343
Cost of sales and operations.....	199,041,673	8,934,003	8,573,443	82,738,656	23,230,250	13,477,561	62,089,760	1,128,779
Compensation of officers.....	32,575,045	329,459	1,400,331	11,153,326	2,378,957	1,997,401	15,315,571	57,311
Repairs.....	4,412,857	362,120	303,851	1,160,105	662,006	556,002	1,368,874	16,879
Bad debts.....	2,785,484	91,758	120,443	748,617	140,665	118,192	1,565,809	*1,484
Rent paid on business property.....	18,903,683	810,963	1,258,239	6,265,310	1,908,667	1,850,146	6,810,158	40,651
Taxes paid.....	18,276,150	1,065,285	1,108,151	6,327,961	1,700,290	1,492,939	6,581,525	36,165
Interest paid.....	12,109,258	1,044,691	558,146	3,637,857	1,239,269	2,108,594	3,520,700	51,675
Contributions or gifts.....	211,559	8,840	21,439	71,834	15,008	30,907	63,533	*20
Amortization.....	2,011,030	52,880	187,721	594,807	66,788	610,615	498,220	*1,459
Depreciation.....	18,799,572	948,984	788,498	6,459,463	3,613,694	2,720,471	4,268,462	49,641
Depletion.....	15,142	*145	*48	2,382	2	*1,254	11,311	-
Advertising.....	6,233,191	376,203	536,637	2,369,622	478,273	950,625	1,521,831	28,920
Pension, profit sharing, stock bonus, annuity plans.....	3,212,660	41,421	144,334	1,288,532	143,588	178,536	1,417,251	*3,324
Employee benefit programs.....	8,259,780	325,486	273,226	2,893,724	557,536	357,117	3,852,671	*5,013
Net loss, noncapital assets.....	338,814	44,582	6,845	158,045	23,075	32,212	74,055	-
Other deductions.....	179,267,888	8,106,295	8,320,080	64,890,479	10,793,711	16,543,008	72,614,116	386,022
Total receipts less total deductions.....	34,922,453	1,435,097	1,728,435	12,235,562	2,034,701	3,493,658	13,995,001	190,377
Constructive taxable income from related foreign corporations.....	482,573	27,015	26,048	228,027	*1,211	*84,765	95,510	-
Net income.....	34,963,681	1,462,112	1,754,483	12,463,589	2,035,912	3,578,423	14,090,511	189,833
Income subject to tax.....	18,062,126	785,976	1,005,490	5,567,150	977,118	1,788,525	5,939,869	32,850
Income tax, total *.....	5,188,345	272,172	303,707	1,803,947	275,771	600,163	1,930,584	5,105
Regular tax.....	5,013,037	256,647	299,723	1,733,063	253,513	577,116	1,892,954	8,458
Personal holding company tax.....	*154	-	-	69	-	*45	*19	*19
Recapture of investment credit.....	256	-	*24	*64	23	(*)	145	-
Alternative minimum tax.....	157,924	14,443	3,138	65,870	21,812	20,803	31,857	-
Environmental tax.....	15,623	1,071	842	4,952	710	5,830	5,830	2
Foreign tax credit.....	474,714	*40,687	23,399	265,863	*591	96,159	48,015	1
U.S. possessions tax credit.....	13,518	5,510	-	3,798	-	-	4,011	-
Orphan drug credit.....	*484	-	-	-	-	-	*484	-
Nonconventional source fuel credit.....	919	-	-	-	-	-	919	-
General business credit.....	125,883	7,350	5,373	56,998	18,006	6,370	31,767	-
Prior year minimum tax credit.....	50,576	*323	*3,123	15,046	7,764	1,296	23,023	-
Total income tax after credits.....	4,520,270	218,302	271,812	1,462,242	249,410	496,139	1,822,365	5,103

\* 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.

\* 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 1120-A

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	Total	Metal mining	Mining		
					Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	262,648	8,929	4,054	-	*322	3,456	*276
Total assets.....	11,593,024	823,735	254,029	-	*22,077	205,389	*26,563
Cash.....	2,454,837	100,874	33,187	-	-	24,884	*8,303
Notes and accounts receivable.....	1,133,658	48,048	*41,806	-	*748	*31,298	*9,761
Less: Allowance for bad debts.....	19,221	*20	-	-	-	-	-
Inventories.....	1,270,977	*58,480	*7,109	-	*6,473	*636	-
Investments in Government obligations.....	37,257	*556	-	-	-	-	-
Tax-exempt securities.....	31,781	*112	*7,841	-	-	-	*7,841
Other current assets.....	629,440	21,329	*123	-	-	*123	-
Loans to stockholders.....	532,523	14,458	*10,967	-	*6,812	*4,155	-
Mortgage and real estate loans.....	263,130	*11,709	-	-	-	-	-
Depreciable, depletable, and intangible assets.....	8,350,788	613,092	496,174	-	*127,702	360,797	*7,675
Less: Accumulated depreciation, depletion, and amortization.....	5,004,024	413,990	370,778	-	*119,658	243,496	*7,624
Land.....	1,012,284	282,774	*3,304	-	-	*2,696	*607
Other assets.....	899,595	86,312	24,297	-	-	24,296	*1
Total liabilities.....	11,593,024	823,735	254,029	-	*22,077	205,389	*26,563
Accounts payable.....	1,085,514	*9,148	*42,590	-	*4,517	*30,806	*7,267
Other current liabilities.....	760,105	7,753	*25,392	-	*7,997	*17,394	-
Loans from stockholders.....	2,927,411	185,759	*152,584	-	*86,522	*66,062	-
Mortgages, notes, and bonds payable in one year or more.....	3,239,604	213,167	*19,582	-	-	*19,582	-
Other liabilities.....	1,290,695	54,796	*12,726	-	-	*12,724	*3
Capital stock.....	2,074,170	247,539	42,147	-	*3,225	35,614	*3,308
Paid-in or capital surplus.....	1,408,071	41,053	*14,741	-	-	*14,741	-
Retained earnings, unappropriated.....	-736,446	81,932	-29,722	-	*-80,185	34,477	*15,985
Less: Cost of treasury stock.....	456,100	*17,413	*26,011	-	-	*26,011	-
Total receipts.....	23,652,661	648,550	331,884	-	-	329,963	*1,921
Business receipts.....	22,845,508	576,202	307,982	-	-	307,982	-
Interest.....	154,526	7,918	*4,050	-	-	*3,722	*328
Interest on Government obligations:							
State and local.....	*2,352	-	-	-	-	-	-
Rents.....	202,735	16,855	*1,187	-	-	-	*1,187
Royalties.....	24,118	-	*9,542	-	-	*9,542	-
Net short-term capital gain reduced by net long-term capital loss.....	*2,663	-	-	-	-	-	-
Net long-term capital gain reduced by net short-term capital loss.....	49,286	*19,602	*310	-	-	-	*310
Net gain, noncapital assets.....	30,959	*398	*7,490	-	-	*7,490	-
Dividends received from domestic corporations.....	11,290	*1,080	*111	-	-	*16	*95
Other receipts.....	329,224	27,496	*1,212	-	-	*1,212	*1
Total deductions.....	24,031,357	603,866	344,106	-	*23	341,953	*2,131
Cost of sales and operations.....	9,065,726	165,968	106,720	-	-	106,720	-
Compensation of officers.....	2,812,680	82,754	*24,665	-	-	*24,665	-
Repairs.....	421,520	25,084	*14,158	-	-	*14,006	*152
Bad debts.....	84,671	*324	*854	-	-	*854	-
Rent paid on business property.....	1,275,727	72,015	*9,450	-	-	*9,450	-
Taxes paid.....	923,347	27,403	24,416	-	*23	24,035	*358
Interest paid.....	359,554	30,114	*9,257	-	-	*9,257	-
Contributions or gifts.....	13,618	*290	-	-	-	-	-
Amortization.....	30,941	*410	*1,082	-	-	*1,082	-
Depreciation.....	662,121	40,482	19,327	-	-	18,837	*490
Depletion.....	*14,696	-	*14,061	-	-	*14,061	-
Advertising.....	258,147	*1,177	*309	-	-	*309	-
Pension, profit-sharing, stock bonus, and annuity plans.....	63,195	*1,606	-	-	-	-	-
Employee benefit programs.....	183,307	*7,458	*4,364	-	-	*4,364	-
Net loss, noncapital assets.....	42,389	*907	*1,357	-	-	*1,357	-
Other deductions.....	7,819,720	167,874	114,088	-	-	112,956	*1,130
Total receipts less total deductions.....	-378,696	45,684	-12,222	-	*-23	-11,989	*-210
Net income (less deficit), total.....	-361,048	45,684	-12,222	-	*-23	-11,989	*-210
Income subject to tax.....	498,983	49,437	*4,160	-	-	*4,160	-
Income tax, total *.....	82,388	8,797	*624	-	-	*624	-
Regular tax.....	81,470	8,280	*624	-	-	*624	-
Recapture of investment credit.....	-	-	-	-	-	-	-
Alternative minimum tax.....	*603	*537	-	-	-	-	-
General business credit.....	*1,284	*841	-	-	-	-	-
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."

# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120-A

**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.....	21,256	7,698	*346	13,212	16,332	*1,155	-	-	*731
<b>Total assets.....</b>	<b>751,944</b>	<b>262,557</b>	<b>*39,850</b>	<b>449,437</b>	<b>815,999</b>	<b>*42,561</b>	-	-	<b>*36,647</b>
Cash.....	236,037	48,667	*35,443	153,727	84,818	*1,748	-	-	*2,871
Notes and accounts receivable.....	41,650	*8,632	*867	32,151	185,543	*812	-	-	*8,813
Less: Allowance for bad debts.....	-	-	-	-	*724	-	-	-	-
Inventories.....	60,334	*28,431	-	31,903	134,396	*2,877	-	-	*16,703
Investments in Government obligations.....	-	-	-	-	*132	-	-	-	-
Tax-exempt securities.....	-	-	-	-	-	-	-	-	-
Other current assets.....	32,848	*15,474	*1,457	15,917	71,494	*13,648	-	-	-
Loans to stockholders.....	47,369	*15,458	-	*31,912	68,542	-	-	-	-
Mortgage and real estate loans.....	*3,385	*3,366	-	*19	-	-	-	-	-
Depreciable, depletable, and intangible assets.....	681,970	164,510	*3,904	513,556	625,546	*23,193	-	-	*21,274
Less: Accumulated depreciation, depletion, and amortization.....	424,626	79,366	*1,722	343,539	401,869	*560	-	-	*15,837
Land.....	*19,739	*17,001	-	*2,739	*21,869	-	-	-	-
Other assets.....	53,238	*42,185	-	11,053	26,250	*844	-	-	*2,823
<b>Total liabilities.....</b>	<b>751,944</b>	<b>262,557</b>	<b>*39,850</b>	<b>449,437</b>	<b>815,999</b>	<b>*42,561</b>	-	-	<b>*36,647</b>
Accounts payable.....	126,122	*61,271	*613	44,238	98,050	*9,826	-	-	*4,124
Other current liabilities.....	38,771	4,461	-	34,310	157,076	*10,376	-	-	*706
Loans from stockholders.....	174,650	*99,948	-	74,702	170,271	*26,570	-	-	-
Mortgages, notes, and bonds payable in one year or more.....	147,699	70,656	-	77,044	246,760	*37,221	-	-	*8,837
Other liabilities.....	6,296	*3,648	*0	*4,648	15,037	-	-	-	-
Capital stock.....	96,899	24,968	*3,678	68,253	161,686	*3,167	-	-	*3,294
Paid-in or capital surplus.....	35,928	*15,601	-	*20,328	225,508	*17,266	-	-	*15,787
Retained earnings, unappropriated.....	143,465	-23,144	*35,659	130,950	-248,551	*61,865	-	-	*3,899
Less: Cost of treasury stock.....	*19,887	*14,851	-	*5,035	*9,840	-	-	-	-
<b>Total receipts.....</b>	<b>2,033,074</b>	<b>601,598</b>	<b>*19,387</b>	<b>1,412,090</b>	<b>1,775,013</b>	<b>*101,268</b>	-	-	<b>*83,548</b>
Business receipts.....	2,000,072	585,526	*18,306	1,396,240	1,768,250	*101,258	-	-	*83,508
Interest.....	8,082	*2,210	*1,081	4,791	2,025	*10	-	-	*40
Interest on Government obligations:									
State and local.....	-	-	-	-	-	-	-	-	-
Rents.....	*8,157	*822	-	*7,335	-	-	-	-	-
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.....	*2,155	-	-	*2,155	*580	-	-	-	-
Net gain, noncapital assets.....	*1,309	-	-	*1,309	*770	-	-	-	-
Dividends received from domestic corporations.....	-	-	-	-	*683	-	-	-	-
Other receipts.....	13,300	*13,040	-	*259	2,705	(1)	-	-	-
<b>Total deductions.....</b>	<b>2,036,446</b>	<b>621,475</b>	<b>*12,084</b>	<b>1,402,887</b>	<b>1,908,847</b>	<b>*135,603</b>	-	-	<b>*85,761</b>
Cost of sales and operations.....	989,718	389,575	*2,083	598,061	859,900	*73,508	-	-	*36,517
Compensation of officers.....	230,550	*16,829	-	213,721	192,495	*741	-	-	*12,282
Repairs.....	19,406	3,470	*3,992	11,945	15,834	*62	-	-	*668
Bad debts.....	*2,326	*749	-	*1,577	6,839	-	-	-	-
Rent paid on business property.....	54,369	*9,377	-	44,991	94,665	*4,789	-	-	*10,505
Taxes paid.....	81,966	17,418	*1,275	63,272	55,043	*3,417	-	-	*2,247
Interest paid.....	24,080	11,072	*15	12,993	28,237	*3,234	-	-	*528
Contributions or gifts.....	718	*320	-	*398	*354	*70	-	-	*7
Amortization.....	*382	*94	*130	*157	1,276	*591	-	-	-
Depreciation.....	65,652	14,788	*921	49,943	46,726	*2,589	-	-	*1,127
Depletion.....	-	-	-	-	-	-	-	-	-
Advertising.....	10,477	*1,625	*169	8,683	12,318	*533	-	-	*1,346
Pension, profit-sharing, stock bonus, and annuity plans.....	*2,012	*684	-	*1,347	-	-	-	-	-
Employee benefit programs.....	19,518	*2,071	*137	17,309	11,489	-	-	-	-
Net loss, noncapital assets.....	*464	*89	-	*375	-	-	-	-	-
Other deductions.....	534,810	153,333	*3,361	378,115	583,671	*46,068	-	-	*20,536
Total receipts less total deductions.....	-3,372	-19,877	*7,303	9,202	-133,834	*34,335	-	-	*2,213
Net income (less deficit), total.....	-3,372	-19,877	*7,303	9,202	-133,834	*34,335	-	-	*2,213
Income subject to tax.....	74,684	*16,131	*7,303	51,249	17,641	-	-	-	*407
Income tax, total.....	12,544	*2,477	*1,096	8,972	2,626	-	-	-	*61
Regular tax.....	12,544	*2,477	*1,096	8,972	2,353	-	-	-	*61
Recapture of investment credit.....	-	-	-	-	-	-	-	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-	-
General business credit.....	*473	-	-	*473	*124	-	-	-	-
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 1120-A

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.....	*1,409	-	-	*3,086	*1,077	*178	*758	-	*289
Total assets.....	*61,409	-	-	*78,962	*54,048	*33,421	*34,690	-	*26,260
Cash.....	*1,278	-	-	*9,913	*800	*3,491	*1,015	-	-
Notes and accounts receivable.....	*1,979	-	-	*18,883	*12,206	*1,971	*280	-	*8,644
Less: Allowance for bad debts.....	-	-	-	*18	-	-	-	-	-
Inventories.....	*2,452	-	-	*7,826	*9,789	*1,666	*12,241	-	-
Investments in Government obligations.....	-	-	-	-	-	-	-	-	-
Tax-exempt securities.....	-	-	-	-	-	-	-	-	-
Other current assets.....	*11,938	-	-	*294	*3,796	*26,293	-	-	-
Loans to stockholders.....	*9,691	-	-	*4,116	-	-	-	-	*7,222
Mortgage and real estate loans.....	-	-	-	-	-	-	-	-	-
Depreciable, depletable, and intangible assets.....	*22,821	-	-	*104,066	*53,658	*2,710	*29,281	-	*6,084
Less: Accumulated depreciation, depletion, and amortization.....	*9,912	-	-	*67,341	*26,319	*2,710	*11,802	-	*3,055
Land.....	*14,182	-	-	-	-	-	*322	-	*7,365
Other assets.....	*6,980	-	-	*1,223	*117	( <sup>1</sup> )	*3,343	-	-
Total liabilities.....	*61,409	-	-	*78,962	*54,048	*33,421	*34,690	-	*26,260
Accounts payable.....	*9,956	-	-	*10,855	*10,380	*339	*1,109	-	*10,386
Other current liabilities.....	*4,897	-	-	*5,764	*4,466	*273	*11,730	-	*18,192
Loans from stockholders.....	*8,799	-	-	*10,052	*5,884	-	*5,684	-	-
Mortgages, notes, and bonds payable in one year or more.....	*16,633	-	-	*30,886	*7,800	-	*28,592	-	-
Other liabilities.....	*208	-	-	*19	*5,271	( <sup>1</sup> )	*3,288	-	-
Capital stock.....	*15,053	-	-	*21,106	*5,820	*89	*16,306	-	*29
Paid-in or capital surplus.....	*16,451	-	-	*9,266	*23,919	-	*38,731	-	-
Retained earnings, unappropriated.....	*10,588	-	-	*8,986	*9,591	*32,721	*67,530	-	*2,347
Less: Cost of treasury stock.....	-	-	-	-	-	-	*3,220	-	-
Total receipts.....	*150,458	-	-	*148,274	*125,429	*14,308	*87,480	-	*71,164
Business receipts.....	*150,281	-	-	*147,936	*125,428	*13,625	*87,451	-	*71,164
Interest.....	-	-	-	*338	-	-	*30	-	-
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.....	-	-	-	-	-	*683	-	-	-
Other receipts.....	*178	-	-	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	-	-	-
Total deductions.....	*164,018	-	-	*148,616	*125,844	*18,005	*88,216	-	*65,268
Cost of sales and operations.....	*56,117	-	-	*57,091	*62,055	*3,625	*31,316	-	*28,206
Compensation of officers.....	*20,767	-	-	*12,125	*13,720	*6,727	*6,160	-	-
Repairs.....	*2,188	-	-	*3,374	*1,894	-	*1,350	-	*1,559
Bad debts.....	*3,837	-	-	*222	-	-	-	-	-
Rent paid on business property.....	*18,880	-	-	*7,658	*6,489	*1,918	*2,493	-	-
Taxes paid.....	*2,658	-	-	*2,907	*3,206	*1,224	*3,770	-	*1,863
Interest paid.....	*3,171	-	-	*1,944	*1,040	-	*2,018	-	*2,888
Contributions or gifts.....	-	-	-	*18	*8	-	-	-	-
Amortization.....	-	-	-	*372	-	-	-	-	-
Depreciation.....	*3,372	-	-	*8,201	*2,317	-	*2,037	-	*1,111
Depletion.....	-	-	-	-	-	-	-	-	-
Advertising.....	*3,482	-	-	*656	*2,048	-	*69	-	*293
Pension, profit-sharing, stock bonus, and annuity plans.....	-	-	-	-	-	-	-	-	-
Employee benefit programs.....	-	-	-	*1,751	*86	-	*300	-	-
Net loss, noncapital assets.....	-	-	-	-	-	-	-	-	-
Other deductions.....	*49,566	-	-	*52,295	*33,181	*4,510	*38,704	-	*29,347
Total receipts less total deductions.....	*13,560	-	-	*342	*415	*3,697	*736	-	*5,897
Net income (less deficit), total.....	*13,560	-	-	*342	*415	*3,697	*736	-	*5,897
Income subject to tax.....	*688	-	-	*3,790	( <sup>1</sup> )	-	-	-	-
Income tax, total <sup>2</sup> .....	*103	-	-	*568	-	-	-	-	-
Regular tax.....	*103	-	-	*568	-	-	-	-	-
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."



# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120-A

**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.....		*2,072	*1,981	*1,058		*270	*745	*1,522
<b>Total assets.....</b>		<b>*117,825</b>	<b>*99,138</b>	<b>*31,244</b>		<b>*34,944</b>	<b>*38,431</b>	<b>*126,419</b>
Cash.....		*9,656	*13,236	*4,156		*2,003	*8,983	*25,668
Notes and accounts receivable.....		*65,741	*40,807	*1,516		*1,871	*6,928	*15,092
Less: Allowance for bad debts.....			*705					
Inventories.....		*9,041	*1,917	*3,269		*18,261	*2,287	*46,065
Investments in Government obligations.....				*132				
Tax-exempt securities.....								
Other current assets.....		*4,849		*265		*1,390	*8,565	*456
Loans to stockholders.....		*15,039	*14,148	*2,715		*10,138	*156	*5,318
Mortgage and real estate loans.....								
Depreciable, depletable, and intangible assets.....		*134,090	*91,286	*39,308		*10,673	*20,693	*66,401
Less: Accumulated depreciation, depletion, and amortization.....		*120,592	*81,587	*20,239		*9,562	*9,344	*43,009
Land.....			*35	*120		*172	*164	*10,429
Other assets.....								
<b>Total liabilities.....</b>		<b>*117,825</b>	<b>*99,138</b>	<b>*31,244</b>		<b>*34,944</b>	<b>*38,431</b>	<b>*126,419</b>
Accounts payable.....		*18,349		*2,659			*2,810	*17,258
Other current liabilities.....		*6,008	*934	*24,519		*86	*5,191	*63,935
Loans from stockholders.....		*6,344	*41,263	*14,840		*31,282	*15,498	*4,054
Mortgages, notes, and bonds payable in one year or more.....								
Other liabilities.....		*30,819	*7,788	*13,771			*15,177	*49,235
Capital stock.....		*959	*97	( <sup>1</sup> )		*339	*1,154	*3,702
Paid-in or capital surplus.....		*12,419	*19,660	*31,150		*8,792	*3,673	*21,029
Retained earnings, unappropriated.....		*12,683	*40,235	*12,069			*34,313	*4,787
Less: Cost of treasury stock.....		*30,244	*4,219	*67,765		*5,556	*39,387	*37,582
		*6,620						
<b>Total receipts.....</b>		<b>*345,902</b>	<b>*159,247</b>	<b>*144,143</b>		<b>*20,669</b>	<b>*24,600</b>	<b>*298,521</b>
Business receipts.....		*343,304	*158,533	*143,795		*19,997	*24,465	*297,505
Interest.....		*42	*37	*348		*672	*135	*373
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.....		*58						*522
Dividends received from domestic corporations.....		*93	*677					
Other receipts.....		*2,404	( <sup>1</sup> )	( <sup>1</sup> )			( <sup>1</sup> )	*122
<b>Total deductions.....</b>		<b>*351,441</b>	<b>*158,969</b>	<b>*164,384</b>		<b>*35,964</b>	<b>*43,945</b>	<b>*322,813</b>
Cost of sales and operations.....		*194,380	*40,839	*58,903		*19,943	*15,602	*181,796
Compensation of officers.....		*51,795	*17,937	*31,463		*3,805	*1,019	*13,953
Repairs.....		*1,959	*443	*717			*455	*1,365
Bad debts.....		*1,346	*1,408	*28				
Rent paid on business property.....		*11,945	*4,201	*5,796		*2,041	*489	*17,482
Taxes paid.....		*9,984	*4,753	*4,446		*2,010	*3,241	*9,316
Interest paid.....		*3,472	*871	*5,390		*126	*997	*2,556
Contributions or gifts.....		*202		*34				*14
Amortization.....			*22	*49				*223
Depreciation.....		*6,570	*5,889	*4,046		*386	*3,803	*5,298
Depletion.....								
Advertising.....		*261	*1,959	*1,144		*12		*516
Pension, profit-sharing, stock bonus, and annuity plans.....								
Employee benefit programs.....		*5,238	*1,813	*1,470				*831
Net loss, noncapital assets.....								
Other deductions.....		*84,288	*78,853	*50,901		*7,842	*18,319	*89,463
Total receipts less total deductions.....		*5,539	*279	*20,241		*15,295	*19,345	*24,292
Net income (less deficit), total.....		*5,539	*279	*20,241		*15,295	*19,345	*24,292
Income subject to tax.....		*526	*4,525	*6,877				*826
Income tax, total <sup>2</sup> .....		*78	*659	*1,032				*124
Regular tax.....			*387	*1,032				
Recapture of investment credit.....								
Alternative minimum tax.....								
General business credit.....								
Prior year minimum tax credit.....								*124

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

# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120-A

**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				
	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.....	12,148	9,394	*1,303	*1,450	55,840	18,264	*1,950	3,530	12,784
<b>Total assets.....</b>	<b>499,358</b>	<b>442,996</b>	<b>*6,376</b>	<b>*49,986</b>	<b>2,378,000</b>	<b>593,817</b>	<b>*22,816</b>	<b>158,750</b>	<b>412,251</b>
Cash.....	56,681	48,657	*1,318	*6,705	408,941	135,824	*12,116	20,282	103,426
Notes and accounts receivable.....	85,745	85,337	-	*408	228,251	152,294	*3,630	*38,167	110,498
Less: Allowance for bad debts.....	*508	*508	-	-	*696	-	-	-	-
Inventories.....	*3,837	*2,041	-	*1,796	792,515	166,890	*4,472	*50,992	111,427
Investments in Government obligations.....	-	-	-	-	*23	-	-	-	-
Tax-exempt securities.....	-	-	-	-	*24	-	-	-	-
Other current assets.....	18,970	*17,761	*727	*483	67,711	42,202	*1,839	*15,182	*25,180
Loans to stockholders.....	51,163	51,163	-	-	70,863	*34,198	-	*18,887	*15,311
Mortgage and real estate loans.....	*7,866	*7,866	-	-	*21,964	-	-	-	-
Depreciable, depletable, and intangible assets.....	458,151	362,629	*14,589	*80,933	1,399,443	168,751	*7,805	*50,432	110,513
Less: Accumulated depreciation, depletion, and amortization.....	265,253	214,493	*10,258	*40,502	866,503	120,028	*7,803	*41,532	70,690
Land.....	*32,452	*32,452	-	-	98,805	*3,119	-	*1,655	*1,464
Other assets.....	50,254	50,091	(1)	*163	158,660	10,566	*758	*4,685	5,123
<b>Total liabilities.....</b>	<b>499,358</b>	<b>442,996</b>	<b>*6,376</b>	<b>*49,986</b>	<b>2,378,000</b>	<b>593,817</b>	<b>*22,816</b>	<b>158,750</b>	<b>412,251</b>
Accounts payable.....	126,506	124,225	*2,098	*182	369,986	178,313	*128	*69,993	108,191
Other current liabilities.....	10,118	9,085	*695	*335	105,909	9,591	-	*1,276	8,315
Loans from stockholders.....	100,903	86,882	*13,921	-	949,394	206,967	*7,795	*15,236	183,935
Mortgages, notes, and bonds payable in one year or more.....	105,967	105,967	-	-	665,254	52,972	*1,038	*5,359	46,575
Other liabilities.....	*305,838	*20,239	*285,599	(1)	84,393	9,155	-	*1,307	*7,849
Capital stock.....	129,190	118,214	*1,077	*9,900	431,626	114,656	*569	7,879	106,207
Paid-in or capital surplus.....	27,524	-1,334	*4,854	*24,005	258,804	49,604	*2,865	*23,804	*22,938
Retained earnings, unappropriated.....	-302,682	-16,377	*-301,868	*15,584	-317,588	4,429	*10,420	61,678	-67,669
Less: Cost of treasury stock.....	*4,003	*4,003	-	-	169,778	*31,871	-	*27,783	*4,088
<b>Total receipts.....</b>	<b>1,061,162</b>	<b>996,917</b>	<b>*30,033</b>	<b>*34,213</b>	<b>6,518,492</b>	<b>1,692,917</b>	<b>*91,896</b>	<b>388,230</b>	<b>1,214,792</b>
Business receipts.....	1,046,628	985,558	*27,260	*33,809	6,443,144	1,682,658	*91,635	383,637	1,207,386
Interest.....	1,864	*1,459	*1	*404	17,599	5,925	*261	*986	4,679
Interest on Government obligations:									
State and local.....	-	-	-	-	-	-	-	-	-
Rents.....	*8,791	*8,791	-	-	*4,811	-	-	-	-
Royalties.....	-	-	-	-	-	-	-	-	-
Net short-term capital gain reduced by net long-term capital loss.....	-	-	-	-	*46	*46	-	*46	-
Net long-term capital gain reduced by net short-term capital loss.....	-	-	-	-	*91	*30	-	*30	-
Net gain, noncapital assets.....	-	-	-	-	*130	-	-	-	-
Dividends received from domestic corporations.....	-	-	-	-	*1,401	*1,401	-	*94	*1,307
Other receipts.....	3,880	*1,109	*2,771	(1)	51,270	2,857	(1)	*1,438	1,419
<b>Total deductions.....</b>	<b>1,048,185</b>	<b>974,837</b>	<b>*40,041</b>	<b>*33,307</b>	<b>6,635,380</b>	<b>1,722,967</b>	<b>*90,307</b>	<b>394,081</b>	<b>1,238,580</b>
Cost of sales and operations.....	379,879	356,978	*11,583	*11,317	3,593,025	1,000,067	*71,918	257,844	670,304
Compensation of officers.....	63,117	62,310	-	*807	297,908	84,316	*1,874	*31,879	50,563
Repairs.....	55,122	54,426	*696	-	100,847	15,671	*617	*867	14,167
Bad debts.....	*26,564	*26,425	-	*139	15,235	*8,845	*113	*5,983	*2,749
Rent paid on business property.....	74,143	71,452	*2,691	-	413,206	59,220	*1,096	*9,183	48,941
Taxes paid.....	32,167	26,265	*1,695	*4,207	243,281	47,483	*1,317	7,430	38,736
Interest paid.....	12,464	11,212	*1,221	*31	79,602	10,623	-	*1,878	8,744
Contributions or gifts.....	*1,774	*1,774	-	-	2,121	*536	*59	*85	*392
Amortization.....	*2,481	*2,413	*68	-	4,364	*105	-	*19	*86
Depreciation.....	45,304	41,611	*1,085	*2,608	107,089	18,727	*209	*4,987	13,531
Depletion.....	-	-	-	-	*37	-	-	-	-
Advertising.....	9,007	9,007	-	-	96,045	13,109	*209	*1,201	11,699
Pension, profit-sharing, stock bonus, and annuity plans.....	-	-	-	-	*8,135	*881	-	*881	-
Employee benefit programs.....	*1,302	*1,302	-	-	23,920	*7,521	-	*2,971	*4,550
Net loss, noncapital assets.....	*4,226	*4,226	-	-	*1,809	*1,809	-	-	*1,809
Other deductions.....	340,636	305,436	*21,001	*14,199	1,648,958	454,056	*12,895	68,872	372,289
Total receipts less total deductions.....	12,977	22,080	*-10,008	*905	-116,888	-30,050	*1,589	-7,850	-23,788
Net income (less deficit), total.....	12,977	22,080	*-10,008	*905	-116,888	-30,050	*1,589	-7,850	-23,788
Income subject to tax.....	40,909	38,884	-	*2,025	61,551	20,410	*3,447	*3,045	*13,918
Income tax, total *.....	6,497	6,194	-	*303	9,612	3,206	*517	*456	*2,233
Regular tax.....	6,431	6,128	-	*303	9,612	3,206	*517	*456	*2,233
Recapture of investment credit.....	-	-	-	-	-	-	-	-	-
Alternative minimum tax.....	*66	*66	-	-	-	-	-	-	-
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."

# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120-A

**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.....	38,703	*1,443	*359	*1,953	3,107	3,252	*874	12,782	12,933	*673
<b>Total assets.....</b>	<b>1,770,425</b>	<b>*37,898</b>	<b>*41,261</b>	<b>*136,957</b>	<b>154,743</b>	<b>168,992</b>	<b>*77,222</b>	<b>519,106</b>	<b>634,247</b>	<b>*13,758</b>
Cash.....	264,012	*4,887	*4,092	*16,269	17,896	21,848	*12,511	88,177	100,534	*9,105
Notes and accounts receivable.....	71,304	*1,556	*1,515	*1,555	*3,105	*536	*5,615	*13,823	43,799	*2,653
Less: Allowance for bad debts.....	696	-	-	-	-	*111	-	*97	*488	-
Inventories.....	625,520	*18,593	*27,782	*15,210	86,394	119,700	*29,064	51,516	277,261	*105
Investments in Government obligations.....	*23	-	-	-	-	-	-	*23	-	-
Tax-exempt securities.....	*24	-	-	-	-	-	-	*24	-	-
Other current assets.....	25,144	-	*653	*1,096	*1,226	*1,728	*2,765	8,345	9,331	*365
Loans to stockholders.....	36,666	-	-	*96	*4,274	-	-	*16,384	*15,912	-
Mortgage and real estate loans.....	*21,964	-	-	-	*1,687	-	-	*19,837	*440	-
Depreciable, depletable, and intangible assets.....	1,221,333	*19,914	*16,623	*149,018	*49,538	*35,632	*13,773	628,567	308,268	*9,360
Less: Accumulated depreciation, depletion, and amortization.....	737,242	*9,279	*10,463	*88,813	*17,815	*15,529	*4,075	380,522	200,747	*9,235
Land.....	95,686	*2,052	*987	*5,902	*4,404	-	-	*46,659	*35,683	-
Other assets.....	146,688	*175	*72	*46,624	*4,032	*5,391	*17,569	28,572	44,254	*1,405
<b>Total liabilities.....</b>	<b>1,770,425</b>	<b>*37,898</b>	<b>*41,261</b>	<b>*136,957</b>	<b>154,743</b>	<b>168,992</b>	<b>*77,222</b>	<b>519,106</b>	<b>634,247</b>	<b>*13,758</b>
Accounts payable.....	189,810	*471	*3,216	*4,532	*10,280	*11,796	*13,629	37,506	108,380	*1,863
Other current liabilities.....	91,760	*808	*250	*3,169	*1,012	*21,342	*6,822	23,112	35,445	*4,558
Loans from stockholders.....	741,687	*6,046	*4,111	*43,435	*201,494	*83,464	*25,499	232,805	144,835	*740
Mortgages, notes, and bonds payable in one year or more.....	612,282	*10,721	*8,623	*71,551	*31,982	*36,113	*8,637	197,774	246,881	-
Other liabilities.....	75,238	*58	-	*258	*14,116	*1,187	*11,182	29,529	18,909	-
Capital stock.....	314,373	*11,627	*15,488	*14,839	38,840	20,499	*23,087	128,653	61,341	*2,597
Paid-in or capital surplus.....	209,200	*497	*471	*28,255	*2,693	*1,647	*3,817	45,506	127,254	-
Retained earnings, unappropriated.....	-326,017	*7,671	*10,046	*29,082	-20,623	-7,056	-15,251	-171,410	-100,313	*4,000
Less: Cost of treasury stock.....	*137,907	-	-	-	*125,053	-	-	*4,369	*8,485	-
<b>Total receipts.....</b>	<b>4,745,618</b>	<b>*90,468</b>	<b>*86,166</b>	<b>*269,407</b>	<b>479,189</b>	<b>321,979</b>	<b>*248,845</b>	<b>1,695,918</b>	<b>1,555,647</b>	<b>*79,956</b>
Business receipts.....	4,680,669	*89,287	*86,164	*265,262	478,245	305,794	*241,254	1,686,540	1,528,122	*79,817
Interest.....	11,534	*430	*2	*300	*746	*275	*3,530	*3,312	2,940	*139
Interest on Government obligations:										
State and local.....	-	-	-	-	-	-	-	-	-	-
Rents.....	*4,811	-	-	-	-	-	*88	*2,227	*2,498	-
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.....	*62	-	-	-	-	-	*62	-	-	-
Net gain, noncapital assets.....	*130	-	-	-	-	-	*130	-	-	-
Dividends received from domestic corporations.....	-	-	-	-	-	-	-	-	-	-
Other receipts.....	48,413	*751	(1)	*3,844	*198	*15,910	*1,783	3,840	22,086	-
<b>Total deductions.....</b>	<b>4,831,147</b>	<b>*91,614</b>	<b>*87,557</b>	<b>*272,103</b>	<b>491,463</b>	<b>326,489</b>	<b>*256,791</b>	<b>1,730,238</b>	<b>1,574,892</b>	<b>*81,266</b>
Cost of sales and operations.....	2,586,130	*66,584	*55,377	*144,726	332,954	198,384	*174,442	759,054	856,610	*6,828
Compensation of officers.....	190,244	*1,124	*6,707	*13,195	*12,833	*6,574	*6,819	77,820	65,172	*23,347
Repairs.....	84,475	*640	*392	*4,814	*15,068	*1,382	*1,491	41,960	18,728	*502
Bad debts.....	6,390	*66	-	*178	*2,485	*261	-	*999	*2,402	(1)
Rent paid on business property.....	350,732	*1,718	*1,758	*19,404	*5,513	32,744	*17,507	157,048	115,040	*3,254
Taxes paid.....	195,612	*2,433	*2,750	*13,054	16,988	8,282	*4,757	76,293	71,054	*185
Interest paid.....	68,972	*51	*1,215	*4,315	*3,126	*3,126	*3,794	24,558	27,948	*7
Contributions or gifts.....	1,573	*8	-	*98	-	*310	*3	*468	*686	*12
Amortization.....	4,260	-	-	-	*533	*42	*144	*2,477	*1,063	-
Depreciation.....	87,000	*298	*1,464	*6,273	*1,731	*2,588	*1,944	45,784	26,917	*1,362
Depletion.....	-	-	-	-	-	-	-	-	-	*37
Advertising.....	82,936	*293	*1,028	*5,486	*3,914	*4,879	*7,939	18,764	40,633	-
Pension, profit-sharing, stock bonus, and annuity plans.....	*3,314	-	-	-	-	-	-	-	*3,314	*3,940
Employee benefit programs.....	15,103	-	*2,291	-	*3,133	*456	-	*5,032	*4,190	*1,296
Net loss, noncapital assets.....	-	-	-	-	-	-	-	-	-	-
Other deductions.....	1,154,407	*18,400	*14,574	*60,580	92,346	69,461	*37,950	519,982	341,134	*40,496
Total receipts less total deductions.....	-85,528	*-1,146	*-1,390	*-2,696	-12,274	-4,509	*-9,947	-34,320	-19,245	*-1,310
Net income (less deficit), total.....	-85,528	*-1,146	*-1,390	*-2,696	-12,274	-4,509	*-9,947	-34,320	-19,245	*-1,310
Income subject to tax.....	40,865	-	-	*993	*4,247	*2,842	-	*13,156	19,628	*276
Income tax, total *.....	6,365	-	-	*149	*837	*425	-	*1,764	3,390	*41
Regular tax.....	6,365	-	-	*149	*837	*425	-	*1,764	3,390	*41
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."

# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120-A

**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.....	42,132	-	2,654	*318	*1,212	4,582	29,671	3,696
<b>Total assets.....</b>	<b>2,827,372</b>	<b>-</b>	<b>125,257</b>	<b>*44,135</b>	<b>*32,727</b>	<b>207,906</b>	<b>2,216,328</b>	<b>201,018</b>
Cash.....	702,542	-	53,776	*5,587	*23,345	58,495	523,825	37,713
Notes and accounts receivable.....	219,735	-	*49,475	*4,421	-	*31,701	130,728	*3,410
Less: Allowance for bad debts.....	*1,463	-	-	-	-	*646	*817	-
Inventories.....	*72,782	-	-	-	-	-	*71,933	*829
Investments in Government obligations.....	*21,448	-	-	-	-	-	*21,281	*167
Tax-exempt securities.....	*121	-	-	-	-	*25	*96	-
Other current assets.....	144,048	-	*507	*12,726	*1,536	*10,414	106,205	*12,660
Loans to stockholders.....	100,337	-	*2,660	*12,652	*3,371	*18,176	55,913	*11,566
Mortgage and real estate loans.....	149,846	-	*1,160	*3,969	-	*5,419	100,865	*38,433
Depreciable, depletable, and intangible assets.....	1,581,942	-	*10,750	-	*10,466	124,380	1,416,227	*20,119
Less: Accumulated depreciation, depletion, and amortization.....	835,215	-	*6,048	-	*6,170	94,443	712,521	*16,033
Land.....	405,531	-	*6,116	-	-	380,181	*979	-
Other assets.....	265,739	-	*6,860	*4,781	*180	*40,131	122,613	*91,174
<b>Total liabilities.....</b>	<b>2,827,372</b>	<b>-</b>	<b>125,257</b>	<b>*44,135</b>	<b>*32,727</b>	<b>207,906</b>	<b>2,216,328</b>	<b>201,018</b>
Accounts payable.....	119,613	-	*1,536	*3,341	*37	*43,216	70,851	*633
Other current liabilities.....	98,198	-	*15,601	-	*515	*4,561	75,033	*2,487
Loans from stockholders.....	607,890	-	*23,776	-	-	*8,398	529,598	*46,118
Mortgages, notes, and bonds payable in one year or more.....	881,021	-	*22,108	-	-	*50,040	788,175	*20,698
Other liabilities.....	679,275	-	*2,234	-	*14	*21,211	640,592	*15,224
Capital stock.....	475,402	-	21,379	*1,746	*562	17,067	399,650	34,978
Paid-in or capital surplus.....	494,056	-	*48,784	*36,442	*4,021	*4,423	327,876	*72,510
Retained earnings, unappropriated.....	-396,188	-	16,678	*2,606	*27,558	73,928	-543,347	26,390
Less: Cost of treasury stock.....	131,895	-	*26,838	-	-	*14,936	72,100	*18,021
<b>Total receipts.....</b>	<b>2,143,194</b>	<b>-</b>	<b>166,735</b>	<b>*38,940</b>	<b>*11,118</b>	<b>486,590</b>	<b>1,426,069</b>	<b>13,742</b>
Business receipts.....	1,857,317	-	*150,041	*37,575	*7,343	460,701	1,195,734	*5,924
Interest.....	59,483	-	*3,193	*1,365	*713	*6,519	42,435	*5,258
Interest on Government obligations:								
State and local.....	*25	-	-	-	-	-	*25	-
Rents.....	113,146	-	*9,838	-	-	*2,377	100,196	*735
Royalties.....	*14,460	-	*2,837	-	-	-	*11,623	-
Net short-term capital gain reduced by net long-term capital loss.....	*574	-	*309	-	-	*181	*85	-
Net long-term capital gain reduced by net short-term capital loss.....	*13,463	-	-	-	-	*1,304	*11,782	*378
Net gain, noncapital assets.....	*17,891	-	-	-	-	*1,075	*16,472	*343
Dividends received from domestic corporations.....	*1,198	-	-	-	-	*248	*17	*933
Other receipts.....	65,637	-	*517	-	*3,063	*14,186	47,700	*171
<b>Total deductions.....</b>	<b>2,148,560</b>	<b>-</b>	<b>187,297</b>	<b>*37,545</b>	<b>*9,746</b>	<b>478,058</b>	<b>1,425,773</b>	<b>10,143</b>
Cost of sales and operations.....	448,201	-	*609	-	*1,323	*52,354	393,915	-
Compensation of officers.....	255,180	-	*49,163	-	-	106,173	88,877	*868
Repairs.....	96,804	-	*973	-	*29	*4,201	91,600	-
Bad debts.....	17,093	-	-	-	-	*2,192	13,388	*1,513
Rent paid on business property.....	59,919	-	*9,147	-	*459	19,489	30,464	*380
Taxes paid.....	86,771	-	*1,558	*32	*202	13,970	70,488	*520
Interest paid.....	81,684	-	*2,812	*49	-	*14,087	62,204	*2,532
Contributions or gifts.....	2,982	-	*5	-	-	*2,548	*405	*23
Amortization.....	5,538	-	-	-	*2	*4,718	819	-
Depreciation.....	70,113	-	*689	*1,215	*1,585	*7,949	58,424	*250
Depletion.....	*527	-	-	-	-	-	*2	*526
Advertising.....	17,696	-	*861	*408	*9	4,550	11,603	*265
Pension, profit-sharing, stock bonus, and annuity plans.....	*10,985	-	-	-	-	*3,561	*7,424	-
Employee benefit programs.....	14,862	-	*2,704	*148	-	*5,028	*6,883	-
Net loss, noncapital assets.....	*11,173	-	-	-	-	*75	*11,098	-
Other deductions.....	969,031	-	118,777	*35,692	*6,137	237,181	567,878	3,267
Total receipts less total deductions.....	-5,366	-	-20,562	*1,396	*1,372	8,534	296	3,599
Net income (less deficit), total.....	-5,391	-	-20,562	*1,396	*1,372	8,534	271	3,599
Income subject to tax.....	106,815	-	*2,334	*695	*3,237	*30,114	66,799	*3,636
Income tax, total <sup>2</sup> .....	17,581	-	*350	*104	*485	*5,854	10,242	*545
Regular tax.....	17,539	-	*350	*104	*485	*5,854	10,199	*545
Recapture of investment credit.....	-	-	-	-	-	-	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-
General business credit.....	*47	-	-	-	-	*47	-	-
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."

# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120-A

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							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	
Number of returns, total.....	88,581	*1,338	5,582	28,165	12,197	9,345	41,954	3,577
<b>Total assets.....</b>	<b>3,165,556</b>	<b>*55,522</b>	<b>232,549</b>	<b>820,265</b>	<b>477,818</b>	<b>229,840</b>	<b>1,349,561</b>	<b>*77,031</b>
Cash.....	818,071	*17,643	31,288	275,526	86,634	48,620	358,360	*13,688
Notes and accounts receivable.....	279,290	-	*3,193	91,125	67,988	*2,126	114,857	*5,590
Less: Allowance for bad debts.....	*15,583	*62	-	*6	*363	-	*15,152	*226
Inventories.....	135,268	*38	6,185	*7,694	85,583	*23,327	*12,441	*6,275
Investments in Government obligations.....	*15,098	-	-	*1,827	*2,806	-	*10,465	-
Tax-exempt securities.....	*23,683	-	-	*23,588	-	-	*95	-
Other current assets.....	270,930	*19	*5,587	47,555	*2,845	*22,272	192,652	*1,987
Loans to stockholders.....	163,679	*124	*1,244	46,945	*37,336	*3,566	74,465	*5,143
Mortgage and real estate loans.....	*66,352	*7,706	-	*24,802	-	-	*33,844	*2,007
Depreciable, depletable, and intangible assets.....	2,476,714	*104,081	266,639	580,947	406,263	219,064	899,720	*17,755
Less: Accumulated depreciation, depletion, and amortization.....	1,417,641	*81,577	111,974	334,341	270,569	115,665	503,515	*8,148
Land.....	129,672	*5,585	*2,453	*16,535	*27,704	*22,600	54,794	*18,139
Other assets.....	220,022	*1,965	*27,934	38,068	31,590	*3,929	116,535	*14,824
<b>Total liabilities.....</b>	<b>3,165,556</b>	<b>*55,522</b>	<b>232,549</b>	<b>820,265</b>	<b>477,818</b>	<b>229,840</b>	<b>1,349,561</b>	<b>*77,031</b>
Accounts payable.....	187,227	*3,870	*4,589	86,534	37,589	*1,128	53,517	*6,271
Other current liabilities.....	313,097	*30,938	7,212	67,289	33,533	*8,871	165,254	*3,794
Loans from stockholders.....	574,493	*12,534	49,619	120,975	75,121	62,143	254,101	*11,468
Mortgages, notes, and bonds payable in one year or more.....	925,798	*8,596	121,979	125,149	148,482	*149,858	371,735	*34,356
Other liabilities.....	125,678	-	*45	17,801	*26,102	*7,340	74,389	*4,655
Capital stock.....	472,192	*19,442	62,726	91,871	80,924	60,790	156,440	*17,488
Paid-in or capital surplus.....	311,490	*485	*9,724	84,838	27,938	*19,214	169,291	*1,035
Retained earnings, unappropriated.....	332,662	*20,343	*7,357	239,803	59,839	*76,511	137,231	*225
Less: Cost of treasury stock.....	77,082	-	*15,987	*13,996	*11,709	*2,993	32,398	*189
<b>Total receipts.....</b>	<b>8,987,260</b>	<b>*73,736</b>	<b>506,056</b>	<b>2,326,016</b>	<b>1,734,350</b>	<b>379,361</b>	<b>3,967,741</b>	<b>*153,032</b>
Business receipts.....	8,694,057	*69,109	492,650	2,262,685	1,707,537	363,020	3,799,057	*151,858
Interest.....	53,310	*1,265	*1,988	17,373	2,349	2,516	27,819	*196
Interest on Government obligations:								
State and local.....	*2,327	-	-	*1,210	-	-	*1,118	-
Rents.....	49,789	*3,296	*9,351	*29,721	*3,191	*705	*3,524	-
Royalties.....	*115	-	-	*111	-	-	*4	-
Net short-term capital gain reduced by net long-term capital loss.....	*2,042	-	-	-	-	-	*2,042	-
Net long-term capital gain reduced by net short-term capital loss.....	12,327	*13	-	*2,282	*9,184	-	*849	*758
Net gain, noncapital assets.....	*2,970	-	*513	*115	*1,220	*290	*832	-
Dividends received from domestic corporations.....	6,598	-	-	*740	-	-	*5,859	*219
Other receipts.....	163,724	*52	*1,554	11,780	10,869	*12,830	126,639	*1
<b>Total deductions.....</b>	<b>9,141,282</b>	<b>*74,358</b>	<b>507,886</b>	<b>2,384,311</b>	<b>1,728,889</b>	<b>386,528</b>	<b>4,059,313</b>	<b>164,685</b>
Cost of sales and operations.....	2,377,769	*10,362	86,021	591,744	785,821	113,596	790,224	*144,546
Compensation of officers.....	1,686,011	*2,533	*82,031	548,150	207,285	*20,645	825,367	-
Repairs.....	94,450	*3,869	8,884	17,825	20,591	11,086	32,195	*15
Bad debts.....	15,436	-	*1,035	*318	*4,716	*1,203	*8,165	-
Rent paid on business property.....	493,120	*24,158	36,686	113,530	72,005	33,814	212,928	*4,841
Taxes paid.....	368,328	*3,665	24,545	95,057	83,386	15,109	166,566	*3,973
Interest paid.....	94,117	*714	11,334	16,060	17,105	*4,862	44,043	-
Contributions or gifts.....	5,381	*8	*1,480	872	*126	*520	2,375	-
Amortization.....	15,408	-	*1,021	6,199	*1,683	*137	6,367	-
Depreciation.....	266,861	*7,533	29,772	78,767	46,878	20,020	84,091	*567
Depletion.....	*71	-	-	-	-	-	*71	-
Advertising.....	110,836	*1,590	10,784	20,477	13,370	18,576	48,040	*281
Pension, profit-sharing, stock bonus, and annuity plans.....	40,458	-	-	*4,906	-	-	35,552	-
Employee benefit programs.....	100,393	-	*266	32,106	*9,328	*1,115	57,579	-
Net loss, noncapital assets.....	*22,452	-	*421	*1,197	*8,179	*149	*12,505	-
Other deductions.....	3,450,191	*19,924	213,607	857,104	478,615	145,696	1,735,245	*10,462
Total receipts less total deductions.....	-154,022	*620	-1,830	-58,295	5,462	-7,167	-91,572	-11,653
Net income (less deficit), total.....	-156,350	*620	-1,830	-59,504	5,462	-7,167	-92,690	-11,653
Income subject to tax.....	143,768	*484	11,859	43,715	25,520	*7,018	55,174	*18
Income tax, total <sup>1</sup> .....	24,104	*72	2,447	7,171	4,068	*1,052	9,294	*3
Regular tax.....	24,104	*72	2,447	7,171	4,068	*1,052	9,294	*3
Recapture of investment credit.....	-	-	-	-	-	-	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-
General business credit.....	-	-	-	-	-	-	-	-
Prior year minimum tax credit.....	-	-	-	-	-	-	-	-

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

<sup>2</sup> Less than \$500 per return.

<sup>3</sup> 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."

# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120-A

**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	Agriculture, forestry, and fishing	Major industry				
			Total	Mining			
				Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Number of returns, total.....</b>	<b>105,773</b>	<b>4,589</b>	<b>*2,059</b>	-	-	<b>*2,059</b>	-
<b>Total assets.....</b>	<b>5,884,232</b>	<b>510,065</b>	<b>*149,823</b>	-	-	<b>*149,823</b>	-
Cash.....	1,560,862	59,142	*22,707	-	-	*22,707	-
Notes and accounts receivable.....	683,441	30,235	*29,218	-	-	*29,218	-
Less: Allowance for bad debts.....	18,774	*20	-	-	-	-	-
Inventories.....	578,805	*58,156	*636	-	-	*636	-
Investments in Government obligations.....	*22,549	*444	-	-	-	-	-
Tax-exempt securities.....	*204	*112	-	-	-	-	-
Other current assets.....	310,892	18,665	-	-	-	-	-
Loans to stockholders.....	258,823	14,458	*445	-	-	*445	-
Mortgage and real estate loans.....	195,911	*2,224	-	-	-	-	-
Depreciable, depletable, and intangible assets.....	3,843,547	343,767	*210,712	-	-	*210,712	-
Less: Accumulated depreciation, depletion, and amortization.....	2,416,270	225,502	*132,674	-	-	*132,674	-
Land.....	453,915	156,811	-	-	-	-	-
Other assets.....	410,329	51,573	*18,879	-	-	*18,879	-
<b>Total liabilities.....</b>	<b>5,884,232</b>	<b>510,065</b>	<b>*149,823</b>	-	-	<b>*149,823</b>	-
Accounts payable.....	396,735	*9,027	*4,671	-	-	*4,671	-
Other current liabilities.....	279,691	5,422	*16,611	-	-	*16,611	-
Loans from stockholders.....	1,047,143	*55,397	*32,485	-	-	*32,485	-
Mortgages, notes, and bonds payable in one year or more.....	1,092,472	121,105	*18,925	-	-	*18,925	-
Other liabilities.....	208,571	*18,170	*12,723	-	-	*12,723	-
Capital stock.....	817,288	138,443	*28,428	-	-	*28,428	-
Paid-in or capital surplus.....	670,887	*33,264	*14,376	-	-	*14,376	-
Retained earnings, unappropriated.....	1,652,664	143,268	*21,703	-	-	*21,703	-
Less: Cost of treasury stock.....	281,218	*14,032	-	-	-	-	-
<b>Total receipts.....</b>	<b>11,112,164</b>	<b>438,159</b>	<b>*254,485</b>	-	-	<b>*254,485</b>	-
Business receipts.....	10,611,907	374,890	*233,549	-	-	*233,549	-
Interest.....	103,669	6,022	*2,694	-	-	*2,694	-
Interest on Government obligations: State and local.....	-	-	-	-	-	-	-
Rents.....	141,963	*10,597	-	-	-	-	-
Royalties.....	*12,436	-	*9,542	-	-	*9,542	-
Net short-term capital gain reduced by net long-term capital loss.....	*617	-	-	-	-	-	-
Net long-term capital gain reduced by net short-term capital loss.....	46,947	*19,602	-	-	-	-	-
Net gain, noncapital assets.....	26,917	*398	*7,490	-	-	*7,490	-
Dividends received from domestic corporations.....	8,301	*1,054	-	-	-	-	-
Other receipts.....	159,406	25,495	*1,212	-	-	*1,212	-
<b>Total deductions.....</b>	<b>10,357,900</b>	<b>372,978</b>	<b>*238,223</b>	-	-	<b>*238,223</b>	-
Cost of sales and operations.....	3,816,023	102,224	*81,855	-	-	*81,855	-
Compensation of officers.....	1,450,245	*25,812	*21,351	-	-	*21,351	-
Repairs.....	217,224	14,789	*12,708	-	-	*12,708	-
Bad debts.....	19,869	*274	*854	-	-	*854	-
Rent paid on business property.....	608,931	59,657	*6,578	-	-	*6,578	-
Taxes paid.....	387,760	14,560	*19,386	-	-	*19,386	-
Interest paid.....	137,671	16,598	*5,619	-	-	*5,619	-
Contributions or gifts.....	10,141	*290	-	-	-	-	-
Amortization.....	13,944	-	*440	-	-	*440	-
Depreciation.....	340,785	24,614	*16,636	-	-	*16,636	-
Depletion.....	9,010	-	*8,446	-	-	*8,446	-
Advertising.....	87,130	*1,107	*248	-	-	*248	-
Pension, profit-sharing, stock bonus, and annuity plans.....	23,985	*1,606	-	-	-	-	-
Employee benefit programs.....	88,157	*4,103	*4,043	-	-	*4,043	-
Net loss, noncapital assets.....	*8,869	*907	-	-	-	-	-
Other deductions.....	3,138,155	106,437	*60,047	-	-	*60,047	-
Total receipts less total deductions.....	754,264	65,181	*16,262	-	-	*16,262	-
Net income.....	754,264	65,181	*16,262	-	-	*16,262	-
Income subject to tax.....	498,983	49,437	*4,190	-	-	*4,190	-
Income tax, total *.....	81,084	8,797	*624	-	-	*624	-
Regular tax.....	80,165	8,260	*624	-	-	*624	-
Recapture of investment credit.....	-	-	-	-	-	-	-
Alternative minimum tax.....	*603	*537	-	-	-	-	-
General business credit.....	*1,284	*641	-	-	-	-	-
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."

# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120-A

**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 manufacturers	Textile mill products	Apparel and other textile products
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Number of returns, total.....	9,800	2,580	*346	8,675	8,027	-	-	-	*262
Total assets.....	409,815	122,768	*39,950	247,098	396,589	-	-	-	*17,253
Cash.....	183,753	35,886	*35,443	92,844	32,704	-	-	-	*2,055
Notes and accounts receivable.....	29,503	*5,581	*867	*23,054	128,565	-	-	-	*8,465
Less: Allowance for bad debts.....	-	-	-	-	*724	-	-	-	-
Inventories.....	39,794	*17,159	-	*22,636	47,474	-	-	-	*524
Investments in Government obligations.....	-	-	-	-	*132	-	-	-	-
Tax-exempt securities.....	-	-	-	-	-	-	-	-	-
Other current assets.....	28,037	*12,229	*1,457	*14,351	*5,015	-	-	-	-
Loans to stockholders.....	*12,301	*2,702	-	*9,599	*48,817	-	-	-	-
Mortgage and real estate loans.....	*3,385	*3,368	-	*19	-	-	-	-	-
Depreciable, depletable, and intangible assets.....	311,121	*96,968	*3,904	210,248	338,329	-	-	-	*9,035
Less: Accumulated depreciation, depletion, and amortization.....	189,820	*54,266	*1,722	133,833	213,201	-	-	-	*4,043
Land.....	*3,608	*3,030	-	*578	*7,687	-	-	-	-
Other assets.....	8,134	*332	-	*7,802	5,790	-	-	-	*1,218
Total liabilities.....	409,815	122,768	*39,950	247,098	396,589	-	-	-	*17,253
Accounts payable.....	31,917	*6,540	*613	*24,764	45,994	-	-	-	*979
Other current liabilities.....	25,193	*2,307	-	22,886	*39,681	-	-	-	-
Loans from stockholders.....	57,235	*26,977	-	*30,258	*59,143	-	-	-	-
Mortgages, notes, and bonds payable in one year or more.....	44,559	*24,189	-	*20,371	81,454	-	-	-	-
Other liabilities.....	*2,516	*2,467	(1)	*49	*6,345	-	-	-	-
Capital stock.....	37,487	*10,127	*3,878	23,683	38,770	-	-	-	*26
Paid-in or capital surplus.....	*14,398	*5,888	-	*8,510	*88,022	-	-	-	*15,787
Retained earnings, unappropriated.....	206,922	*49,784	*35,659	121,498	49,021	-	-	-	*461
Less: Cost of treasury stock.....	*10,412	*5,492	-	*4,920	*9,840	-	-	-	-
Total receipts.....	1,274,518	255,835	*19,387	999,296	880,891	-	-	-	*30,411
Business receipts.....	1,246,502	*240,434	*18,306	987,762	879,117	-	-	-	*30,411
Interest.....	6,119	*1,753	*1,081	*3,285	*123	-	-	-	-
Interest on Government obligations:									
State and local.....	-	-	-	-	-	-	-	-	-
Rents.....	*7,616	*822	-	*6,794	-	-	-	-	-
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.....	*1,214	-	-	*1,214	*580	-	-	-	-
Net gain, noncapital assets.....	*181	-	-	*181	*770	-	-	-	-
Dividends received from domestic corporations.....	-	-	-	-	-	-	-	-	-
Other receipts.....	*12,886	*12,826	-	*60	*301	-	-	-	-
Total deductions.....	1,171,353	226,037	*12,084	933,232	841,206	-	-	-	*30,004
Cost of sales and operations.....	584,348	*136,423	*2,083	445,842	319,397	-	-	-	*3,093
Compensation of officers.....	156,698	*15,084	-	141,614	103,650	-	-	-	*9,178
Repairs.....	15,272	*3,041	*3,992	8,239	8,622	-	-	-	*496
Bad debts.....	*1,163	-	-	*1,163	*2697	-	-	-	-
Rent paid on business property.....	36,683	*884	-	35,799	51,808	-	-	-	*4,776
Taxes paid.....	51,061	*7,790	*1,275	41,996	23,602	-	-	-	*1,398
Interest paid.....	10,849	*4,522	*15	6,312	13,932	-	-	-	-
Contributions or gifts.....	690	*320	-	*370	*283	-	-	-	*7
Amortization.....	*176	*17	*130	*29	*22	-	-	-	-
Depreciation.....	35,752	*8,510	*921	26,321	27,104	-	-	-	*905
Depletion.....	-	-	-	-	-	-	-	-	-
Advertising.....	4,577	*29	*169	4,379	5,557	-	-	-	-
Pension, profit-sharing, stock bonus, and annuity plans.....	*2,012	*664	-	*1,347	-	-	-	-	-
Employee benefit programs.....	15,415	*1,567	*137	*13,710	*6925	-	-	-	-
Net loss, noncapital assets.....	*464	*89	-	*375	-	-	-	-	-
Other deductions.....	256,192	47,096	*3,361	205,735	277,606	-	-	-	*10,151
Total receipts less total deductions.....	103,165	29,798	*7,303	66,065	39,685	-	-	-	*407
Net income.....	103,165	29,798	*7,303	66,065	39,685	-	-	-	*407
Income subject to tax.....	74,684	*16,131	*7,303	51,249	17,641	-	-	-	*407
Income tax, total <sup>2</sup> .....	11,257	*2,477	*1,096	7,684	2,626	-	-	-	*61
Regular tax.....	11,257	*2,477	*1,096	7,684	2,353	-	-	-	*61
Recapture of investment credit.....	-	-	-	-	-	-	-	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-	-
General business credit.....	*473	-	-	*473	*124	-	-	-	-
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 1120-A

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.....	*297	-	-	*1,781	*413	-	*459	-	*289
Total assets.....	*11,604	-	-	*40,982	*44,788	-	*34,102	-	*26,260
Cash.....	*900	-	-	*6,597	*254	-	*977	-	-
Notes and accounts receivable.....	-	-	-	*3,476	*8,385	-	-	-	*8,644
Less: Allowance for bad debts.....	-	-	-	*18	-	-	-	-	-
Inventories.....	-	-	-	*7,148	*8,843	-	*12,241	-	-
Investments in Government obligations.....	-	-	-	-	-	-	-	-	-
Tax-exempt securities.....	-	-	-	-	-	-	-	-	-
Other current assets.....	*40	-	-	*122	*50	-	-	-	-
Loans to stockholders.....	*7,525	-	-	*167	-	-	-	-	*7,222
Mortgage and real estate loans.....	-	-	-	-	-	-	-	-	-
Depreciable, depletable, and intangible assets.....	*8,557	-	-	*50,818	*49,522	-	*27,864	-	*6,084
Less: Accumulated depreciation, depletion, and amortization.....	*5,419	-	-	*27,783	*22,383	-	*10,571	-	*3,055
Land.....	-	-	-	-	-	-	*322	-	*7,365
Other assets.....	-	-	-	*456	*117	-	*3,269	-	-
Total liabilities.....	*11,604	-	-	*40,982	*44,788	-	*34,102	-	*26,260
Accounts payable.....	*2,693	-	-	*5,878	*5,807	-	-	-	*10,386
Other current liabilities.....	-	-	-	*2,220	*2,664	-	*11,730	-	*18,192
Loans from stockholders.....	-	-	-	*1,747	*4,907	-	-	-	-
Mortgages, notes, and bonds payable in one year or more.....	*3,809	-	-	*14,952	*6,239	-	*28,592	-	-
Other liabilities.....	-	-	-	*19	*5,271	-	( <sup>1</sup> )	-	-
Capital stock.....	*1,487	-	-	*15,595	*440	-	*4,894	-	*29
Paid-in or capital surplus.....	-	-	-	-	*23,919	-	*6,081	-	-
Retained earnings, unappropriated.....	*3,615	-	-	*572	*4,458	-	*13,975	-	*2,347
Less: Cost of treasury stock.....	-	-	-	-	-	-	*3,220	-	-
Total receipts.....	*53,742	-	-	*91,408	*72,878	-	*82,980	-	*71,164
Business receipts.....	*53,564	-	-	*91,408	*72,877	-	*82,931	-	*71,164
Interest.....	-	-	-	-	-	-	*30	-	-
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.....	-	-	-	-	-	-	-	-	-
Other receipts.....	*178	-	-	-	( <sup>1</sup> )	-	-	-	-
Total deductions.....	*53,054	-	-	*86,962	*70,092	-	*82,183	-	*65,268
Cost of sales and operations.....	*2,130	-	-	*42,028	*35,747	-	*29,932	-	*28,206
Compensation of officers.....	*7,436	-	-	*8,275	-	-	*6,160	-	-
Repairs.....	*869	-	-	*170	*1,216	-	*1,350	-	*1,559
Bad debts.....	-	-	-	*18	-	-	-	-	-
Rent paid on business property.....	*15,546	-	-	*7,547	*3,377	-	*1,531	-	-
Taxes paid.....	*1,709	-	-	*984	*1,298	-	*3,611	-	*1,863
Interest paid.....	*586	-	-	*1,944	*1,040	-	*906	-	*2,888
Contributions or gifts.....	-	-	-	*18	*8	-	-	-	-
Amortization.....	-	-	-	-	-	-	-	-	-
Depreciation.....	*1,384	-	-	*5,717	*2,230	-	*1,807	-	*1,111
Depletion.....	-	-	-	-	-	-	-	-	-
Advertising.....	-	-	-	*634	*2,048	-	*61	-	*293
Pension, profit-sharing, stock bonus, and annuity plans.....	-	-	-	-	-	-	-	-	-
Employee benefit programs.....	-	-	-	*1,121	-	-	*300	-	-
Net loss, noncapital assets.....	-	-	-	-	-	-	-	-	-
Total receipts less total deductions.....	*23,393	-	-	*18,505	*23,129	-	*36,425	-	*29,347
Net income.....	*688	-	-	*4,446	*2,786	-	*777	-	*5,897
Income subject to tax.....	*688	-	-	*4,446	*2,786	-	*777	-	*5,897
Income tax, total *.....	*103	-	-	*3,790	( <sup>1</sup> )	-	-	-	-
Regular tax.....	*103	-	-	*568	-	-	-	-	-
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."



# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120-A

**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.....	-	*741	*1,327	*280	-	-	-	*178
Total assets.....	-	*100,797	*79,997	*18,488	-	-	-	*22,318
Cash.....	-	*5,514	*11,909	*784	-	-	-	*3,715
Notes and accounts receivable.....	-	*60,947	*33,659	-	-	-	-	*2,989
Less: Allowance for bad debts.....	-	-	*705	-	-	-	-	-
Inventories.....	-	*8,738	-	*3,015	-	-	-	*6,968
Investments in Government obligations.....	-	-	-	*132	-	-	-	-
Tax-exempt securities.....	-	-	-	-	-	-	-	-
Other current assets.....	-	*4,601	-	*203	-	-	-	-
Loans to stockholders.....	-	*15,039	*14,148	*2,715	-	-	-	-
Mortgage and real estate loans.....	-	-	-	-	-	-	-	-
Depreciable, depletable, and intangible assets.....	-	*57,350	*65,840	*28,679	-	-	-	*34,580
Less: Accumulated depreciation, depletion, and amortization.....	-	*51,390	*44,889	*17,042	-	-	-	*28,828
Land.....	-	-	-	-	-	-	-	-
Other assets.....	-	-	*35	*1	-	-	-	*694
Total liabilities.....	-	*100,797	*79,997	*18,488	-	-	-	*22,318
Accounts payable.....	-	*16,496	-	-	-	-	-	*3,754
Other current liabilities.....	-	*2,558	*934	*1,384	-	-	-	-
Loans from stockholders.....	-	-	*37,920	*14,570	-	-	-	-
Mortgages, notes, and bonds payable in one year or more.....	-	*10,489	*7,788	*1,574	-	-	-	*8,010
Other liabilities.....	-	*958	*97	( <sup>1</sup> )	-	-	-	-
Capital stock.....	-	*6,489	*5,489	*1,399	-	-	-	*2,922
Paid-in or capital surplus.....	-	-	*40,235	-	-	-	-	-
Retained earnings, unappropriated.....	-	*63,807	*5,846	*440	-	-	-	*7,632
Less: Cost of treasury stock.....	-	-	*6,620	-	-	-	-	-
Total receipts.....	-	*192,552	*119,882	*112,432	-	-	-	*53,462
Business receipts.....	-	*192,285	*119,168	*112,432	-	-	-	*52,876
Interest.....	-	*42	*37	-	-	-	-	*15
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.....	-	*58	-	-	-	-	-	*522
Net gain, noncapital assets.....	-	*93	*677	-	-	-	-	-
Dividends received from domestic corporations.....	-	-	-	-	-	-	-	-
Other receipts.....	-	*73	( <sup>1</sup> )	-	-	-	-	*49
Total deductions.....	-	*183,429	*112,025	*105,555	-	-	-	*52,635
Cost of sales and operations.....	-	*94,806	*37,487	*37,832	-	-	-	*8,135
Compensation of officers.....	-	*34,115	*9,608	*25,370	-	-	-	*3,507
Repairs.....	-	*729	*244	*675	-	-	-	*1,315
Bad debts.....	-	*1,346	*1,333	-	-	-	-	-
Rent paid on business property.....	-	*9,405	*1,714	*3,476	-	-	-	*4,436
Taxes paid.....	-	*5,430	*1,887	*3,401	-	-	-	*2,021
Interest paid.....	-	*1,688	*871	*3,316	-	-	-	*695
Contributions or gifts.....	-	*202	-	*34	-	-	-	*14
Amortization.....	-	-	*22	-	-	-	-	-
Depreciation.....	-	*3,618	*4,548	*2,786	-	-	-	*2,898
Depletion.....	-	-	-	-	-	-	-	-
Advertising.....	-	*139	*1,472	*884	-	-	-	*25
Pension, profit-sharing, stock bonus, and annuity plans.....	-	-	-	-	-	-	-	-
Employee benefit programs.....	-	*3,690	*1,813	-	-	-	-	-
Net loss, noncapital assets.....	-	-	-	-	-	-	-	-
Other deductions.....	-	*28,261	*51,025	*27,781	-	-	-	*29,589
Total receipts less total deductions.....	-	*9,123	*7,857	*6,877	-	-	-	*826
Net income.....	-	*9,123	*7,857	*6,877	-	-	-	*826
Income subject to tax.....	-	*526	*4,525	*6,877	-	-	-	*826
Income tax, total <sup>2</sup> .....	-	*78	*659	*1,032	-	-	-	*124
Regular tax.....	-	*78	*387	*1,032	-	-	-	*124
Recapture of investment credit.....	-	-	-	-	-	-	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-
General business credit.....	-	-	-	-	-	-	-	-
Prior year minimum tax credit.....	-	-	-	-	-	-	-	*124

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

# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120-A

**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				
	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.....	5,262	4,419	-	*842	18,861	5,757	*981	*1,186	3,589
<b>Total assets.....</b>	<b>290,133</b>	<b>245,403</b>	-	<b>*44,730</b>	<b>983,626</b>	<b>268,459</b>	<b>*21,034</b>	<b>*60,193</b>	<b>187,232</b>
Cash.....	24,070	18,899	-	*5,371	240,619	64,544	*12,068	*4,163	48,313
Notes and accounts receivable.....	*59,140	*58,732	-	*408	79,237	63,195	*3,630	*18,964	*40,601
Less: Allowance for bad debts.....	*508	*508	-	-	*599	-	-	-	-
Inventories.....	*1,796	-	-	*1,796	358,976	92,155	*3,083	*33,506	*55,566
Investments in Government obligations.....	-	-	-	-	-	-	-	-	-
Tax-exempt securities.....	-	-	-	-	-	-	-	-	-
Other current assets.....	*8,564	*8,096	-	*468	31,432	*26,814	*1,839	*147	*24,828
Loans to stockholders.....	*27,863	*27,863	-	-	*21,626	*6,623	-	*717	*5,906
Mortgage and real estate loans.....	*7,866	*7,866	-	-	*17,778	-	-	-	-
Depreciable, depletable, and intangible assets.....	262,215	192,776	-	*69,439	565,245	94,618	*7,805	*34,642	*52,172
Less: Accumulated depreciation, depletion, and amortization.....	161,276	128,361	-	*32,916	380,525	80,202	*7,803	*31,983	*40,415
Land.....	*14,367	*14,367	-	-	*9,473	-	-	-	-
Other assets.....	*46,036	*45,874	-	*163	40,363	*711	*413	*37	*260
<b>Total liabilities.....</b>	<b>290,133</b>	<b>245,403</b>	-	<b>*44,730</b>	<b>983,626</b>	<b>268,459</b>	<b>*21,034</b>	<b>*60,193</b>	<b>187,232</b>
Accounts payable.....	*19,675	*19,675	-	-	124,051	71,410	*128	*34,699	*36,582
Other current liabilities.....	*5,820	*5,770	-	*149	51,818	*4,357	-	*10	*4,347
Loans from stockholders.....	*19,877	*19,877	-	-	518,302	*120,237	*5,466	*13,283	*101,489
Mortgages, notes, and bonds payable in one year or more.....	*30,675	*30,675	-	-	151,245	*13,085	*1,038	*843	*11,204
Other liabilities.....	*12,839	*12,839	-	( <sup>1</sup> )	18,940	( <sup>1</sup> )	-	-	( <sup>1</sup> )
Capital stock.....	89,614	85,787	-	*3,827	124,121	14,436	*193	*1,209	*13,034
Paid-in or capital surplus.....	39,661	*15,656	-	*24,005	50,414	*5,646	*2,865	*1,332	*1,449
Retained earnings, unappropriated.....	75,875	59,126	-	*16,749	74,233	39,287	*11,344	*8,817	19,126
Less: Cost of treasury stock.....	*4,003	*4,003	-	-	*129,499	-	-	-	-
<b>Total receipts.....</b>	<b>534,885</b>	<b>505,187</b>	-	<b>*29,698</b>	<b>2,654,933</b>	<b>730,203</b>	<b>*69,674</b>	<b>*231,283</b>	<b>429,246</b>
Business receipts.....	523,768	494,464	-	*29,304	2,614,236	725,689	*69,461	*231,283	424,945
Interest.....	*1,535	*1,141	-	*394	8,000	*2,733	*213	-	*2,520
Interest on Government obligations:									
State and local.....	-	-	-	-	-	-	-	-	-
Rents.....	*8,791	*8,791	-	-	*73	-	-	-	-
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.....	-	-	-	-	*1,307	*1,307	-	-	*1,307
Other receipts.....	*792	*792	-	( <sup>1</sup> )	31,316	*474	-	( <sup>1</sup> )	*473
<b>Total deductions.....</b>	<b>480,744</b>	<b>453,199</b>	-	<b>*27,545</b>	<b>2,540,330</b>	<b>692,078</b>	<b>*65,877</b>	<b>*223,540</b>	<b>402,660</b>
Cost of sales and operations.....	165,622	156,889	-	*8,732	1,423,434	425,261	*53,295	*160,039	211,927
Compensation of officers.....	*26,294	*25,488	-	*807	144,372	*53,225	*1,874	*15,495	*35,857
Repairs.....	31,249	31,249	-	-	33,756	*1,923	*617	*863	*443
Bad debts.....	*2,557	*2,418	-	*139	4,379	*825	*113	-	*712
Rent paid on business property.....	*34,574	*34,574	-	-	158,030	24,213	*1,096	*4,996	*18,120
Taxes paid.....	18,252	14,316	-	*3,937	73,474	13,286	*930	*3,934	8,423
Interest paid.....	*5,002	*4,971	-	*31	20,236	*1,412	-	*35	*1,377
Contributions or gifts.....	*1,591	*1,591	-	-	1,792	*338	*59	-	*278
Amortization.....	*626	*626	-	-	*828	*55	-	*19	*37
Depreciation.....	24,066	21,558	-	*2,510	48,866	12,375	*209	*2,901	*9,266
Depletion.....	-	-	-	-	*37	-	-	-	-
Advertising.....	*6,821	*6,821	-	-	28,039	3,472	*209	*1,014	*2,248
Pension, profit-sharing, stock bonus, and annuity plans.....	-	-	-	-	*3,314	-	-	-	-
Employee benefit programs.....	-	-	-	-	10,775	*333	-	-	*333
Net loss, noncapital assets.....	*144	*144	-	-	-	-	-	-	-
Other deductions.....	163,946	152,557	-	*11,390	588,999	155,358	*7,475	*34,243	113,639
Total receipts less total deductions.....	54,141	51,988	-	*2,153	114,602	38,126	*3,797	*7,744	26,585
Net income.....	54,141	51,988	-	*2,153	114,602	38,126	*3,797	*7,744	26,585
Income subject to tax.....	40,909	38,884	-	*2,025	61,551	20,410	*3,447	*3,045	*13,918
Income tax, total.....	6,497	6,194	-	*303	9,612	3,206	*517	*456	*2,233
Regular tax.....	6,431	6,128	-	*303	9,612	3,206	*517	*456	*2,233
Recapture of investment credit.....	-	-	-	-	-	-	-	-	-
Alternative minimum tax.....	*66	*66	-	-	-	-	-	-	-
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."

# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120-A

**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									
	Total	Building materials, garden supplies and mobile home dealers	General merchandise stores	Food stores	Retail trade 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.....	12,773	*805	*82	*962	*839	*1,823	-	3,930	4,332	*332
<b>Total assets.....</b>	<b>714,111</b>	<b>*24,859</b>	<b>*21,012</b>	<b>*59,847</b>	<b>*49,123</b>	<b>*124,909</b>	-	<b>191,838</b>	<b>242,524</b>	<b>*1,058</b>
Cash.....	176,075	*2,546	*1,822	*13,916	*14,641	*17,090	-	57,825	68,435	(1)
Notes and accounts receivable.....	15,457	*914	-	*1,304	-	*456	-	*3,927	*8,857	*585
Less: Allowance for bad debts.....	*599	-	-	-	-	*111	-	-	*488	-
Inventories.....	266,715	*10,038	*14,370	*8,860	*28,879	*81,997	-	19,711	104,861	*105
Investments in Government obligations.....	-	-	-	-	-	-	-	-	-	-
Tax-exempt securities.....	-	-	-	-	-	-	-	-	-	-
Other current assets.....	4,252	-	-	*399	-	*1,304	-	*1,072	*1,477	*365
Loans to stockholders.....	*15,002	-	-	-	*3,823	-	-	*9,603	*1,576	-
Mortgage and real estate loans.....	*17,778	-	-	-	*1,687	-	-	*15,851	*440	-
Depreciable, depletable, and intangible assets.....	470,627	*15,074	*6,135	*95,248	*94	*27,999	-	227,294	98,784	-
Less: Accumulated depreciation, depletion, and amortization.....	300,323	*5,778	*2,101	*70,108	-	*8,248	-	148,671	65,417	-
Land.....	*9,473	*2,052	*967	*5,902	-	-	-	-	*533	-
Other assets.....	39,652	*13	-	*6,327	-	*4,422	-	*5,422	*23,467	(1)
<b>Total liabilities.....</b>	<b>714,111</b>	<b>*24,859</b>	<b>*21,012</b>	<b>*59,847</b>	<b>*49,123</b>	<b>*124,909</b>	-	<b>191,838</b>	<b>242,524</b>	<b>*1,058</b>
Accounts payable.....	52,641	*371	-	*1,197	*7,136	*2,274	-	*10,872	30,790	-
Other current liabilities.....	46,405	*199	*69	*1,082	-	*17,876	-	*5,663	21,517	*1,058
Loans from stockholders.....	398,065	*6,046	*4,111	*30,915	*143,718	*79,483	-	*97,022	36,770	-
Mortgages, notes, and bonds payable in one year or more.....	138,159	*10,721	*6,687	*34,804	-	*33,408	-	*29,813	*22,727	-
Other liabilities.....	18,939	*56	-	-	*949	*415	-	*1,580	*15,939	-
Capital stock.....	109,685	*2,824	*411	*7,585	*27,837	*4,417	-	47,562	19,069	-
Paid-in or capital surplus.....	44,768	-	-	*4,596	*1,205	-	-	*18,186	*20,782	-
Retained earnings, unappropriated.....	34,046	*4,643	*9,735	*20,312	*6,870	*12,964	-	*18,862	79,376	-
Less: Cost of treasury stock.....	*128,499	-	-	-	*125,053	-	-	-	*4,446	-
<b>Total receipts.....</b>	<b>1,910,890</b>	<b>*63,658</b>	<b>*21,621</b>	<b>*127,695</b>	<b>*164,258</b>	<b>*214,939</b>	-	<b>694,783</b>	<b>623,736</b>	<b>*14,040</b>
Business receipts.....	1,874,507	*63,271	*21,621	*124,632	*163,523	*204,915	-	691,793	604,752	*14,040
Interest.....	5,267	*323	-	*300	*735	*226	-	*1,274	*2,408	-
Interest on Government obligations:	-	-	-	-	-	-	-	-	-	-
State and local.....	-	-	-	-	-	-	-	-	-	-
Rents.....	*73	-	-	-	-	-	-	-	-	-
Royalties.....	-	-	-	-	-	-	-	-	*73	-
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.....	-	-	-	-	-	-	-	-	-	-
Other receipts.....	30,842	*63	-	*2,763	-	*9,798	-	*1,717	*16,502	-
<b>Total deductions.....</b>	<b>1,834,489</b>	<b>*63,134</b>	<b>*21,046</b>	<b>*122,446</b>	<b>*158,511</b>	<b>*210,546</b>	-	<b>660,346</b>	<b>598,460</b>	<b>*13,764</b>
Cost of sales and operations.....	993,883	*49,272	*12,683	*63,968	*111,629	*130,254	-	279,084	346,983	*4,290
Compensation of officers.....	91,147	-	*1,496	*9,790	*5,813	*3,900	-	*40,072	*30,076	-
Repairs.....	31,331	*591	*66	*1,934	*826	*1,317	-	20,374	6,224	*502
Bad debts.....	*3,553	*66	-	*178	*2,278	*261	-	*57	*714	(1)
Rent paid on business property.....	133,186	*810	*99	*4,979	*2,767	*19,361	-	68,288	36,883	*631
Taxes paid.....	60,019	*1,105	*1,696	*6,456	*2,880	*5,686	-	21,467	20,729	*168
Interest paid.....	18,818	*41	*1,215	*580	*150	*2,803	-	*5,693	*8,335	*7
Contributions or gifts.....	1,454	-	-	*84	-	*310	-	*374	*686	-
Amortization.....	*773	-	-	-	-	*42	-	*37	*694	-
Depreciation.....	36,491	*118	*450	*2,537	*97	*2,396	-	22,660	8,232	-
Depletion.....	-	-	-	-	-	-	-	-	-	-
Advertising.....	24,567	*209	*202	*592	*1,109	*2,802	-	*7,919	11,934	*37
Pension, profit-sharing, stock bonus, and annuity plans.....	*3,314	-	-	-	-	-	-	-	*3,314	-
Employee benefit programs.....	9,146	-	-	-	*1,420	*456	-	*4,005	*3,264	*1,296
Net loss, noncapital assets.....	-	-	-	-	-	-	-	-	-	-
Other deductions.....	426,808	*10,922	*3,128	*31,348	*29,543	*41,158	-	190,316	120,392	*6,833
Total receipts less total deductions.....	76,201	*523	*575	*5,249	*5,747	*4,393	-	34,437	25,276	*276
Net income.....	76,201	*523	*575	*5,249	*5,747	*4,393	-	34,437	25,276	*276
Income subject to tax.....	40,865	-	-	*993	*4,247	*2,842	-	*13,156	19,628	*276
Income tax, total.....	6,365	-	-	*149	*637	*425	-	*1,764	3,390	*41
Regular tax.....	6,365	-	-	*149	*637	*425	-	*1,764	3,390	*41
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 1120-A

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.....	18,158	-	*345	*318	*539	*2,225	13,309	*1,423
Total assets.....	1,562,461	-	*69,284	*44,135	*23,437	*163,023	1,128,732	*133,851
Cash.....	514,901	-	*27,773	*5,587	*21,814	*54,410	371,283	*34,034
Notes and accounts receivable.....	136,274	-	*33,681	*4,421	-	*16,364	80,460	*1,348
Less: Allowance for bad debts.....	*1,426	-	-	-	-	*640	*786	-
Inventories.....	-	-	-	-	-	-	-	-
Investments in Government obligations.....	*21,448	-	-	-	-	-	*21,281	*187
Tax-exempt securities.....	-	-	-	-	-	-	-	-
Other current assets.....	71,249	-	*507	*12,728	*528	*10,331	34,665	*12,491
Loans to stockholders.....	61,164	-	-	*12,652	-	*10,864	*26,083	*11,568
Mortgage and real estate loans.....	98,313	-	*1,160	*3,969	-	*3,502	*51,249	*38,433
Depreciable, depletable, and intangible assets.....	821,866	-	-	-	*3,467	*99,481	710,809	*8,309
Less: Accumulated depreciation, depletion, and amortization.....	487,355	-	-	-	*2,373	*71,020	405,653	*8,309
Land.....	197,691	-	*6,116	-	-	*18,244	172,351	*979
Other assets.....	128,336	-	*46	*4,781	-	*21,487	67,191	*34,631
Total liabilities.....	1,562,461	-	*69,284	*44,135	*23,437	*163,023	1,128,732	*133,851
Accounts payable.....	58,619	-	*68	*3,341	-	*14,791	40,013	*407
Other current liabilities.....	21,882	-	-	-	*515	*2,691	18,100	*576
Loans from stockholders.....	133,495	-	-	-	-	-	130,594	*2,901
Mortgages, notes, and bonds payable in one year or more.....	347,994	-	*22,108	-	-	*37,382	267,806	*20,698
Other liabilities.....	72,964	-	*2,233	-	-	-	57,990	*12,741
Capital stock.....	181,618	-	*16,629	*1,746	*245	*4,768	132,641	*25,588
Paid-in or capital surplus.....	261,587	-	*16,756	*36,442	-	*4,138	152,285	*51,966
Retained earnings, unappropriated.....	577,099	-	*38,328	*2,606	*22,676	*111,281	365,214	*36,994
Less: Cost of treasury stock.....	92,798	-	*26,838	-	-	*12,028	*35,911	*18,021
Total receipts.....	1,289,570	-	*15,111	*38,940	*8,713	*252,404	964,107	*12,294
Business receipts.....	1,113,687	-	-	*37,575	*2,937	*232,251	834,999	*5,924
Interest.....	41,854	-	*2,127	*1,365	*713	*5,589	26,960	*5,100
Interest on Government obligations:	-	-	-	-	-	-	-	-
State and local.....	-	-	-	-	-	-	-	-
Rents.....	73,614	-	*9,838	-	-	*2,377	60,664	*735
Royalties.....	*2,891	-	*2,837	-	-	-	*54	-
Net short-term capital gain reduced by net long-term capital loss.....	*574	-	*309	-	-	*181	*85	-
Net long-term capital gain reduced by net short-term capital loss.....	*12,623	-	-	-	-	*1,304	*11,319	-
Net gain, noncapital assets.....	*15,808	-	-	-	-	*1,075	*14,389	*343
Dividends received from domestic corporations.....	*444	-	-	-	-	*248	*5	*192
Other receipts.....	26,075	-	-	-	*3,063	*9,379	15,633	-
Total deductions.....	1,142,442	-	*11,398	*37,545	*3,476	*212,942	869,963	*7,119
Cost of sales and operations.....	219,106	-	-	-	-	*18,605	200,501	-
Compensation of officers.....	161,404	-	-	-	-	*66,052	94,679	*672
Repairs.....	63,870	-	-	-	-	*3,623	60,247	-
Bad debts.....	*1,790	-	-	-	-	*1,078	*712	-
Rent paid on business property.....	30,176	-	*6,721	-	*459	*6,877	15,948	*171
Taxes paid.....	55,789	-	*268	*32	*136	*9,721	45,253	*379
Interest paid.....	35,047	-	*1,947	*49	-	*5,562	25,316	*2,173
Contributions or gifts.....	2,982	-	*5	-	-	*2,548	*405	*23
Amortization.....	*4,779	-	-	-	-	*4,718	*61	-
Depreciation.....	41,522	-	-	*1,215	*621	*6,943	32,492	*250
Depletion.....	*527	-	-	-	-	-	*2	*526
Advertising.....	11,837	-	*31	*408	-	*3,668	7,465	*265
Pension, profit-sharing, stock bonus, and annuity plans.....	*10,985	-	-	-	-	*3,561	*7,424	-
Employee benefit programs.....	*7,264	-	-	*148	-	*1,035	*6,080	-
Net loss, noncapital assets.....	-	-	-	-	-	-	-	-
Other deductions.....	495,364	-	*2,426	*35,692	*2,259	*78,950	373,378	*2,659
Total receipts less total deductions.....	147,128	-	*3,713	*1,396	*3,237	*39,462	94,144	*5,175
Net income.....	147,128	-	*3,713	*1,396	*3,237	*39,462	94,144	*5,175
Income subject to tax.....	106,815	-	*2,334	*695	*3,237	*30,114	66,799	*3,636
Income tax, total <sup>2</sup> .....	17,564	-	*350	*104	*485	*5,854	10,225	*545
Regular tax.....	17,521	-	*350	*104	*485	*5,854	10,182	*545
Recapture of investment credit.....	-	-	-	-	-	-	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-
General business credit.....	*47	-	-	-	-	*47	-	-
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."

# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120-A

**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							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	40,683	*953	3,058	11,662	6,073	3,224	15,713	*533
Total assets.....	1,554,336	*24,458	130,992	516,430	270,972	93,282	518,203	*27,283
Cash.....	494,750	*7,794	28,042	195,796	35,485	24,440	203,193	*8,215
Notes and accounts receivable.....	193,268	-	*1,174	80,404	53,248	-	58,444	-
Less: Allowance for bad debts.....	*15,498	-	-	-	*363	-	*15,135	-
Inventories.....	71,972	-	*1,042	*3,662	45,138	*12,325	*9,807	-
Investments in Government obligations.....	*525	-	-	-	-	-	*525	-
Tax-exempt securities.....	*92	-	-	-	-	-	*92	-
Other current assets.....	147,930	-	*1,477	40,587	*969	*676	104,222	-
Loans to stockholders.....	74,149	*124	-	25,913	*30,068	*3,566	*14,477	-
Mortgage and real estate loans.....	*66,345	*7,706	-	*24,798	-	-	*33,840	-
Depreciable, depletable, and intangible assets.....	986,817	*58,266	*144,646	314,627	165,077	*77,387	226,814	*3,474
Less: Accumulated depreciation, depletion, and amortization.....	623,136	*49,905	*73,791	205,993	93,572	*43,740	156,136	*2,779
Land.....	56,627	-	*1,075	*13,680	*20,265	*18,625	*2,982	*7,652
Other assets.....	100,495	*473	*27,327	22,955	*14,661	*1	35,077	*10,722
Total liabilities.....	1,554,336	*24,458	130,992	516,430	270,972	93,282	518,203	*27,283
Accounts payable.....	102,758	-	*4,123	52,727	19,040	*373	26,495	*23
Other current liabilities.....	113,163	*30,773	*3,894	13,593	23,885	*1,804	39,215	-
Loans from stockholders.....	171,209	*7,765	*34,663	27,750	*28,733	*9,747	62,550	-
Mortgages, notes, and bonds payable in one year or more.....	296,516	*4,487	*53,098	46,952	84,306	*48,826	58,847	-
Other liabilities.....	64,073	-	*45	15,595	*26,071	*312	22,050	-
Capital stock.....	169,605	*4,191	26,494	53,823	36,004	*33,508	15,584	*9,202
Paid-in or capital surplus.....	171,163	*485	*7,989	65,142	*14,906	*355	82,266	-
Retained earnings, unappropriated.....	486,485	*23,243	685	247,165	45,171	*1,624	218,330	*18,059
Less: Cost of treasury stock.....	20,634	-	-	*6,317	*7,146	*18	*7,153	-
Total receipts.....	3,783,627	*55,125	286,311	783,403	985,763	173,484	1,479,540	*1,095
Business receipts.....	3,626,059	*50,499	282,997	747,785	963,070	160,350	1,421,358	-
Interest.....	37,203	*1,265	*1,913	14,141	*1,739	*1,001	17,144	*118
Interest on Government obligations: State and local.....	-	-	-	-	-	-	-	-
Rents.....	41,271	*3,296	*9,351	*23,872	*3,191	*650	*911	-
Royalties.....	*4	-	-	-	-	-	*4	-
Net short-term capital gain reduced by net long-term capital loss.....	*43	-	-	-	-	-	*43	-
Net long-term capital gain reduced by net short-term capital loss.....	*12,170	*13	-	*2,282	*9,184	-	*691	*758
Net gain, noncapital assets.....	*2,270	-	*513	*115	*1,220	-	*421	-
Dividends received from domestic corporations.....	*5,276	-	-	*740	-	-	*4,537	*219
Other receipts.....	59,330	*52	*1,537	4,468	*7,359	*11,483	34,431	-
Total deductions.....	3,570,066	*54,145	283,024	739,055	945,437	162,907	1,385,499	*557
Cost of sales and operations.....	920,036	*6,781	45,145	141,544	448,922	*38,220	239,424	-
Compensation of officers.....	810,664	*2,533	*59,360	222,824	147,791	*17,695	360,461	-
Repairs.....	36,956	*2,603	*3,900	7,610	8,699	*7,606	6,539	-
Bad debts.....	6,156	-	*988	*183	*4,098	-	*887	-
Rent paid on business property.....	231,425	*24,158	*22,649	35,845	42,003	*23,991	82,779	-
Taxes paid.....	131,535	*1,832	12,508	27,355	29,913	4,327	55,599	*91
Interest paid.....	30,387	*258	*6,794	5,920	*9,658	*2,143	5,614	-
Contributions or gifts.....	2,513	-	*375	*637	*126	*520	855	-
Amortization.....	7,073	-	*933	*3,072	*1,677	*86	*1,305	-
Depreciation.....	122,226	*4,588	*15,276	41,705	25,594	*7,033	28,029	-
Depletion.....	-	-	-	-	-	-	-	-
Advertising.....	28,944	*997	*1,431	6,635	8,692	*6,638	4,551	-
Pension, profit-sharing, stock bonus, and annuity plans.....	*6,069	-	-	-	-	-	*6,069	-
Employee benefit programs.....	39,633	-	-	*14,706	*4,081	*1,115	19,731	-
Net loss, noncapital assets.....	*7,353	-	-	*789	*6,415	*149	-	-
Other deductions.....	1,189,098	*10,394	113,665	230,230	207,768	53,386	573,655	*466
Total receipts less total deductions.....	213,560	*980	13,287	54,348	40,326	10,577	94,042	*538
Net income.....	213,560	*980	13,287	54,348	40,326	10,577	94,042	*538
Income subject to tax.....	143,768	*484	11,859	43,715	25,520	*7,016	55,174	*18
Income tax, total <sup>2</sup> .....	24,104	*72	2,447	7,171	4,068	*1,052	9,294	*3
Regular tax.....	24,104	*72	2,447	7,171	4,068	*1,052	9,294	*3
Recapture of investment credit.....	-	-	-	-	-	-	-	-
Alternative minimum tax.....	-	-	-	-	-	-	-	-
General business credit.....	-	-	-	-	-	-	-	-
Prior year minimum tax credit.....	-	-	-	-	-	-	-	-

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

<sup>2</sup> Less than \$500 per return.

<sup>3</sup> 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."

# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

**Table 10--Income Statements and Selected Tax Items, by Industrial Division and Selected Major Industries**

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

Item	All Industries	Industrial Division							Major industry Miscellaneous wholesale trade
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Wholesale trade	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Number of returns, total.....</b>	<b>10,135</b>	<b>233</b>	<b>297</b>	<b>*38</b>	<b>261</b>	<b>147</b>	<b>512</b>	<b>373</b>	<b>312</b>
<b>Total receipts.....</b>	<b>109,597,070</b>	<b>84,285</b>	<b>405,221</b>	<b>*436,287</b>	<b>2,858,778</b>	<b>636,871</b>	<b>35,588,992</b>	<b>35,059,740</b>	<b>34,239,940</b>
Business receipts.....	50,957,011	77,300	381,046	*419,255	2,833,883	622,164	35,542,983	35,014,077	34,200,633
Interest.....	53,067,455	667	2,858	*4,508	12,390	*3,255	16,199	16,125	13,414
Interest on Government obligations:									
State and local.....	46,359	*662	-	-	-	-	-	-	-
Rents.....	544,699	*825	*293	*973	*1,404	*5,747	*1,405	*1,405	*36
Royalties.....	7,312	*16	*41	-	3,427	-	*244	*244	*244
Net short-term capital gain reduced by net long-term capital loss.....	140,658	-	*74	-	-	-	-	-	-
Net long-term capital gain reduced by net short-term capital loss.....	816,464	*923	*168	-	*1,520	11	*109	*109	*109
Net gain, noncapital assets.....	323,408	*1,300	*1,148	75	*25	109	*372	*372	*368
Dividends received from domestic corporations.....	99,711	-	1	-	56	-	*480	*480	*383
Dividends received from foreign corporations.....	80	-	-	-	( <sup>1</sup> )	-	-	-	-
Other receipts.....	3,593,913	2,592	19,594	11,476	6,072	5,585	27,200	26,928	24,752
<b>Total deductions.....</b>	<b>108,702,093</b>	<b>120,193</b>	<b>434,460</b>	<b>*457,112</b>	<b>2,949,284</b>	<b>755,423</b>	<b>35,613,597</b>	<b>35,074,922</b>	<b>34,282,025</b>
Cost of sales and operations.....	42,935,750	24,193	191,887	*406,405	2,544,574	325,794	35,151,624	34,698,220	34,004,593
Compensation of officers.....	319,521	*722	*10,438	*1,025	*4,671	*291	7,157	4,943	*3,981
Repairs.....	131,017	660	*2,104	*155	921	*9,398	2,018	658	419
Bad debts.....	2,524,638	*40	*1,639	*2,090	*4,152	*703	6,017	5,703	5,268
Rent paid on business property.....	933,679	*2,407	*9,080	*3,278	9,237	16,679	32,458	21,916	20,167
Taxes paid.....	939,769	2,475	11,337	*1,597	13,840	10,204	18,022	13,863	9,115
Interest paid.....	43,904,273	9,955	13,304	*2,034	53,165	23,813	47,958	44,966	40,999
Contributions or gifts.....	20,506	*3	13	-	81	( <sup>1</sup> )	*194	*14	*13
Amortization.....	94,208	*244	*5,097	2	*10,511	*480	139	*55	*38
Depreciation.....	807,858	39,550	31,157	*3,371	71,492	53,852	10,798	8,672	3,972
Depletion.....	14,137	*111	13,720	-	284	-	-	-	-
Advertising.....	166,673	*469	*2,524	*51	49,474	*878	18,096	14,988	14,448
Pension, profit-sharing, stock bonus, and annuity plans.....	73,938	-	*3,026	-	*1,787	852	*637	*586	*553
Employee benefit programs.....	254,527	*17	*7,026	*74	7,933	*4,401	5,873	5,090	3,167
Net loss, noncapital assets.....	1,030,904	*9,909	*64	1	*1,330	*643	*163	*99	*64
Other deductions.....	14,550,696	29,439	132,244	*37,029	175,834	307,435	312,442	255,150	175,228
Total receipts less total deductions.....	894,976	-35,908	-29,239	*-20,825	-90,506	-118,552	-24,604	-15,182	-42,085
Net income (less deficit), total.....	848,617	-36,571	-29,239	*-20,825	-90,506	-118,552	-24,604	-15,182	-42,085
Income subject to tax.....	2,318,138	*840	*5,785	*1,683	*11,429	*5,311	40,821	38,834	9,950
Income tax, total <sup>2</sup> .....	819,303	*172	2,352	*695	7,205	*2,191	15,318	14,716	4,139
Regular tax.....	754,627	*30	*1,962	*535	*3,705	*1,809	13,309	12,739	3,004
Recapture of investment credit.....	5	-	-	-	-	-	-	-	-
Personal holding company tax.....	39	-	-	-	38	-	-	-	-
Alternative minimum tax.....	31,749	-	*95	-	*3,075	161	194	194	194
Environmental tax.....	3,848	-	9	-	*35	*12	*22	*22	10
Branch tax.....	28,915	*142	*286	*160	350	209	*1,792	*1,761	*931
Foreign tax credit.....	*5,631	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-
General business credit.....	2,019	-	-	-	3	-	*91	*91	*91
Prior year minimum tax credit.....	1,291	-	-	-	-	-	*271	*271	*271
Total income tax after credits.....	810,363	*172	2,352	*695	7,202	*2,191	14,956	14,354	3,777
Tax from Section I <sup>3</sup> .....	20,804	*134	( <sup>1</sup> )	434	*1,275	53	*4,500	*4,484	-
Tax from Section II <sup>4</sup> .....	774,578	*30	*2,066	*535	6,814	*1,982	13,164	12,594	2,846
U.S. income tax paid or withheld at source on non-effectively connected income.....	22,555	*23	*104	*453	*3,748	-	*4,484	*4,484	-
U.S. income tax paid or withheld at source on effectively connected income.....	46,641	*28	*11	2,065	*475	-	*185	*185	-

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

# Corporation Returns/1991

## RETURNS OF ACTIVE CORPORATIONS, FORM 1120F

**Table 10—Income Statements and Selected Tax Items, by Industrial Division and Selected Major Industries—Continued**

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

Item	Industrial Division—Continued								Nature of business not allocable
	Retail trade	Wholesale and retail trade not allocable	Finance, insurance, and real estate	Banking	Insurance	Real estate	Holding and other investment companies, except bank holding companies	Services	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns, total.....	117	*22	7,940	310	193	6,181	1,092	613	94
Total receipts.....	217,354	*311,898	69,011,197	56,357,123	10,213,485	2,155,018	149,391	572,402	3,037
Business receipts.....	217,057	*311,848	10,594,346	3,131,749	6,371,785	976,087	*14,043	485,934	*100
Interest.....	*62	*13	53,002,854	50,599,793	2,288,022	68,565	28,158	24,518	*205
Interest on Government obligations:									
State and local.....	-	-	45,697	40,452	*2,568	2,585	*92	( <sup>1</sup> )	-
Rents.....	-	-	523,911	65,588	*113,688	339,620	4,368	9,147	*994
Royalties.....	-	-	3,399	-	( <sup>1</sup> )	*3,180	139	185	-
Net short-term capital gain reduced by net long-term capital loss.....	-	-	140,483	20,109	101,176	*11,331	*7,867	*101	-
Net long-term capital gain reduced by net short-term capital loss.....	-	-	783,486	27,608	232,826	495,632	27,312	*28,544	*1,703
Net gain, noncapital assets.....	-	-	319,559	230,264	2	86,876	*992	*805	*15
Dividends received from domestic corporations.....	-	-	99,154	3,581	64,604	*191	*30,758	-	*20
Dividends received from foreign corporations.....	-	-	79	69	10	-	-	-	-
Other receipts.....	*235	*38	3,498,227	2,237,909	1,038,803	170,951	35,662	23,167	( <sup>1</sup> )
Total deductions.....	221,715	*316,960	67,610,355	54,865,091	9,587,540	2,470,977	497,054	759,335	2,335
Cost of sales and operations.....	146,523	*306,882	4,093,987	-	3,826,422	238,261	*1,133	197,427	*59
Compensation of officers.....	*1,345	*869	257,153	245,298	2,922	2,391	316	38,064	-
Repairs.....	*1,277	*83	103,842	45,051	-	57,109	613	11,724	*196
Bad debts.....	*52	*263	2,509,787	2,462,553	17,443	18,695	*9,821	*211	-
Rent paid on business property.....	10,153	*389	846,783	635,145	*32,805	174,278	*1,239	13,757	-
Taxes paid.....	4,006	*154	852,740	495,232	116,788	228,780	8,911	29,158	*398
Interest paid.....	*1,485	*1,507	43,672,679	43,047,509	*2,570	529,861	82,010	81,262	*103
Contributions or gifts.....	*180	-	20,192	10,181	152	7,451	*364	*17	*6
Amortization.....	*82	*2	75,886	37,010	1,181	35,330	*2,322	1,849	-
Depreciation.....	*2,100	*26	534,238	233,138	36,489	258,659	3,141	63,363	*37
Depletion.....	-	-	*22	-	-	*13	*1	-	-
Advertising.....	*3,053	*55	82,356	68,690	3,544	10,095	4	12,819	*5
Pension, profit-sharing, stock bonus, and annuity plans.....	51	-	66,806	36,424	29,117	*119	37	*830	-
Employee benefit programs.....	*630	*153	216,330	204,825	4,920	2,963	*257	12,874	-
Net loss, noncapital assets.....	*64	-	1,018,092	947,421	8,563	*11,272	*50,764	*703	-
Other deductions.....	50,715	*6,578	13,259,465	6,396,613	5,504,625	895,700	336,119	295,278	1,529
Total receipts less total deductions.....	-4,361	*-5,062	1,400,843	1,492,032	625,945	-315,959	-347,663	-186,933	702
Net income (less deficit), total.....	-4,361	*-5,062	1,355,146	1,451,580	623,377	-318,543	-347,755	-186,933	702
Income subject to tax.....	*1,988	-	2,223,706	2,015,411	108,328	66,351	26,589	26,927	*1,635
Income tax, total <sup>2</sup> .....	*602	-	782,233	715,786	23,580	26,612	13,781	8,779	*359
Regular tax.....	*570	-	724,400	685,207	11,457	17,299	8,060	8,518	*359
Recapture of investment credit.....	-	-	5	5	-	-	-	-	-
Personal holding company tax.....	-	-	1	1	-	-	-	-	-
Alternative minimum tax.....	-	-	28,105	8,430	11,450	3,153	*5,073	*118	-
Environmental tax.....	-	-	3,769	2,940	674	*110	37	( <sup>1</sup> )	-
Branch tax.....	*32	-	25,833	19,203	-	5,929	611	*143	-
Foreign tax credit.....	-	-	*5,631	5,628	-	-	*3	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	1,925	1,840	-	*84	( <sup>1</sup> )	-	-
Prior year minimum tax credit.....	-	-	1,020	936	*85	-	-	-	-
Total income tax after credits.....	*602	-	773,657	707,382	23,496	26,528	13,778	8,779	*359
Tax from Section I <sup>3</sup> .....	16	-	13,743	7,886	*3,137	1,736	982	*601	*63
Tax from Section II <sup>4</sup> .....	*570	-	740,993	704,302	*541	20,599	13,166	8,637	*359
U.S. income tax paid or withheld at source on non-effectively connected income.....	-	-	13,168	1,819	*4,116	6,431	784	*546	*29
U.S. income tax paid or withheld at source on effectively connected income.....	-	-	31,832	6,895	-	11,790	12,994	11,270	*775

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

<sup>2</sup> Less than \$500 per return.

<sup>3</sup> Also includes branch tax, adjustments to income tax, and adjustments to total tax which are not shown separately.

<sup>4</sup> 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.

<sup>5</sup> 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."

# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120F

**Table 11--Income Statements and Selected Tax Items, by Industrial Division and Selected Major Industries**

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

Item	All Industries	Industrial Division							Major industry
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade	Wholesale trade	Miscellaneous wholesale trade
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns, total.....	3,428	*29	71	*7	91	*16	131	109	85
<b>Total receipts.....</b>	<b>59,515,477</b>	<b>*3,083</b>	<b>269,712</b>	<b>*48,039</b>	<b>2,349,474</b>	<b>*105,330</b>	<b>4,977,087</b>	<b>4,952,144</b>	<b>4,182,018</b>
Business receipts.....	16,316,044	*1,566	251,578	*48,039	2,331,267	*104,866	4,943,041	4,918,200	4,154,299
Interest.....	39,104,156	*16	*1,236	-	*8,837	441	9,229	9,195	*6,570
Interest on Government obligations:									
State and local.....	24,854	*662	-	-	-	-	-	-	-
Rents.....	231,763	*36	*291	-	135	12	*1,325	*1,325	-
Royalties.....	4,473	-	-	-	3,427	-	-	-	-
Net short-term capital gain reduced by net long-term capital loss.....	129,441	-	*33	-	-	-	-	-	-
Net long-term capital gain reduced by net short-term capital loss.....	703,365	*803	*107	-	*1,520	11	*109	*109	*109
Net gain, noncapital assets.....	238,057	-	*348	-	1	-	*372	*372	*368
Dividends received from domestic corporations.....	97,532	-	1	-	56	-	*480	*480	*383
Dividends received from foreign corporations.....	70	-	-	-	(1)	-	-	-	-
Other receipts.....	2,665,723	-	*16,119	-	*4,230	-	22,531	22,463	*20,289
<b>Total deductions.....</b>	<b>55,797,741</b>	<b>*1,225</b>	<b>257,053</b>	<b>*46,271</b>	<b>2,318,686</b>	<b>*91,965</b>	<b>4,917,926</b>	<b>4,894,970</b>	<b>4,153,824</b>
Cost of sales and operations.....	10,384,795	*523	112,968	*38,389	*2,081,820	*56,507	4,708,283	4,693,640	4,032,537
Compensation of officers.....	128,382	-	*10,177	*411	*3,070	-	*2,190	*2,190	*1,935
Repairs.....	38,873	*20	*2,104	-	*430	2	*479	*269	*195
Bad debts.....	1,599,169	-	*1,639	*820	380	-	*1,296	*1,284	*1,284
Rent paid on business property.....	493,312	*6	*9,080	*276	*3,572	-	8,292	6,328	4,973
Taxes paid.....	576,679	*79	9,232	*144	*9,149	*1,017	9,385	8,214	4,996
Interest paid.....	31,122,616	*372	*1,857	*233	*46,807	*4,419	16,746	16,746	*14,006
Contributions or gifts.....	11,014	-	13	-	81	-	*194	*14	*13
Amortization.....	38,910	-	848	-	*9,976	*117	-	-	-
Depreciation.....	311,789	*75	*13,188	-	*57,857	*9,788	3,570	3,510	*1,785
Depletion.....	*347	-	*52	-	284	-	-	-	-
Advertising.....	102,808	-	*2,524	-	*19,648	-	12,033	11,708	*11,220
Pension, profit-sharing, stock bonus, and annuity plans.....	53,335	-	*3,026	-	*1,633	-	*345	*345	*345
Employee benefit programs.....	140,468	-	*7,026	-	*3,333	-	*2,220	*1,870	*951
Net loss, noncapital assets.....	476,536	-	36	-	*261	-	*13	*13	*13
Other deductions.....	10,318,709	*150	83,284	*5,997	80,384	*20,115	152,880	148,839	79,571
Total receipts less total deductions.....	3,717,736	*1,858	12,659	*1,769	30,788	*13,365	59,161	57,173	28,193
Net income (less deficit), total.....	3,692,882	*1,195	12,659	*1,769	30,788	*13,365	59,161	57,173	28,193
Income subject to tax.....	2,318,176	*840	*5,785	*1,683	*11,429	*5,311	40,821	38,834	9,950
Income tax, total <sup>2</sup> .....	811,673	*163	*2,316	*570	7,205	*2,191	15,078	14,476	3,899
Regular tax.....	754,627	*30	*1,962	*535	*3,705	*1,809	13,309	12,739	3,004
Recapture of investment credit.....	-	-	-	-	-	-	-	-	-
Personal holding company tax.....	39	-	-	-	38	-	-	-	-
Alternative minimum tax.....	31,560	-	*95	-	*3,075	161	194	194	194
Environmental tax.....	3,848	-	9	-	*35	*12	*22	*22	10
Branch tax.....	21,478	*133	*251	*35	350	209	*1,552	*1,520	*690
Foreign tax credit.....	*5,631	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-
General business credit.....	2,019	-	-	-	3	-	*91	*91	*91
Prior year minimum tax credit.....	1,291	-	-	-	-	-	*271	*271	*271
Total income tax after credits.....	802,733	*163	*2,316	*570	7,202	*2,191	14,716	14,114	3,536
Tax from Section I <sup>3</sup> .....	16,685	-	(1)	-	-	-	*4,339	*4,339	-
Tax from Section II <sup>4</sup> .....	758,261	*30	*2,066	*535	6,814	*1,982	13,164	12,594	2,846
U.S. income tax paid or withheld at source on non-effectively connected income.....	12,662	-	88	-	*72	-	*4,339	*4,339	-
U.S. income tax paid or withheld at source on effectively connected income.....	29,981	-	*11	-	*222	-	*185	*185	-

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



# Corporation Returns/1991

## RETURNS WITH NET INCOME, FORM 1120F

**Table 11—Income Statements and Selected Tax Items, by Industrial Division and Selected Major Industries—Continued**

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

Item	Industrial Division—Continued								
	Retail trade	Wholesale and retail trade not allocable	Finance, insurance, and real estate	Major industry				Services	Nature of business not allocable
				Banking	Insurance	Real estate	Holding and other investment companies, except bank holding companies		
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns, total.....	*22	-	2,804	141	126	2,098	417	235	*43
Total receipts.....	*24,943	-	51,575,660	41,070,287	9,584,961	807,660	98,051	185,269	*1,823
Business receipts.....	*24,842	-	8,511,712	2,441,385	5,897,111	173,011	*34	123,874	*100
Interest.....	*34	-	39,061,839	36,876,877	2,143,514	22,453	9,192	22,558	-
Interest on Government obligations:									
State and local.....	-	-	24,192	19,822	*2,556	1,813	*1	-	-
Rents.....	-	-	229,538	19,301	*113,607	93,823	*2,808	*427	-
Royalties.....	-	-	861	-	( <sup>1</sup> )	*799	*61	185	-
Net short-term capital gain reduced by net long-term capital loss.....	-	-	129,407	20,032	*100,048	*1,461	*7,867	-	-
Net long-term capital gain reduced by net short-term capital loss.....	-	-	678,375	22,664	229,312	399,388	27,012	*20,737	*1,703
Net gain, noncapital assets.....	-	-	236,551	152,315	2	83,241	*992	*785	-
Dividends received from domestic corporations.....	-	-	96,975	3,579	62,516	*164	*30,716	-	*20
Dividends received from foreign corporations.....	-	-	70	69	1	-	-	-	-
Other receipts.....	*67	-	2,606,140	1,514,244	1,036,293	31,506	19,370	16,703	-
Total deductions.....	*22,955	-	48,014,363	38,495,553	8,893,930	580,974	36,233	150,064	*188
Cost of sales and operations.....	*14,644	-	3,332,146	-	3,305,633	26,479	*35	54,099	*59
Compensation of officers.....	-	-	110,608	106,803	2,100	*1,389	316	*1,925	-
Repairs.....	*210	-	35,658	23,742	-	11,857	*59	180	-
Bad debts.....	*12	-	1,595,034	1,588,837	3,279	*2,918	-	-	-
Rent paid on business property.....	*1,964	-	468,223	433,667	*32,317	1,053	*1,186	*3,864	-
Taxes paid.....	*1,171	-	542,356	380,751	116,623	41,491	3,490	5,218	*99
Interest paid.....	-	-	31,032,337	30,909,182	*1,076	98,272	17,078	19,846	-
Contributions or gifts.....	*180	-	10,716	9,917	152	283	*364	*9	-
Amortization.....	-	-	27,244	19,769	1,149	4,516	*1,810	*725	-
Depreciation.....	*60	-	224,752	129,294	36,406	58,120	*933	2,558	-
Depletion.....	-	-	*11	-	-	*10	*1	-	-
Advertising.....	*326	-	67,060	62,921	3,492	647	-	*1,537	*5
Pension, profit-sharing, stock bonus, and annuity plans.....	-	-	47,501	18,227	29,117	*119	37	*830	-
Employee benefit programs.....	*350	-	127,225	122,300	4,707	*68	150	*663	-
Net loss, noncapital assets.....	-	-	476,205	467,510	8,563	*54	*78	22	-
Other deductions.....	*4,041	-	9,917,266	4,222,631	5,349,316	333,698	10,697	58,588	*25
Total receipts less total deductions.....	*1,988	-	3,561,297	2,574,734	691,031	226,685	61,818	35,205	*1,635
Net income (less deficit), total.....	*1,988	-	3,537,105	2,554,912	688,474	224,872	61,818	35,205	*1,635
Income subject to tax.....	*1,988	-	2,223,744	2,015,411	108,328	66,388	26,589	26,927	*1,635
Income tax, total <sup>2</sup> .....	*602	-	775,038	712,571	23,580	22,974	13,529	8,754	*359
Regular tax.....	*570	-	724,400	685,207	11,457	17,299	8,060	8,518	*359
Recapture of investment credit.....	-	-	-	-	-	-	-	-	-
Personal holding company tax.....	-	-	1	1	-	-	-	-	-
Alternative minimum tax.....	-	-	27,917	8,430	11,450	*2,964	*5,073	*118	-
Environmental tax.....	-	-	3,769	2,940	674	*110	37	( <sup>1</sup> )	-
Branch tax.....	*32	-	18,831	15,993	-	2,479	*359	*117	-
Foreign tax credit.....	-	-	*5,631	5,628	-	-	*3	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-
General business credit.....	-	-	1,925	1,840	-	*84	( <sup>1</sup> )	-	-
Prior year minimum tax credit.....	-	-	1,020	936	*85	-	-	-	-
Total income tax after credits.....	*602	-	766,463	704,167	23,496	22,890	13,526	8,754	*359
Tax from Section I <sup>3</sup> .....	-	-	11,849	7,790	*3,137	*489	433	*468	*29
Tax from Section II <sup>4</sup> .....	*570	-	724,676	688,173	*541	20,411	13,166	8,637	*359
U.S. income tax paid or withheld at source on non-effectively connected income.....	-	-	7,676	1,752	*4,116	1,538	*270	*457	*29
U.S. income tax paid or withheld at source on effectively connected income.....	-	-	17,606	1,482	-	7,239	8,885	11,183	*775

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

<sup>2</sup> Less than \$500 per return.

<sup>3</sup> Also includes branch tax, adjustments to income tax, and adjustments to total tax which are not shown separately.

<sup>4</sup> 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.

<sup>5</sup> 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."

# Corporation Returns/1991

## 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				Nonmetallic minerals, except fuels
			Total	Metal mining	Coal mining	Oil and gas extraction	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	2,098,841	71,292	23,073	454	2,215	17,593	2,810
Total assets.....	16,678,062,336	46,298,672	201,589,324	26,251,597	23,202,455	137,902,072	14,233,199
Cash.....	689,291,571	3,207,786	5,780,068	679,548	433,853	4,048,680	617,989
Notes and accounts receivable.....	3,957,758,246	3,925,497	19,031,967	2,550,841	3,512,682	11,356,764	1,611,679
Less: Allowance for bad debts.....	112,043,605	51,182	221,924	9,705	18,835	162,352	31,033
Inventories.....	737,814,990	5,564,687	5,768,056	1,167,423	909,262	2,776,201	915,170
Investments in Government obligations.....	880,330,595	189,982	1,120,060	12,014	*128,652	909,752	*69,642
Tax-exempt securities.....	277,967,184	33,557	199,857	*8,800	*89,043	87,160	*13,854
Other current assets.....	1,040,418,220	1,643,589	6,332,042	763,741	1,125,869	3,676,975	765,457
Loans to stockholders.....	69,910,232	1,228,378	859,243	*37,796	35,555	737,383	48,509
Mortgage and real estate loans.....	1,500,741,765	416,992	138,469	*1,120	*43	128,310	*8,995
Other investments.....	3,688,891,448	4,139,071	80,030,940	8,965,143	7,024,143	60,601,978	3,439,675
Depreciable assets.....	4,123,900,523	32,429,041	90,823,343	11,268,791	10,252,742	59,890,840	9,410,970
Less: Accumulated depreciation.....	1,788,217,449	19,934,950	45,022,308	4,730,054	5,447,285	29,812,498	5,032,471
Depletable assets.....	138,032,469	740,179	40,773,158	3,691,995	3,400,380	32,519,058	1,161,725
Less: Accumulated depletion.....	59,606,133	139,003	18,592,128	731,501	1,631,032	16,077,268	152,326
Land.....	170,329,086	10,171,176	3,005,198	301,244	346,387	1,627,045	730,522
Intangible assets (amortizable).....	466,674,545	318,260	5,709,763	1,100,578	766,991	3,422,982	419,213
Less: Accumulated amortization.....	101,121,923	96,211	2,164,192	286,221	235,664	1,571,999	70,309
Other assets.....	997,190,575	2,511,822	8,017,712	1,459,047	2,509,668	3,743,059	305,938
Total liabilities.....	16,678,062,336	46,298,672	201,589,324	26,251,597	23,202,455	137,902,072	14,233,199
Accounts payable.....	1,553,871,383	2,613,105	12,601,345	1,432,216	2,194,204	8,091,870	883,056
Mortgages, notes, and bonds payable in less than one year.....	1,378,521,382	6,790,078	10,180,308	1,922,976	826,932	5,734,676	1,695,724
Other current liabilities.....	4,774,907,209	2,421,211	8,981,231	981,586	1,115,756	6,068,723	815,166
Loans from stockholders.....	218,550,367	2,823,336	5,498,621	1,015,936	2,198,880	2,043,839	240,166
Mortgages, notes, and bonds payable in one year or more.....	2,491,262,761	11,347,863	47,602,675	5,951,582	2,950,112	35,903,380	2,797,601
Other liabilities.....	2,679,778,476	2,403,909	14,454,086	1,961,472	2,271,939	9,285,351	935,324
Capital stock.....	623,273,244	5,745,464	8,690,524	1,116,015	974,792	5,728,825	870,892
Paid-in or capital surplus.....	1,804,147,773	4,709,076	100,917,114	10,876,281	10,058,109	77,396,798	2,585,925
Retained earnings, appropriated.....	63,238,699	169,874	258,545	86,960	*20,055	98,892	*52,637
Retained earnings, unappropriated.....	1,281,767,557	8,362,120	-3,267,130	1,046,149	935,938	-9,149,689	3,900,472
Less: Cost of treasury stock.....	191,256,513	1,087,363	4,327,996	139,577	344,264	3,300,391	543,764
Total receipts.....	9,656,969,832	58,150,053	92,542,958	9,510,277	17,329,781	56,072,780	9,630,120
Business receipts.....	8,310,147,728	54,204,775	80,437,295	8,549,111	16,184,104	46,708,619	8,995,461
Interest.....	823,327,787	530,115	3,260,135	257,202	379,485	2,362,867	260,581
Interest on Government obligations:							
State and local.....	20,503,944	18,025	24,872	*2,881	4,243	16,297	1,452
Rents.....	99,717,404	527,861	350,203	19,070	63,104	205,999	62,030
Royalties.....	34,822,123	62,472	399,178	31,253	90,849	257,385	19,692
Net short-term capital gain reduced by net long-term capital loss.....	7,089,007	20,296	74,930	10,246	*8,061	53,522	3,102
Net long-term capital gain reduced by net short-term capital loss.....	41,010,197	452,601	2,144,868	218,590	69,382	1,778,173	78,723
Net gain, noncapital assets.....	28,759,916	248,104	1,371,276	4,167	41,014	1,292,976	33,118
Dividends received from domestic corporations.....	13,114,605	73,865	271,147	55,240	17,411	188,239	10,257
Dividends received from foreign corporations.....	28,760,176	84,390	272,814	39,418	10,658	221,942	*797
Other receipts.....	249,716,946	1,927,550	3,936,239	323,100	461,470	2,986,761	164,908
Total deductions.....	9,420,196,970	57,268,493	89,201,934	9,285,291	17,452,570	53,041,395	9,422,678
Cost of sales and operations.....	5,539,177,554	35,307,290	51,182,903	5,428,392	12,290,078	27,965,191	5,501,243
Compensation of officers.....	136,251,112	1,616,018	1,166,144	63,478	100,207	828,224	174,234
Repairs.....	85,049,767	1,093,059	724,215	77,292	146,656	283,026	217,241
Bad debts.....	95,133,991	117,521	287,210	10,661	55,401	196,848	24,300
Rent paid on business property.....	157,458,034	1,572,187	1,141,573	35,186	195,891	785,538	124,958
Taxes paid.....	221,695,445	1,362,692	2,808,875	262,840	712,927	1,565,929	267,179
Interest paid.....	709,516,918	1,804,363	5,947,169	639,349	527,392	4,329,021	451,407
Contributions or gifts.....	4,762,763	28,811	28,499	1,888	2,702	15,785	8,143
Amortization.....	32,710,097	47,947	545,072	153,018	91,025	270,297	30,733
Depreciation.....	303,899,979	2,273,934	5,101,511	723,183	566,177	3,130,310	681,860
Depletion.....	8,194,589	41,507	2,744,309	613,657	438,723	1,504,308	187,622
Advertising.....	111,979,142	207,102	101,583	4,016	13,939	63,998	19,832
Pension, profit-sharing, stock bonus, and annuity plans.....	41,283,703	112,430	419,377	18,570	38,409	302,036	60,363
Employee benefit programs.....	120,666,576	421,569	1,266,343	113,347	382,689	622,967	147,340
Net loss, noncapital assets.....	18,245,653	84,881	349,455	81,433	45,778	234,177	8,066
Other deductions.....	1,834,173,649	11,177,183	15,387,896	1,081,020	1,844,575	10,943,744	1,518,357
Total receipts less total deductions.....	236,772,862	881,560	3,341,024	224,986	-122,789	3,031,384	207,442
Constructive taxable income from related foreign corporations.....	31,844,399	*34,814	282,156	16,826	7,077	258,253	-
Net income (less deficit), total.....	248,113,318	898,149	3,598,307	238,811	-119,954	3,273,340	205,990
Income subject to tax.....	349,793,727	1,828,255	4,495,050	703,290	292,815	3,187,606	311,340
Income tax, total *.....	120,989,114	502,951	1,814,041	271,529	108,723	1,302,585	131,204
Regular tax.....	116,202,510	481,890	1,504,876	239,026	97,444	1,066,414	101,991
Personal holding company tax.....	14,784	*692	*283	-	-	*283	-
Recapture of investment credit.....	72,081	*4	3,346	-	5	*3,334	7
Alternative minimum tax.....	5,320,433	19,836	298,531	31,101	11,385	226,173	29,873
Environmental tax.....	479,288	787	8,844	1,401	489	6,241	513
Foreign tax credit.....	21,096,940	30,951	639,076	90,658	279	541,950	*8,188
U.S. possessions tax credit.....	3,472,330	2,167	-	-	-	-	-
Orphan drug credit.....	18,475	-	-	-	-	-	-
Nonconventional source fuel credit.....	244,732	-	51,054	-	7	49,887	*1,160
General business credit.....	2,205,458	11,298	38,800	5,712	928	31,142	*1,018
Prior year minimum tax credit.....	1,518,063	2,276	44,356	8,843	*2,575	34,445	*493
Total income tax after credits.....	92,435,116	456,259	1,040,755	168,315	104,935	645,160	122,345

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

# Corporation Returns/1991

## 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	239,917	96,604	13,871	129,441	184,705	9,738	66	2,844	9,932
Total assets	172,658,632	82,049,979	40,729,280	48,979,373	3,888,281,010	309,128,553	220,838,622	37,322,682	32,787,041
Cash	17,680,342	7,522,366	3,864,081	6,293,895	94,427,581	7,515,678	547,273	774,685	1,036,548
Notes and accounts receivable	47,177,566	18,694,045	9,795,439	18,688,082	775,246,133	72,127,392	40,352,064	8,199,908	6,169,714
Less: Allowance for bad debts	434,318	122,012	156,793	155,512	18,755,312	769,588	218,171	184,364	208,425
Inventories	18,150,837	12,194,539	1,550,597	4,405,700	341,336,773	28,366,632	8,601,722	6,507,040	7,793,924
Investments in Government obligations	2,058,392	1,584,756	365,974	107,663	26,387,733	2,074,754	172,731	619,787	106,920
Tax-exempt securities	838,904	74,489	677,561	86,854	19,852,690	489,325	388,679	281,441	9,469
Other current assets	16,234,818	9,158,045	2,954,829	4,121,944	209,412,286	13,078,244	2,460,088	778,807	1,357,171
Loans to stockholders	3,299,662	1,208,835	837,440	1,253,387	17,499,549	1,308,833	70,946	294,868	91,116
Mortgage and real estate loans	7,008,177	6,735,217	49,355	223,805	30,823,770	222,999	374,868	7,569	22,090
Other investments	20,785,888	10,148,820	8,800,908	2,036,159	982,581,697	70,359,120	100,039,500	4,406,083	8,093,988
Depreciable assets	70,781,721	18,954,784	24,802,787	27,024,151	1,848,797,455	114,193,384	19,358,300	22,341,137	8,077,602
Less: Accumulated depreciation	43,173,480	9,903,041	15,768,671	17,501,768	818,164,765	49,051,040	7,002,171	11,084,962	3,852,484
Depletable assets	397,779	143,798	205,955	48,026	82,148,672	57,976	797	2,818	24,576
Less: Accumulated depletion	131,862	45,785	57,161	29,916	34,774,078	6,181	594	12,135	12,135
Land	4,875,216	3,020,553	974,689	879,975	44,824,114	4,940,860	717,751	287,615	190,344
Intangible assets (amortizable)	1,417,009	537,048	190,352	689,609	271,447,212	30,834,744	39,371,284	1,592,492	2,447,625
Less: Accumulated amortization	370,752	141,120	55,000	174,631	59,286,031	3,071,054	2,337,276	194,161	452,665
Other assets	6,062,732	3,184,641	1,896,939	981,152	274,475,532	16,356,473	17,940,237	2,714,515	1,891,663
Total liabilities	172,658,632	82,049,979	40,729,280	48,979,373	3,888,281,010	309,128,553	220,838,622	37,322,682	32,787,041
Accounts payable	33,033,091	17,145,834	5,526,812	10,360,445	398,208,290	61,203,416	25,503,938	3,999,253	3,680,124
Mortgages, notes, and bonds payable in less than one year	18,852,665	11,423,440	2,508,219	4,921,006	351,093,210	23,229,671	6,738,812	4,862,573	3,202,696
Other current liabilities	21,986,524	11,083,434	4,233,880	6,869,209	377,632,453	21,739,585	10,155,498	3,452,615	3,129,757
Loans from stockholders	6,089,902	3,546,656	495,403	2,047,843	69,410,717	4,655,561	14,834,905	278,680	454,420
Mortgages, notes, and bonds payable in one year or more	33,268,975	20,915,335	6,226,586	6,127,054	802,262,513	70,602,192	42,038,076	11,498,572	8,351,587
Other liabilities	10,343,208	4,713,780	3,800,818	1,828,610	468,216,474	21,344,080	15,696,385	2,185,168	2,617,673
Capital stock	7,348,137	3,172,983	1,991,566	2,183,588	175,921,328	13,484,840	5,659,896	2,150,654	2,290,303
Paid-in or capital surplus	14,214,326	4,810,154	6,731,490	2,672,682	727,707,532	47,740,321	86,287,266	4,935,342	5,588,584
Retained earnings, appropriated	389,070	202,526	40,160	146,384	8,609,832	620,479	144,596	10,250	228,906
Retained earnings, unappropriated	30,067,583	8,838,750	10,043,638	13,185,195	617,908,776	58,390,512	15,300,121	4,484,243	3,967,319
Less: Cost of treasury stock	2,934,849	902,915	869,291	1,162,643	108,690,115	13,882,104	1,520,871	534,667	722,325
Total receipts	349,589,268	150,699,881	63,469,363	135,420,024	3,357,922,082	349,438,856	77,022,899	46,636,528	46,201,726
Business receipts	338,858,549	145,427,962	59,823,619	133,606,968	3,112,185,045	334,159,336	68,947,237	45,450,672	44,510,464
Interest	3,306,480	2,002,106	837,278	467,096	80,195,056	4,155,837	5,375,486	445,293	480,609
Interest on Government obligations:									
State and local	71,293	27,617	25,883	17,793	1,665,462	42,612	7,497	10,474	21,411
Rents	1,263,718	761,948	310,058	191,713	36,812,596	1,304,386	673,402	90,210	51,439
Royalties	72,656	27,907	31,605	13,143	26,970,038	2,312,002	570,879	74,287	396,004
Net short-term capital gain reduced by net long-term capital loss	47,402	16,213	27,188	4,001	943,057	28,034	3,379	*889	
Net long-term capital gain reduced by net short-term capital loss	1,173,147	365,350	686,389	121,409	11,241,214	876,957	60,276	61,425	43,710
Net gain, noncapital assets	739,131	187,845	360,429	190,857	8,798,635	580,350	14,649	49,942	32,437
Dividends received from domestic corporations	96,675	23,594	59,736	13,345	3,867,717	548,712	58,423	13,188	7,894
Dividends received from foreign corporations	189,495	55,871	128,213	*5,410	24,526,343	1,871,758	748,522	65,366	254,580
Other receipts	3,770,723	1,803,469	1,178,965	788,290	50,716,918	3,558,872	566,528	372,291	402,290
Total deductions	347,450,036	150,853,094	61,620,981	134,975,962	3,258,976,891	335,466,779	70,603,433	46,013,468	44,992,082
Cost of sales and operations	284,202,765	122,604,320	46,743,267	94,855,178	2,146,736,000	225,780,646	34,188,440	34,317,113	31,809,804
Compensation of officers	12,214,550	4,102,467	1,122,444	6,989,639	26,748,341	2,158,654	267,379	423,671	898,191
Repairs	1,564,798	401,546	452,982	710,269	30,691,912	2,748,106	167,007	193,221	144,446
Bad debts	897,170	339,232	106,457	451,481	13,406,925	392,699	84,574	126,963	168,418
Rent paid on business property	3,611,116	1,092,152	778,239	1,740,726	34,589,521	3,098,435	454,961	377,507	713,598
Taxes paid	7,442,208	2,166,961	1,065,991	4,209,257	81,038,045	8,127,120	4,204,465	998,144	995,040
Interest paid	5,396,099	2,951,505	1,157,942	1,286,851	141,529,573	10,475,328	9,035,105	1,998,013	1,627,235
Contributions or gifts	109,046	39,500	31,923	37,623	2,222,720	321,617	*91,957	25,207	35,625
Amortization	184,132	65,449	29,508	69,175	12,938,015	1,240,613	909,792	94,666	128,399
Depreciation	5,834,168	1,428,129	1,789,187	2,616,852	114,519,332	8,077,807	2,253,415	1,500,063	651,243
Depletion	40,029	7,772	27,031	5,225	4,227,658	14,042	33	306	*200
Advertising	1,005,459	379,333	69,940	556,187	57,292,184	15,722,908	5,364,828	373,957	856,911
Pension, profit-sharing, stock bonus, and annuity plans	1,510,241	367,623	315,233	827,385	17,988,354	1,342,982	427,307	215,310	125,912
Employee benefit programs	2,989,169	936,505	456,325	1,596,340	55,188,303	4,407,290	1,036,440	673,921	474,348
Net loss, noncapital assets	228,418	103,244	36,393	88,781	2,719,014	167,344	5,251	23,592	45,092
Other deductions	40,240,668	13,867,356	7,438,120	18,935,191	517,140,895	51,391,190	12,112,478	4,671,614	6,317,617
Total receipts less total deductions	2,139,232	-153,214	1,848,383	444,063	98,945,191	13,972,077	6,419,467	623,060	1,209,644
Constructive taxable income from related foreign corporations	332,094	49,640	271,932	*10,523	24,269,883	1,822,762	1,179,625	18,815	237,626
Net income (less deficit), total	2,400,033	-131,190	2,094,432	436,792	121,549,613	15,752,226	7,591,594	631,401	1,425,859
Income subject to tax	8,632,037	2,002,015	2,340,074	2,289,949	152,587,121	16,672,720	7,320,812	1,353,676	2,325,016
Income tax, total	1,997,402	590,062	798,708	608,632	53,863,488	5,841,583	2,512,507	468,257	785,999
Regular tax	1,900,417	560,017	770,412	569,987	51,756,866	5,646,051	2,489,076	446,339	780,891
Personal holding company tax	*58	*58			526				
Recapture of investment credit	296	*49	213	*34	15,838	737	277	*11	(1)
Alternative minimum tax	83,339	25,370	22,313	35,656	1,893,784	172,715	12,754	20,278	2,684
Environmental tax	3,499	644	2,515	339	203,609	22,192	*10,399	1,765	2,427
Foreign tax credit	181,412	29,727	146,956	*4,728	16,905,943	1,268,473	479,919	15,820	180,514
U.S. possessions tax credit	2,295		2,260	35	3,351,884	501,344	18,353	2,217	42,124
Orphan drug credit					17,991				
Nonconventional source fuel credit	*464	*165	*289	*10	151,675	*78			
General business credit	44,279	4,519	33,005	6,755	892,873	64,618	*23,625	8,260	4,895
Prior year minimum tax credit	57,807	23,720	15,464	18,823	466,196	38,108		9,718	3,172
Total income tax after credits	1,711,145	531,931	600,733	578,481	32,076,925	3,968,963	1,990,610	432,242	555,295

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

# Corporation Returns/1991

## 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.....	11,179	7,163	2,117	28,542	8,060	1,325	6,572	1,130	5,452
Total assets.....	58,582,004	19,325,433	134,856,267	188,337,577	510,803,793	606,089,111	48,607,353	14,945,882	81,346,796
Cash.....	1,758,570	1,064,411	1,434,051	5,331,835	13,171,621	3,935,954	1,375,430	272,141	1,718,961
Notes and accounts receivable.....	5,083,438	3,925,988	15,316,599	24,821,955	85,731,745	75,017,743	8,868,331	3,918,791	8,391,435
Less: Allowance for bad debts.....	133,801	149,781	365,223	2,392,454	1,707,278	658,859	311,335	49,981	387,172
Inventories.....	5,870,760	3,576,233	11,118,425	9,864,423	40,542,483	22,011,340	7,247,314	2,376,465	6,148,228
Investments in Government obligations.....	*123,420	*26,402	514,998	706,001	1,117,844	279,622	*31,841	*41,838	79,303
Tax-exempt securities.....	*13,769	*1,017	*133,563	365,764	2,378,881	422,278	*2,548	12,509	55,077
Other current assets.....	2,873,449	842,210	6,838,774	9,547,657	21,020,611	24,340,600	1,203,884	451,724	2,074,006
Loans to stockholders.....	125,758	135,955	220,696	1,114,092	3,528,477	3,580,748	221,140	*13,832	234,915
Mortgage and real estate loans.....	1,300,247	*13,980	1,869,684	106,454	3,990,494	67,439	53,028	574	59,746
Other investments.....	6,636,089	2,922,648	22,200,871	63,982,143	150,577,142	249,057,484	8,168,037	527,282	25,270,437
Depreciable assets.....	38,774,463	9,260,980	91,681,710	63,657,224	213,045,984	312,549,696	32,217,796	4,380,506	39,327,938
Less: Accumulated depreciation.....	19,413,370	4,872,153	38,214,214	31,212,726	101,364,970	161,965,653	14,625,812	2,431,179	19,580,152
Depletable assets.....	5,766,887	*1,488	3,732,852	*133,973	8,398,780	53,730,952	*42,062	-	3,716,866
Less: Accumulated depletion.....	233,037	635	673,624	*78,910	4,585,364	27,801,898	*17,276	-	262,283
Land.....	921,731	227,169	1,564,671	2,110,133	5,682,308	7,839,134	505,884	4,990,246	2,196,388
Intangible assets (amortizable).....	866,630	1,779,986	4,819,814	30,700,111	31,057,671	44,639,163	2,500,113	321,254	4,330,805
Less: Accumulated amortization.....	82,614	180,514	540,490	5,987,983	7,659,617	23,850,677	568,727	120,591	614,989
Other assets.....	8,329,616	750,049	13,203,112	15,567,886	45,876,978	22,894,044	1,693,095	240,472	8,584,290
Total liabilities.....	58,582,004	19,325,433	134,856,267	188,337,577	510,803,793	606,089,111	48,607,353	14,945,882	81,346,796
Accounts payable.....	5,686,282	2,318,731	16,444,144	11,672,789	48,068,544	4,996,099	802,584	4,510,457	5,607,389
Mortgages, notes, and bonds payable in less than one year.....	3,394,271	2,114,873	9,160,817	11,314,730	32,433,895	21,472,602	4,750,532	361,090	5,607,389
Other current liabilities.....	3,590,872	1,812,804	11,151,800	18,318,673	52,571,300	32,893,240	4,232,259	1,694,110	4,770,110
Loans from stockholders.....	425,482	206,836	1,540,489	3,262,795	7,759,673	7,749,611	893,376	*50,820	12,370,059
Mortgages, notes, and bonds payable in one year or more.....	17,837,403	6,053,328	36,989,934	52,997,192	100,796,463	96,729,236	11,842,863	4,271,850	18,257,197
Other liabilities.....	4,296,881	863,031	11,529,561	19,204,963	53,840,356	80,595,223	4,827,345	5,204,742	8,394,281
Capital stock.....	2,973,306	869,459	6,173,267	10,300,440	25,177,592	17,242,514	2,450,073	876,726	4,016,567
Paid-in or capital surplus.....	8,789,665	2,585,695	16,934,078	42,611,362	111,532,369	158,990,689	9,807,451	784,816	20,296,064
Retained earnings, appropriated.....	64,376	*30,192	74,507	112,467	988,137	1,049,327	36,640	8,232	835,591
Retained earnings, unappropriated.....	12,185,465	2,765,391	27,027,876	23,432,400	96,306,153	149,712,862	5,282,213	1,101,480	4,308,601
Less: Cost of treasury stock.....	661,998	294,908	2,170,206	4,890,235	18,670,689	25,026,846	511,498	190,568	2,019,519
Total receipts.....	61,921,806	28,629,630	113,348,251	147,217,195	390,510,675	502,335,508	62,463,067	16,016,276	54,511,912
Business receipts.....	58,557,347	27,841,022	108,500,135	137,540,701	358,385,141	474,207,458	59,900,978	15,349,975	50,496,730
Interest.....	834,863	97,954	1,133,429	3,208,934	8,341,265	9,333,300	668,163	318,886	2,328,117
Interest on Government obligations:									
State and local.....	16,555	8,531	14,510	55,805	137,240	41,842	4,838	2,399	6,806
Rents.....	91,161	34,105	211,275	645,573	1,166,598	2,510,213	145,627	35,228	137,289
Royalties.....	68,071	44,396	693,296	1,968,504	4,607,468	1,437,054	264,166	38,248	281,010
Net short-term capital gain reduced by net long-term capital loss.....	5,211	*385	56,404	63,732	79,158	21,034	19,406	*7,514	5,418
Net long-term capital gain reduced by net short-term capital loss.....	913,189	21,518	772,670	368,178	3,795,266	512,361	125,617	48,083	172,647
Net gain, noncapital assets.....	368,071	24,135	244,365	308,085	764,359	1,561,707	90,983	8,378	148,532
Dividends received from domestic corporations.....	25,801	6,553	112,986	171,275	688,682	881,089	12,502	4,943	67,495
Dividends received from foreign corporations.....	73,945	36,513	545,340	375,011	4,482,513	3,499,438	461,021	*22,801	229,313
Other receipts.....	969,590	514,519	1,063,842	2,513,397	8,062,986	8,330,012	769,767	183,821	640,556
Total deductions.....	61,092,885	28,286,309	111,077,872	142,066,272	365,267,330	484,052,768	61,467,793	15,580,904	54,828,037
Cost of sales and operations.....	44,136,598	19,501,868	73,851,687	67,093,431	214,287,968	371,052,265	41,449,287	10,320,735	33,750,307
Compensation of officers.....	724,650	508,554	667,984	3,121,467	2,407,264	899,175	499,539	51,574	1,063,473
Repairs.....	1,312,797	99,044	2,140,528	861,308	4,826,606	6,235,691	189,678	70,938	232,245
Bad debts.....	215,941	163,395	756,628	1,407,398	1,705,098	460,814	766,768	300,161	652,927
Rent paid on business property.....	613,846	428,827	1,070,347	2,529,234	4,073,633	4,004,193	1,225,429	683,742	1,372,324
Taxes paid.....	1,448,869	713,925	2,288,202	3,940,486	7,494,402	17,904,655	1,225,429	618,207	4,545,403
Interest paid.....	2,221,801	748,346	4,452,465	7,896,033	15,224,136	15,925,223	2,174,159	618,207	17,543
Contributions or gifts.....	20,398	17,591	57,037	165,914	487,704	193,087	28,122	10,731	153,644
Amortization.....	68,541	60,734	206,339	3,032,249	1,564,092	1,158,294	181,311	18,386	2,199,487
Depreciation.....	2,292,400	608,618	6,527,527	5,431,177	13,970,726	11,484,309	2,282,542	268,125	137,203
Depletion.....	421,447	*750	238,947	1,216	551,289	2,186,190	*2,151	112,198	331,206
Advertising.....	268,403	466,190	1,547,896	3,788,859	11,155,998	1,077,757	717,282	310,498	354,394
Pension, profit-sharing, stock bonus, and annuity plans.....	381,612	133,478	663,954	1,014,527	2,216,880	1,523,709	433,321	47,665	1,204,254
Employee benefit programs.....	758,075	470,256	1,870,122	2,744,874	6,340,138	2,724,657	1,376,275	187,322	46,105
Net loss, noncapital assets.....	31,481	38,632	108,998	143,842	240,527	585,952	64,289	9,724	8,098,914
Other deductions.....	6,175,029	4,326,104	14,629,311	38,894,256	78,720,870	46,924,322	9,178,467	2,378,871	-314,125
Total receipts less total deductions.....	828,921	343,321	2,270,279	5,150,923	25,243,345	18,282,741	995,274	435,372	254,411
Constructive taxable income from related foreign corporations.....	*48,239	17,737	625,811	159,073	5,333,954	4,508,595	250,923	*4,573	-86,519
Net income (less deficit), total.....	860,605	352,528	2,881,580	5,254,191	30,440,059	22,749,494	1,241,359	437,545	1,525,945
Income subject to tax.....	1,600,456	823,571	4,687,608	6,563,247	32,122,677	22,605,091	2,339,163	483,340	530,849
Income tax, total.....	561,763	277,183	1,843,631	2,267,997	11,182,975	7,827,594	833,830	166,365	506,229
Regular tax.....	525,391	273,833	1,590,535	2,188,289	10,904,884	7,682,720	783,874	161,283	506,229
Personal holding company tax.....	-	-	39	-	-	-	-	-	-
Recapture of investment credit.....	*6,243	46	251	491	865	1,153	321	( <sup>1</sup> )	21
Alternative minimum tax.....	27,931	2,948	245,206	71,339	237,548	232,984	47,327	2,889	23,012
Environmental tax.....	2,119	913	8,065	8,876	42,021	31,282	2,625	1,895	121,471
Foreign tax credit.....	28,087	4,344	402,183	201,780	3,421,831	4,806,497	252,584	3,330	8,076
U.S. possessions tax credit.....	-	-	4,223	5,781	1,981,797	1,848	11,343	17,336	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	69
Nonconventional source fuel credit.....	*5,510	-	419	*4	*26,947	118,521	22	15,663	11,246
General business credit.....	3,591	3,142	28,849	21,556	212,284	61,532	8,190	*1,812	1,930
Prior year minimum tax credit.....	9,783	*444	7,250	11,311	91,117	112,747	6,778	-	388,057
Total income tax after credits.....	514,793	269,232	1,400,706	2,027,565	5,431,288	2,826,449	554,912	128,224	388,057

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

# Corporation Returns/1991

## 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.....	2,871	30,115	19,837	15,246	1,412	2,420	5,599	13,085
Total assets.....	126,738,851	124,462,176	285,602,337	398,923,212	388,859,731	123,338,243	101,708,870	75,676,375
Cash.....	3,956,924	4,235,393	8,608,869	14,722,710	7,897,076	6,667,200	5,238,721	3,163,531
Notes and accounts receivable.....	17,640,072	26,735,162	67,584,595	95,685,794	151,751,611	21,626,932	23,947,301	12,349,563
Less: Allowance for bad debts.....	488,213	603,840	1,890,945	4,915,949	1,791,355	418,265	438,407	671,907
Inventories.....	17,403,303	18,161,729	36,189,985	38,720,464	17,769,227	30,941,287	13,793,895	8,331,893
Investments in Government obligations.....	382,324	523,322	5,514,546	7,268,313	4,951,712	*45,302	315,303	1,491,452
Tax-exempt securities.....	*30,129	773,536	4,018,988	7,090,611	*2,365,991	*6,872	319,793	712,452
Other current assets.....	4,400,256	7,412,175	16,785,565	61,020,017	18,309,785	6,432,573	4,619,669	3,567,022
Loans to stockholders.....	882,909	453,613	2,105,326	559,798	1,356,590	657,408	162,356	360,174
Mortgage and real estate loans.....	*391,258	343,656	119,738	1,360,381	20,089,382	*59,650	103,468	267,063
Other investments.....	22,510,040	22,440,766	47,296,184	65,184,684	68,315,094	13,561,433	15,004,638	18,028,035
Depreciable assets.....	86,501,485	57,043,038	124,721,343	147,616,813	133,052,441	62,569,466	45,333,167	23,092,984
Less: Accumulated depreciation.....	41,374,392	30,533,484	68,220,555	79,098,498	68,843,268	32,115,306	22,422,558	11,085,818
Depletable assets.....	2,731,752	114,767	3,329,619	59,333	632	201,432	*8,235	92,875
Less: Accumulated depletion.....	959,764	77,772	*15,878	11,339	455	31,218	*1,533	*4,081
Land.....	1,369,517	1,496,435	2,576,998	2,466,510	1,568,343	1,496,108	1,076,212	599,756
Intangible assets (amortizable).....	5,838,843	7,330,910	17,630,792	18,167,776	8,704,960	4,165,479	7,359,335	6,884,425
Less: Accumulated amortization.....	738,123	833,675	3,468,893	3,534,078	1,223,763	512,255	1,948,446	1,365,437
Other assets.....	6,260,633	9,446,544	22,716,061	26,559,874	26,385,732	7,984,145	9,237,722	9,842,391
Total liabilities.....	126,738,851	124,462,176	285,602,337	398,923,212	388,859,731	123,338,243	101,708,870	75,676,375
Accounts payable.....	12,216,249	11,146,165	27,830,380	40,915,111	32,320,043	13,109,176	11,351,597	5,752,556
Mortgages, notes, and bonds payable in less than one year.....	5,890,565	13,168,100	27,884,359	75,641,754	81,996,084	4,850,214	6,811,464	6,226,718
Other current liabilities.....	13,668,269	9,573,956	40,342,984	42,020,951	44,560,572	33,589,195	12,423,963	11,939,939
Loans from stockholders.....	2,399,190	1,776,591	2,173,233	2,246,398	1,509,206	589,453	2,376,623	1,857,317
Mortgages, notes, and bonds payable in one year or more.....	27,443,306	27,911,179	58,580,472	57,745,282	91,292,439	22,570,220	19,447,223	19,006,499
Other liabilities.....	25,959,693	13,670,797	26,688,885	78,374,225	58,705,193	8,536,434	8,201,260	7,480,298
Capital stock.....	7,222,604	6,945,335	23,070,337	15,948,099	10,179,527	7,614,849	6,786,766	4,488,374
Paid-in or capital surplus.....	29,506,708	20,156,043	40,189,368	44,094,689	34,088,156	10,123,353	20,268,079	12,417,434
Retained earnings, appropriated.....	644,106	257,271	629,040	770,982	613,544	98,413	1,115,047	279,732
Retained earnings, unappropriated.....	3,906,716	24,223,825	46,300,124	51,307,360	35,118,079	26,132,209	18,735,755	7,922,073
Less: Cost of treasury stock.....	2,118,454	4,387,068	8,066,844	10,141,640	1,521,111	3,675,074	5,808,908	1,694,565
Total receipts.....	128,263,899	143,005,055	274,845,148	300,075,105	273,177,491	173,124,547	103,004,869	65,171,636
Business receipts.....	123,788,665	136,795,264	235,389,474	273,027,197	239,510,506	164,298,715	94,552,751	60,975,278
Interest.....	1,743,329	2,392,523	6,502,614	8,358,186	20,285,845	1,382,505	1,655,811	1,154,106
Interest on Government obligations:								
State and local.....	10,214	47,600	306,963	521,983	236,158	20,222	68,572	81,231
Rents.....	548,937	638,883	11,219,527	6,795,141	7,541,712	1,562,328	1,093,778	315,786
Royalties.....	322,984	400,051	9,338,403	2,008,464	237,561	309,226	1,166,317	433,645
Net short-term capital gain reduced by net long-term capital loss.....	10,189	15,436	147,345	91,042	*84,602	69,881	29,220	204,781
Net long-term capital gain reduced by net short-term capital loss.....	191,570	235,592	722,391	742,928	578,160	433,932	182,755	383,989
Net gain, noncapital assets.....	161,726	298,883	398,301	1,337,435	1,526,922	633,497	58,551	191,345
Dividends received from domestic corporations.....	119,368	111,596	237,814	224,520	118,784	114,870	46,028	295,096
Dividends received from foreign corporations.....	383,597	458,664	5,790,140	1,756,775	389,891	1,068,231	1,774,798	240,124
Other receipts.....	1,983,320	1,610,583	4,790,077	5,211,435	2,667,352	3,233,140	2,376,288	896,255
Total deductions.....	130,780,910	140,019,376	269,705,321	292,483,074	279,437,349	164,585,033	97,923,128	63,246,668
Cost of sales and operations.....	99,389,927	97,162,443	153,255,145	178,738,574	195,409,492	127,436,368	54,947,402	38,856,504
Compensation of officers.....	743,850	3,360,910	2,947,371	2,888,473	434,412	466,449	1,251,930	1,107,471
Repairs.....	2,416,894	697,299	1,670,514	1,811,251	1,972,865	1,083,441	372,959	323,349
Bad debts.....	681,123	583,272	1,069,469	2,203,579	2,113,036	196,529	274,506	310,624
Rent paid on business property.....	1,128,798	1,336,318	3,937,914	3,617,172	2,303,282	1,296,908	1,089,486	795,207
Taxes paid.....	2,349,564	3,367,282	6,369,639	6,346,630	5,021,856	2,782,191	2,071,620	1,331,459
Interest paid.....	3,577,588	4,568,395	10,513,531	17,088,752	19,575,352	3,208,064	3,222,347	2,834,091
Contributions or gifts.....	26,394	64,101	206,957	138,279	12,866	117,573	138,913	45,103
Amortization.....	264,514	358,295	1,038,061	975,101	434,735	277,100	433,868	339,279
Depreciation.....	4,796,654	4,015,682	9,534,624	14,972,973	15,744,730	3,260,777	2,856,191	1,790,260
Depletion.....	498,685	5,187	*2,223	23,926	2,121	*	8	*3,821
Advertising.....	224,680	1,156,516	2,794,682	3,286,925	2,946,017	356,355	2,802,395	1,741,922
Pension, profit-sharing, stock bonus, and annuity plans.....	1,263,869	836,373	1,527,445	2,082,859	1,369,163	1,029,215	750,892	247,487
Employee benefit programs.....	2,779,715	2,793,992	7,327,551	6,243,997	5,200,925	3,490,152	1,954,564	1,129,435
Net loss, noncapital assets.....	67,816	95,842	369,579	331,174	25,142	54,283	173,922	90,428
Other deductions.....	10,570,838	19,617,468	67,117,126	51,755,112	26,871,354	19,505,701	25,582,126	12,302,228
Total receipts less total deductions.....	-1,517,011	2,985,678	5,139,827	7,592,032	-6,259,858	8,539,514	5,081,742	1,922,968
Constructive taxable income from related foreign corporations.....	304,417	647,172	3,631,410	1,588,968	875,596	907,197	1,652,640	200,340
Net income (less deficit), total.....	-1,222,808	3,585,250	8,462,275	8,659,017	-5,620,420	9,426,489	6,665,809	2,042,077
Income subject to tax.....	1,918,187	5,304,155	12,434,781	12,504,704	692,031	9,347,478	7,271,328	2,691,135
Income tax, total.....	726,899	1,776,051	4,480,675	4,464,622	277,684	3,247,946	2,723,066	966,032
Regular tax.....	647,784	1,731,535	4,240,874	4,228,602	242,512	3,173,639	2,614,287	898,237
Personal holding company tax.....				487				
Recapture of investment credit.....	138	151	2,533	924	851	507	*308	*10
Alternative minimum tax.....	76,040	39,427	222,131	212,945	30,430	49,792	98,656	64,725
Environmental tax.....	3,142	5,372	16,225	17,048	1,012	12,382	9,801	3,498
Foreign tax credit.....	189,004	391,128	2,719,218	948,128	55,044	322,012	980,962	113,614
U.S. possessions tax credit.....		3,759	14,582	320,265	9,648	547	371,394	37,248
Orphan drug credit.....							280	
Nonconventional source fuel credit.....			104		(1)			(1)
General business credit.....	8,163	50,774	74,702	165,274	9,322	19,267	80,972	16,949
Prior year minimum tax credit.....	6,155	24,109	31,550	10,140	2,474	71,254	20,198	6,146
Total income tax after credits.....	523,577	1,306,281	1,840,519	3,020,815	201,195	2,834,866	1,269,260	792,076

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

# Corporation Returns/1991

## 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				
	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.....	94,971	77,374	8,774	8,823	598,743	212,868	15,620	36,206	161,042
Total assets.....	1,538,811,726	272,972,213	537,969,285	727,870,228	1,246,741,202	579,094,660	43,767,290	60,308,037	475,019,333
Cash.....	24,629,432	8,884,310	8,743,143	7,001,979	58,150,911	27,269,168	1,943,327	3,602,275	21,723,565
Notes and accounts receivable.....	155,365,058	35,220,343	76,091,589	44,053,126	279,030,887	169,321,427	11,775,866	17,078,030	140,467,531
Less: Allowance for bad debts.....	4,762,785	926,420	2,690,455	1,145,910	6,139,692	3,486,900	282,586	425,470	2,778,844
Inventories.....	29,118,888	4,463,016	5,919,010	18,736,861	298,744,479	140,798,200	10,195,558	18,166,757	112,435,785
Investments in Government obligations.....	8,180,776	2,800,938	1,576,117	3,803,721	18,584,029	16,827,170	40,740	97,012	16,689,417
Tax-exempt securities.....	1,779,399	360,171	952,738	466,851	17,916,020	810,073	43,341	136,200	630,533
Other current assets.....	50,703,374	10,763,425	18,085,741	21,854,207	76,633,006	44,272,731	1,601,037	3,159,253	39,512,442
Loans to stockholders.....	2,749,252	1,082,634	581,488	1,085,130	10,282,230	3,669,703	654,342	610,316	2,405,044
Mortgage and real estate loans.....	3,205,051	584,162	212,034	2,408,855	12,573,834	2,050,638	188,364	103,610	1,758,663
Other investments.....	230,271,773	25,579,452	133,117,585	71,574,735	142,839,291	61,864,822	3,615,594	6,545,314	51,703,914
Depreciable assets.....	1,321,758,059	241,031,768	373,989,015	706,737,276	393,342,739	138,593,717	16,662,971	15,541,869	106,388,877
Less: Accumulated depreciation.....	469,268,229	95,193,409	148,058,139	226,016,681	174,814,146	65,589,918	8,158,104	8,041,425	49,390,388
Depletable assets.....	9,978,202	587,748	19,936	9,370,517	1,947,510	1,535,249	934	147,082	1,387,233
Less: Accumulated depletion.....	4,669,242	176,492	7,003	4,485,747	760,474	609,477	157	65,616	543,704
Land.....	12,929,947	4,512,512	3,242,086	5,175,349	30,922,875	8,781,874	830,104	903,016	7,028,754
Intangible assets (amortizable).....	59,452,181	8,038,330	41,388,168	10,025,682	45,295,313	21,669,948	2,919,891	1,295,006	17,455,051
Less: Accumulated amortization.....	10,053,995	1,076,475	5,990,731	2,986,788	8,978,917	3,857,943	495,140	308,868	3,053,905
Other assets.....	117,444,584	26,436,198	30,797,321	60,211,065	51,171,307	15,194,179	2,231,105	1,763,678	11,199,395
Total liabilities.....	1,538,811,726	272,972,213	537,969,285	727,870,228	1,246,741,202	579,094,660	43,767,290	60,308,037	475,019,333
Accounts payable.....	84,112,010	26,378,517	25,031,598	32,701,895	208,169,927	112,752,195	9,541,568	12,517,953	90,692,674
Mortgages, notes, and bonds payable in less than one year.....	78,612,196	19,522,147	31,276,773	27,813,277	197,625,882	123,181,723	3,586,124	10,888,915	108,706,683
Other current liabilities.....	129,688,518	32,925,808	46,789,896	49,972,814	157,675,135	68,110,363	4,745,304	4,800,575	58,564,484
Loans from stockholders.....	7,807,328	3,456,163	1,285,242	3,065,924	35,366,716	17,101,144	749,488	1,548,662	14,802,994
Mortgages, notes, and bonds payable in one year or more.....	494,787,200	82,515,073	154,809,523	257,462,605	246,676,162	91,741,210	9,462,603	10,111,721	72,166,886
Other liabilities.....	219,443,367	47,650,838	65,565,737	106,226,791	93,223,275	23,965,946	2,303,960	2,723,071	18,938,915
Capital stock.....	172,933,594	15,830,236	51,815,274	105,288,084	72,993,248	42,476,015	2,271,292	4,737,725	35,466,998
Paid-in or capital surplus.....	226,088,600	34,669,330	119,619,526	71,799,744	126,969,164	49,804,945	4,118,053	5,775,078	39,911,814
Retained earnings, appropriated.....	5,255,156	332,032	3,077,019	1,846,106	1,385,720	457,150	48,550	57,647	350,953
Retained earnings, unappropriated.....	140,191,110	14,213,642	51,222,727	74,754,742	126,997,287	57,302,101	7,686,044	8,160,499	41,455,558
Less: Cost of treasury stock.....	20,107,353	4,521,572	12,524,028	3,061,753	20,341,293	7,798,131	745,697	1,013,808	6,038,626
Total receipts.....	891,190,744	305,610,948	259,112,080	326,467,716	2,558,733,026	1,271,742,082	192,010,065	105,885,147	973,846,869
Business receipts.....	834,364,357	287,540,879	237,864,753	308,958,725	2,478,887,926	1,234,928,764	188,724,563	102,367,620	943,836,581
Interest.....	17,599,445	3,654,387	6,929,427	7,015,631	29,751,373	15,758,571	513,892	803,016	14,441,663
Interest on Government obligations:									
State and local.....	302,262	31,344	123,410	147,509	1,465,648	148,899	18,195	17,842	112,861
Rents.....	10,296,518	3,282,445	4,710,377	2,303,697	9,346,502	4,399,406	333,068	913,243	3,153,096
Royalties.....	429,751	86,455	190,504	152,792	2,433,957	595,287	24,655	48,664	521,988
Net short-term capital gain reduced by net long-term capital loss.....	368,075	217,170	86,189	64,716	247,918	184,937	2,073	9,934	172,930
Net long-term capital gain reduced by net short-term capital loss.....	5,657,765	2,972,849	1,343,938	1,340,978	2,829,285	1,080,439	63,772	94,148	922,520
Net gain, noncapital assets.....	3,316,682	2,010,733	505,510	800,440	2,734,989	1,704,059	77,580	170,865	1,455,615
Dividends received from domestic corporations.....	853,567	85,167	384,696	383,704	650,262	329,790	17,327	23,151	289,311
Dividends received from foreign corporations.....	553,989	119,171	351,794	83,024	1,354,762	1,089,625	7,792	35,038	1,046,795
Other receipts.....	17,448,331	5,610,348	6,621,483	5,216,500	29,030,403	11,522,305	2,227,149	1,401,627	7,893,528
Total deductions.....	854,136,526	305,811,413	242,725,139	305,599,974	2,537,591,429	1,264,612,122	190,439,395	105,218,173	968,954,554
Cost of sales and operations.....	380,017,770	124,014,238	98,939,928	157,063,604	1,901,828,596	1,036,877,614	163,953,437	78,028,192	794,895,985
Compensation of officers.....	6,054,010	3,663,172	1,106,516	1,284,323	32,346,593	16,167,647	1,353,617	2,873,178	11,940,851
Repairs.....	30,442,092	8,648,317	10,106,421	11,687,354	10,048,498	3,277,886	601,049	334,861	2,341,976
Bad debts.....	6,549,314	1,227,398	4,025,727	1,296,189	8,283,498	3,337,098	327,825	452,492	2,556,781
Rent paid on business property.....	26,359,738	17,440,465	4,924,616	3,994,658	46,754,346	10,408,753	1,329,635	1,210,214	7,868,904
Taxes paid.....	41,205,119	11,427,839	10,237,557	19,539,723	37,655,922	13,084,389	1,691,801	1,466,229	9,926,359
Interest paid.....	58,065,540	9,326,992	19,952,291	28,786,257	52,997,604	23,641,610	1,587,815	1,918,367	20,135,427
Contributions or gifts.....	556,418	84,240	264,314	207,865	638,408	256,577	52,978	29,196	174,403
Amortization.....	5,502,903	649,040	4,020,127	833,736	4,451,465	2,583,086	190,024	124,555	2,268,507
Depreciation.....	79,374,291	16,133,096	29,517,001	33,724,194	35,886,541	15,410,902	1,420,565	1,887,291	12,103,046
Depletion.....	848,919	107,302	7,640	733,976	145,863	138,780	77	16,366	122,338
Advertising.....	4,605,253	1,907,895	2,168,851	528,507	32,104,017	10,302,811	748,859	641,427	8,912,526
Pension, profit-sharing, stock bonus, and annuity plans.....	6,175,624	2,840,745	1,578,950	1,755,929	5,314,749	2,315,335	361,644	341,973	1,611,717
Employee benefit programs.....	19,518,359	8,011,446	7,735,216	3,771,698	16,584,842	5,648,376	1,045,810	810,428	3,792,138
Net loss, noncapital assets.....	1,800,935	333,114	920,329	547,492	1,942,579	550,229	23,020	70,848	456,361
Other deductions.....	187,060,241	99,996,115	47,219,656	39,844,470	350,607,909	120,611,031	15,751,239	15,012,555	89,847,236
Total receipts less total deductions.....	37,054,217	-200,465	16,386,941	20,867,742	21,141,597	7,129,960	1,570,670	666,975	4,892,315
Constructive taxable income from related foreign corporations.....	956,105	218,466	602,493	135,145	1,794,813	1,477,933	5,402	30,517	1,442,014
Net income (less deficit), total.....	37,708,060	-13,343	16,866,024	20,855,378	21,470,762	8,458,994	1,557,877	679,649	6,221,488
Income subject to tax.....	47,094,487	5,928,882	19,165,814	21,999,791	40,317,201	16,253,090	1,920,546	1,923,313	12,409,231
Income tax, total.....	17,137,093	2,170,223	6,819,287	8,147,583	13,198,952	5,322,684	642,539	589,392	4,090,753
Regular tax.....	15,861,946	1,910,250	6,495,061	7,476,635	12,781,284	5,151,897	628,599	572,293	3,951,005
Personal holding company tax.....	167	27	141	-	975	767	283	-	484
Recapture of investment credit.....	44,774	270	13,353	31,151	1,231	891	10	23	858
Alternative minimum tax.....	1,154,195	252,758	276,576	624,862	375,810	152,418	11,701	15,185	125,532
Environmental tax.....	86,085	8,612	35,508	41,964	44,562	15,860	1,946	1,094	12,820
Foreign tax credit.....	390,601	44,415	292,174	54,013	876,460	610,971	2,627	16,588	591,755
U.S. possessions tax credit.....	56,757	28	58,728	-	24,086	1,927	70	64	1,792
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	37,164	563	9,132	27,469	173	171	-	57	115
General business credit.....	628,897	147,507	103,423	377,968	231,497	46,046	7,341	5,433	33,272
Prior year minimum tax credit.....	236,287	18,007	89,735	128,546	79,415	31,327	3,776	2,066	25,485
Total income tax after credits.....	15,787,386	1,959,704	6,268,095	7,559,587	11,987,321	4,632,242	628,725	565,184	3,438,334

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

# Corporation Returns/1991

## 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.....	383,102	25,845	4,889	35,196	57,851	25,890	23,513	83,754	126,384	2,773
Total assets.....	665,076,915	28,474,481	273,220,689	87,442,034	59,277,824	44,117,712	19,358,589	66,447,701	86,739,884	2,569,627
Cash.....	30,617,931	2,006,748	7,465,776	5,180,588	3,886,976	1,670,794	1,487,322	3,070,442	5,869,285	263,812
Notes and accounts receivable.....	109,283,722	4,602,669	64,503,995	5,723,604	7,923,463	5,780,782	3,962,610	3,832,484	12,954,107	425,738
Less: Allowance for bad debts.....	2,642,342	90,801	1,202,850	84,756	167,023	200,133	116,924	186,454	593,401	10,450
Inventories.....	157,448,933	9,514,012	44,045,799	19,503,059	29,934,746	13,294,186	7,358,309	1,936,247	31,862,576	497,346
Investments in Government obligations.....	1,756,860	*37,187	*864,443	456,790	65,502	*87,364	*12,890	15,521	217,164	
Tax-exempt securities.....	17,105,946	*1,268	*16,444,571	395,916	46,850	*2,384	*106,462	*10,928	97,566	
Other current assets.....	32,300,073	1,221,280	18,388,294	2,452,586	1,539,192	2,331,801	491,249	2,389,163	3,486,508	60,201
Loans to stockholders.....	6,572,607	262,784	2,022,189	364,028	680,563	489,951	167,050	905,084	1,680,958	*39,920
Mortgage and real estate loans.....	10,523,132	185,171	9,603,916	227,278	122,489	15,269	40,268	228,224	100,515	*64
Other investments.....	80,854,120	1,457,518	49,562,715	7,547,518	1,549,394	6,209,743	1,351,514	8,629,760	4,545,888	120,348
Depreciable assets.....	253,772,961	12,039,154	67,179,077	53,914,432	20,386,675	17,950,847	6,371,389	44,705,737	31,225,649	976,061
Less: Accumulated depreciation.....	108,890,108	5,722,155	23,971,661	23,934,996	10,550,480	7,400,378	3,042,585	18,701,551	15,566,303	334,120
Depletable assets.....	399,313	*45,840	126,355	*99,736	*28,026	*1,319		*96,983	*1,253	12,948
Less: Accumulated depletion.....	147,116	*7,048	58,842	*25,579	*10,901	*384		*43,685	*678	3,880
Land.....	22,096,707	1,532,313	5,411,196	4,522,680	2,037,660	548,469	308,810	5,921,331	1,816,247	64,294
Intangible assets (amortizable).....	23,301,932	571,379	3,204,975	3,017,942	820,023	1,804,105	484,784	6,197,808	7,200,916	323,433
Less: Accumulated amortization.....	5,090,919	108,858	691,255	503,105	393,111	396,349	119,531	1,261,032	1,617,677	30,055
Other assets.....	35,813,162	926,219	10,321,995	8,584,311	1,377,779	1,927,930	514,903	8,700,712	3,459,313	163,967
Total liabilities.....	665,076,915	28,474,481	273,220,689	87,442,034	59,277,824	44,117,712	19,358,589	66,447,701	86,739,884	2,569,627
Accounts payable.....	95,051,743	3,947,426	40,316,268	15,001,987	5,527,379	5,574,299	3,197,851	4,874,883	16,611,620	365,990
Mortgages, notes, and bonds payable in less than one year.....	74,175,343	2,956,809	24,328,726	4,934,781	24,938,254	3,345,033	2,060,589	4,215,533	7,395,619	268,817
Other current liabilities.....	89,327,577	2,201,897	21,872,102	10,413,419	3,638,656	4,870,522	1,970,127	6,364,331	7,996,521	237,194
Loans from stockholders.....	18,238,497	1,130,435	2,854,993	1,266,460	2,735,484	1,748,874	668,523	3,183,586	4,650,142	27,074
Mortgages, notes, and bonds payable in one year or more.....	153,690,328	6,851,451	50,313,939	33,696,879	9,359,861	7,790,812	3,945,700	24,085,201	17,646,485	1,244,624
Other liabilities.....	69,026,751	1,055,233	44,312,271	6,706,225	1,172,141	2,122,025	739,574	7,377,335	5,541,947	230,578
Capital stock.....	30,331,801	1,521,804	6,007,435	3,092,532	3,120,731	3,792,841	1,548,184	5,342,306	5,905,968	185,432
Paid-in or capital surplus.....	76,952,750	2,746,931	30,123,826	8,457,815	2,898,677	5,977,574	1,938,067	7,031,142	17,778,717	211,469
Retained earnings, appropriated.....	928,569	78,845	*317,055	70,309	85,190	*134,766	81,569	46,706	114,130	
Retained earnings, unappropriated.....	69,854,999	6,751,789	24,956,490	5,214,569	6,888,587	9,670,712	4,403,336	6,334,217	5,635,299	-159,833
Less: Cost of treasury stock.....	12,501,444	788,139	2,182,446	1,412,943	1,087,135	909,747	1,196,931	2,407,540	2,536,563	*41,718
Total receipts.....	1,281,465,586	61,259,074	287,067,794	295,772,150	215,597,665	79,788,620	42,346,561	98,624,799	201,009,034	5,525,358
Business receipts.....	1,238,707,190	59,708,576	269,633,216	290,300,174	211,496,323	76,966,965	41,101,028	93,027,468	196,473,441	5,251,971
Interest.....	13,925,047	537,038	8,070,934	828,027	870,367	870,343	344,410	1,071,613	1,332,315	67,755
Interest on Government obligations:										
State and local.....	1,316,702	15,659	1,218,569	37,422	3,396	10,274	5,164	9,941	16,275	*46
Rents.....	4,930,548	219,495	1,583,421	885,236	742,999	226,264	64,091	654,721	554,320	*16,548
Royalties.....	1,832,943	152,671	126,554	47,136	5,722	419,085	*1,765	801,726	278,285	5,728
Net short-term capital gain reduced by net long-term capital loss.....	62,912	5,032	17,570	8,224	2,594	*1,929	*1,068	19,943	6,552	69
Net long-term capital gain reduced by net short-term capital loss.....	1,645,514	93,384	666,129	286,655	146,420	36,771	29,242	227,708	159,205	*103,332
Net gain, noncapital assets.....	980,186	47,093	153,716	116,291	247,092	9,871	57,896	241,478	106,748	*50,744
Dividends received from domestic corporations.....	319,442	18,403	166,207	9,944	8,930	69,857	8,898	12,658	24,547	*1,031
Dividends received from foreign corporations.....	265,137	*451	46,380	*7,769	*1,632	100,182	*7	51,776	56,940	
Other receipts.....	17,479,964	461,272	5,385,087	3,245,272	2,072,189	1,078,979	732,990	2,505,767	2,000,407	28,135
Total deductions.....	1,287,530,029	60,547,726	280,520,083	292,652,066	215,798,358	78,146,917	42,490,340	97,363,937	200,010,602	5,449,278
Cost of sales and operations.....	860,928,344	42,349,967	175,810,623	220,280,233	178,085,427	46,671,004	26,319,412	39,174,158	132,237,521	4,022,639
Compensation of officers.....	16,018,303	1,491,521	702,897	1,404,122	2,881,050	908,375	1,136,524	2,253,567	5,240,248	160,643
Repairs.....	6,758,433	360,774	1,390,370	1,726,029	639,881	333,501	182,680	1,289,387	835,812	12,179
Bad debts.....	4,936,258	201,781	2,338,758	262,742	373,339	321,662	324,925	146,773	966,277	10,142
Rent paid on business property.....	36,288,429	1,029,054	7,578,231	5,465,337	2,684,379	5,404,006	1,682,701	5,525,833	6,918,889	57,164
Taxes paid.....	24,490,243	1,258,679	5,814,290	4,224,831	2,793,361	1,862,919	922,558	4,006,822	3,806,782	81,291
Interest paid.....	29,151,760	1,323,806	11,684,297	4,032,141	2,647,567	1,410,777	689,275	3,851,886	3,512,011	204,234
Contributions or gifts.....	380,709	17,307	116,469	76,572	21,545	36,338	18,058	31,166	65,256	1,121
Amortization.....	1,858,770	70,892	258,455	282,058	124,264	168,994	65,047	411,438	477,622	9,609
Depreciation.....	20,389,981	852,731	4,845,788	4,186,050	2,118,535	1,555,879	566,916	3,289,899	2,974,182	85,657
Depletion.....	7,046	2,812	2	*87	*3,135	*452		*349	*207	*37
Advertising.....	21,763,913	816,142	6,112,579	2,729,392	1,962,377	1,673,658	1,895,545	2,508,557	4,065,662	37,293
Pension, profit-sharing, stock bonus, and annuity plans.....	2,985,115	183,229	760,937	878,112	143,437	228,120	113,829	245,318	432,132	14,299
Employee benefit programs.....	10,891,240	468,708	2,679,790	3,484,113	1,024,373	569,825	257,786	1,135,779	1,270,866	45,226
Net loss, noncapital assets.....	1,392,007	29,155	212,186	229,808	79,813	152,118	139,002	209,360	340,566	*342
Other deductions.....	229,289,478	10,091,168	60,414,412	43,390,438	20,215,875	16,849,288	8,178,084	33,283,644	36,866,568	707,400
Total receipts less total deductions.....	13,935,557	711,348	6,547,700	3,120,084	-200,693	1,641,603	-143,779	1,260,862	998,432	76,080
Constructive taxable income from related foreign corporations.....	316,880		72,659	1,452		61,836	140	161,880	*18,913	
Net income (less deficit), total.....	12,935,735	695,689	5,401,790	3,084,114	-204,089	1,693,185	-148,803	1,412,800	1,001,069	76,034
Income subject to tax.....	23,986,837	1,296,760	7,267,961	4,033,203	1,249,125	2,765,005	713,337	2,568,677	4,094,787	77,274
Income tax, total.....	7,852,185	395,635	2,592,810	1,371,076	343,085	901,307	208,460	813,079	1,226,733	24,083
Regular tax.....	7,607,129	391,852	2,483,427	1,328,420	328,626	892,638	205,465	794,818	1,202,084	22,258
Personal holding company tax.....	*207			*190	*17					
Recapture of investment credit.....	340	3	186	32	(1)	29	*7			
Alternative minimum tax.....	221,714	3,708	117,235	39,154	16,858	5,243	2,614	15,257	21,644	*1,679
Environmental tax.....	28,557	985	11,962	5,383	332	3,398	373	2,756	3,368	146
Foreign tax credit.....	265,484	*32	20,263	*2,174	*83	73,482	*150	142,022	27,278	5
U.S. possessions tax credit.....	20,249		15,891	3,121	1,014			223		1,911
Orphan drug credit.....										
Nonconventional source fuel credit.....	*2		(1)							
General business credit.....	185,213	6,538	60,401	33,456	7,404	11,824	*1,009	43,652	20,931	237
Prior year minimum tax credit.....	48,068	*493	24,070	9,033	3,070	*4,970	35	2,265	4,152	
Total income tax after credits.....	7,333,149	388,574	2,472,185	1,323,292	331,515	811,031	207,266	624,915	1,174,372	21,929

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



# Corporation Returns/1991

## 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.....	356,744	10,698	17,443	10,863	7,442	37,121	239,539	33,638
Total assets.....	9,054,125,679	4,072,643,356	1,630,026,808	489,097,400	2,369,479,364	34,350,918	252,962,626	205,565,208
Cash.....	449,642,433	309,057,792	66,450,668	21,022,176	25,585,933	5,327,889	15,911,641	6,286,334
Notes and accounts receivable.....	2,588,348,767	1,968,101,768	322,414,370	102,538,814	128,516,956	9,659,649	17,472,229	39,644,981
Less: Allowance for bad debts.....	76,514,740	55,528,584	17,838,903	510,838	1,509,324	120,596	662,955	343,760
Inventories.....	21,436,361	902,314	3,987,235	1,059,787	4,222,129	*12,482	9,629,194	1,623,221
Investments in Government obligations.....	821,123,976	492,585,332	52,208,191	35,818,327	235,093,796	475,520	1,090,395	3,852,416
Tax-exempt securities.....	235,897,304	65,042,031	10,140,151	489,463	157,724,482	390,774	714,421	1,395,981
Other current assets.....	648,820,638	121,756,955	86,908,537	162,649,776	245,358,516	1,773,367	13,447,353	14,926,134
Loans to stockholders.....	28,648,485	6,547,527	8,184,592	1,993,562	1,236,548	395,548	3,272,182	7,018,526
Mortgage and real estate loans.....	1,440,357,081	378,286,381	772,531,360	1,758,023	270,828,068	57,027	11,757,126	5,139,097
Other investments.....	2,115,173,771	433,438,171	233,903,845	135,387,976	1,177,159,396	10,012,040	46,284,705	78,987,639
Depreciable assets.....	318,927,984	96,076,644	30,479,369	8,162,934	38,385,086	5,900,085	125,773,888	14,149,978
Less: Accumulated depreciation.....	110,677,065	39,405,949	12,208,713	3,890,294	8,670,489	3,138,414	37,842,125	5,521,081
Depletable assets.....	1,888,556	17,850	119,804	*3,368	395,079	*60,435	665,627	626,393
Less: Accumulated depletion.....	465,053	6,109	*9,168	*904	127,032	*33,551	141,771	146,517
Land.....	48,665,326	7,436,082	3,452,903	180,530	2,409,325	206,741	32,699,471	2,280,275
Intangible assets (amortizable).....	41,441,121	15,400,058	10,810,747	1,917,671	4,704,949	2,920,392	2,749,576	2,937,727
Less: Accumulated amortization.....	9,187,148	2,796,705	1,628,880	509,298	1,457,522	952,180	952,110	890,452
Other assets.....	492,597,882	275,731,781	60,120,698	21,026,126	89,623,471	1,403,712	11,093,778	33,598,317
Total liabilities.....	9,054,125,679	4,072,643,356	1,630,026,808	489,097,400	2,369,479,364	34,350,918	252,962,626	205,565,208
Accounts payable.....	768,788,212	529,458,141	84,772,310	91,189,242	37,113,779	11,364,086	7,578,065	7,312,589
Mortgages, notes, and bonds payable in less than one year.....	673,059,176	242,773,804	265,543,562	33,026,637	48,308,219	1,376,528	23,081,805	58,948,622
Other current liabilities.....	4,009,899,976	2,556,037,188	716,993,171	286,227,466	420,763,678	4,047,960	13,550,804	12,279,709
Loans from stockholders.....	72,827,259	7,071,605	27,734,772	1,391,239	6,439,856	435,155	23,054,151	6,700,482
Mortgages, notes, and bonds payable in one year or more.....	710,586,790	180,023,047	290,127,685	22,322,446	64,484,725	3,569,864	102,640,958	47,418,066
Other liabilities.....	1,820,764,269	205,822,136	150,690,280	30,140,125	1,392,038,455	2,401,218	24,579,516	15,092,540
Capital stock.....	144,342,042	61,249,760	13,850,934	4,765,971	19,809,245	1,656,990	27,063,123	16,546,018
Paid-in or capital surplus.....	482,276,923	157,977,615	55,437,421	13,103,188	149,403,214	3,921,428	58,518,864	43,915,192
Retained earnings, appropriated.....	46,570,111	2,543,328	3,565,386	127,580	36,974,067	67,485	1,621,758	1,670,506
Retained earnings, unappropriated.....	348,585,326	133,364,328	24,938,951	9,152,847	201,799,976	6,832,419	-25,348,078	-1,955,117
Less: Cost of treasury stock.....	24,174,406	3,677,955	3,627,665	2,349,341	7,655,851	1,122,215	3,378,339	2,363,399
Total receipts.....	1,772,980,765	487,090,679	289,517,108	75,869,741	781,137,870	26,935,222	80,157,416	32,272,730
Business receipts.....	877,815,788	57,626,096	119,434,688	38,552,328	568,057,218	24,872,823	56,305,590	14,967,045
Interest.....	679,184,547	372,630,346	134,665,345	24,230,209	132,203,744	761,801	5,381,359	9,311,742
Interest on Government obligations:								
State and local.....	16,533,283	7,478,971	613,284	178,799	7,850,461	56,540	107,180	248,049
Rents.....	34,630,461	12,352,240	2,206,568	780,218	9,847,343	101,918	7,850,468	1,491,705
Royalties.....	833,851	21,499	95,848	7,601	85,745	*10,181	229,230	383,748
Net short-term capital gain reduced by net long-term capital loss.....	5,201,481	225,823	162,595	293,584	4,190,718	23,302	122,599	182,861
Net long-term capital gain reduced by net short-term capital loss.....	15,793,342	2,798,320	840,758	493,229	7,368,071	100,871	3,077,208	1,114,886
Net gain, noncapital assets.....	9,272,339	5,182,846	2,682,744	92,360	449,717	24,961	663,825	195,887
Dividends received from domestic corporations.....	6,816,606	605,884	598,538	262,923	4,301,096	50,575	234,808	782,783
Dividends received from foreign corporations.....	1,055,281	203,763	31,929	131,110	172,973	*202,457	39,095	273,933
Other receipts.....	125,843,786	27,964,872	28,204,810	10,847,382	48,810,784	729,794	6,146,054	3,340,089
Total deductions.....	1,702,773,117	467,167,482	275,954,468	71,975,764	744,494,494	25,573,439	85,589,548	31,517,922
Cost of sales and operations.....	538,778,739	654,225	654,115,009	5,537,955	418,070,334	2,924,515	21,293,462	7,583,240
Compensation of officers.....	27,547,829	12,265,830	2,616,987	2,685,857	2,522,144	3,191,729	3,433,225	832,278
Repairs.....	5,770,261	2,569,137	696,246	134,144	281,817	143,735	1,859,426	85,757
Bad debts.....	60,392,920	39,353,764	15,680,029	697,544	1,875,439	130,645	1,620,876	934,622
Rent paid on business property.....	22,433,942	8,156,953	2,388,093	2,066,136	5,699,912	1,154,483	2,489,004	479,362
Taxes paid.....	31,407,440	7,804,619	2,506,324	1,221,754	13,117,911	976,202	5,110,821	669,808
Interest paid.....	421,803,522	256,412,065	105,163,131	20,591,387	18,869,743	555,247	12,270,517	7,941,432
Contributions or gifts.....	878,204	426,813	73,818	74,214	174,016	31,208	73,111	25,024
Amortization.....	5,194,244	1,980,894	892,184	278,471	1,096,047	211,064	425,490	310,094
Depreciation.....	33,028,207	15,955,165	2,891,645	855,392	6,395,934	547,703	4,929,261	1,453,106
Depletion.....	132,618	9,633	19,627	700	24,562	*1,193	46,496	30,407
Advertising.....	8,013,543	2,673,223	1,934,426	640,163	1,459,555	227,232	896,480	182,466
Pension, profit-sharing, stock bonus, and annuity plans.....	6,340,330	1,800,413	588,969	360,912	2,825,803	400,094	249,597	114,542
Employee benefit programs.....	15,283,454	6,112,693	1,405,048	778,528	5,403,126	636,714	563,051	384,294
Net loss, noncapital assets.....	10,029,288	4,709,655	3,592,681	67,754	196,962	18,642	1,049,244	394,350
Other deductions.....	515,238,577	106,282,600	52,790,271	35,984,853	266,381,189	14,423,035	29,279,488	10,097,141
Total receipts less total deductions.....	70,707,649	19,923,197	13,562,639	3,893,978	36,643,377	1,361,782	-5,432,132	754,807
Constructive taxable income from related foreign corporations.....	3,502,774	1,563,400	271,339	401,250	877,866	124,604	*5,786	258,528
Net income (less deficit), total.....	57,677,139	14,007,629	13,220,695	4,116,429	29,670,782	1,429,847	-5,533,526	765,286
Income subject to tax.....	80,774,926	23,042,497	18,002,069	4,738,977	26,705,248	1,781,851	3,215,048	3,289,236
Income tax, total.....	27,254,188	8,151,451	5,143,322	1,611,832	9,745,001	562,563	931,733	1,108,284
Regular tax.....	26,883,391	7,808,439	5,980,819	1,593,274	9,020,643	558,187	868,474	1,053,553
Personal holding company tax.....	11,885	*123	-	-	*1,899	-	4,632	5,232
Recapture of investment credit.....	6,228	4,521	15	248	994	-	*308	142
Alternative minimum tax.....	1,296,818	310,775	207,280	12,065	669,838	2,798	48,807	45,258
Environmental tax.....	116,341	31,707	24,190	6,211	47,647	1,581	1,488	3,537
Foreign tax credit.....	1,597,594	437,115	101,754	194,940	613,382	108,080	11,217	131,108
U.S. possessions tax credit.....	21,624	-	20,788	-	123	-	486	227
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	3,283	840	661	*14	960	193	*500	*115
General business credit.....	230,327	100,754	46,100	34,832	32,634	4,177	8,976	2,854
Prior year minimum tax credit.....	578,560	199,184	31,930	27,971	297,950	*317	9,637	11,571
Total income tax after credits.....	24,822,600	7,413,558	4,942,089	1,354,075	8,799,954	449,796	900,918	982,410

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



# Corporation Returns/1991

## 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							Nature of business not allocable
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	514,243	10,931	36,707	166,588	69,705	47,344	182,967	14,955
Total assets.....	528,317,601	47,882,458	15,836,107	184,876,240	42,698,574	111,617,958	125,406,263	1,238,491
Cash.....	35,621,394	2,016,423	1,381,723	13,035,942	2,083,223	4,899,345	12,204,739	151,624
Notes and accounts receivable.....	89,401,266	3,348,461	1,989,606	39,067,953	5,379,431	14,612,705	25,003,110	231,104
Less: Allowance for bad debts.....	5,162,846	313,915	43,671	1,250,393	154,087	696,039	2,704,540	1,006
Inventories.....	17,378,629	418,428	1,039,443	5,138,828	3,134,551	4,880,514	2,768,868	118,279
Investments in Government obligations.....	2,685,218	*39,448	*24,320	1,104,542	102,988	155,977	1,257,944	*426
Tax-exempt securities.....	1,449,453	*35,236	*150,245	606,370	*106,577	*47,365	503,680	
Other current assets.....	32,579,843	2,192,779	644,355	12,502,099	2,128,277	7,332,308	7,780,025	58,626
Loans to stockholders.....	5,287,117	1,180,641	262,750	1,663,164	376,841	441,859	1,361,862	56,316
Mortgage and real estate loans.....	6,202,518	685,519	93,444	4,230,177	149,435	460,283	583,661	*15,873
Other investments.....	113,021,922	9,370,330	1,602,714	42,597,809	2,921,911	34,597,144	21,932,015	*47,095
Depreciable assets.....	246,562,556	27,143,051	10,387,424	75,586,019	35,644,205	39,561,017	58,240,838	477,626
Less: Accumulated depreciation.....	106,983,851	8,289,982	5,729,518	38,387,090	14,469,656	17,657,997	22,449,608	178,655
Depletable assets.....	153,563	*1,813	*148	56,565	*4,087	*28,318	62,632	*4,851
Less: Accumulated depletion.....	72,008	*385		19,647	*984	*20,612	30,381	*2,286
Land.....	14,771,944	4,344,117	675,868	1,672,745	1,156,166	3,247,459	3,675,591	163,289
Intangible assets (amortizable).....	41,547,687	1,471,254	1,507,608	16,662,082	3,059,815	10,742,221	8,104,706	45,999
Less: Accumulated amortization.....	10,981,425	321,636	322,246	4,565,885	257,192	3,562,990	1,951,676	3,254
Other assets.....	44,854,420	4,562,880	2,171,897	15,174,760	1,332,986	12,549,080	9,062,817	54,582
Total liabilities.....	528,317,601	47,882,458	15,836,107	184,876,240	42,698,574	111,617,958	125,406,263	1,238,491
Accounts payable.....	46,246,962	2,211,850	823,073	21,105,793	3,528,754	8,228,544	10,348,947	98,441
Mortgages, notes, and bonds payable in less than one year.....	42,107,987	3,030,391	586,159	16,333,269	7,447,680	5,738,360	8,974,128	199,880
Other current liabilities.....	66,490,344	3,040,578	1,594,543	30,101,344	4,857,589	11,237,607	15,658,683	131,817
Loans from stockholders.....	18,503,171	4,280,573	601,110	6,948,478	1,290,892	2,083,861	3,298,258	223,316
Mortgages, notes, and bonds payable in one year or more.....	144,243,629	19,476,643	3,968,976	43,216,086	14,228,452	27,622,806	35,730,665	486,954
Other liabilities.....	50,857,090	3,458,185	1,654,181	17,700,995	2,014,844	16,606,864	9,422,022	72,798
Capital stock.....	34,503,780	5,249,420	1,145,936	10,896,388	2,220,216	6,694,551	8,297,268	195,128
Paid-in or capital surplus.....	121,094,359	11,941,568	1,987,665	40,011,314	2,570,084	30,402,011	34,181,716	170,680
Retained earnings, appropriated.....	600,392	*4,919	*37,715	213,359	*46,671	68,109	229,621	*1
Retained earnings, unappropriated.....	13,250,296	-4,115,405	3,945,616	2,500,533	5,079,706	4,847,138	992,707	-327,793
Less: Cost of treasury stock.....	9,580,408	696,265	508,868	4,151,318	588,314	1,909,892	1,727,751	*12,731
Total receipts.....	573,833,836	28,776,286	22,586,844	212,707,127	56,259,814	63,912,077	189,591,687	2,027,099
Business receipts.....	531,462,494	25,735,520	21,318,461	195,710,390	52,145,094	56,494,954	180,058,075	1,931,499
Interest.....	9,479,178	774,993	348,471	3,492,208	735,781	2,128,832	1,998,892	21,458
Interest on Government obligations:								
State and local.....	422,555	6,157	24,402	245,277	9,851	30,191	106,676	*544
Rents.....	6,470,308	477,945	66,795	3,024,312	1,296,396	678,492	926,368	19,237
Royalties.....	3,619,554	422,624	136,995	1,362,356	*20,300	1,332,649	344,630	*666
Net short-term capital gain reduced by net long-term capital loss.....	185,847	*3,345	9,842	100,871	3,186	11,682	56,921	
Net long-term capital gain reduced by net short-term capital loss.....	1,713,557	314,673	83,800	490,412	68,632	202,655	553,385	*4,418
Net gain, noncapital assets.....	2,278,346	68,910	40,473	709,111	984,534	110,021	365,297	*413
Dividends received from domestic corporations.....	484,230	25,417	28,451	84,227	13,297	77,292	255,545	*535
Dividends received from foreign corporations.....	723,102	140,562	*31,189	266,831	*5,757	221,273	37,490	
Other receipts.....	16,994,666	806,140	497,964	7,201,133	976,987	2,624,036	4,888,407	48,329
Total deductions.....	571,160,452	29,600,651	21,742,420	211,908,251	55,988,248	65,236,316	186,684,566	2,138,090
Cost of sales and operations.....	219,743,696	11,896,861	8,397,083	87,413,210	24,512,239	23,815,289	63,709,014	1,379,795
Compensation of officers.....	28,524,983	307,868	1,277,983	10,239,897	2,321,767	2,902,758	11,474,710	32,645
Repairs.....	4,701,458	415,156	265,768	1,219,828	873,600	616,438	1,310,668	13,474
Bad debts.....	5,197,609	304,537	97,185	1,349,711	205,921	778,167	2,482,087	*1,823
Rent paid on business property.....	20,855,542	1,030,930	1,083,677	7,421,904	2,412,055	2,184,448	6,822,528	38,069
Taxes paid.....	18,717,209	1,374,374	955,651	6,559,011	1,977,179	1,688,008	6,164,986	57,935
Interest paid.....	21,833,200	2,319,050	599,308	7,136,931	2,597,755	4,341,001	4,939,154	38,849
Contributions or gifts.....	300,563	8,820	24,912	78,770	15,357	32,781	139,824	*93
Amortization.....	3,865,745	144,387	172,273	1,203,368	125,462	1,576,633	843,644	*575
Depreciation.....	27,843,461	1,502,949	793,017	10,612,736	5,965,549	4,262,161	4,707,049	38,536
Depletion.....	13,558	*146	8	5,827	2	*1,254	6,322	*130
Advertising.....	8,635,444	600,934	488,027	3,734,810	729,131	1,660,748	1,421,793	14,556
Pension, profit-sharing, stock bonus, and annuity plans.....	3,421,686	36,938	120,829	1,284,292	296,178	198,978	1,484,452	*931
Employee benefit programs.....	9,408,649	469,393	238,118	3,343,610	709,367	504,137	4,144,026	5,885
Net loss, noncapital assets.....	1,060,884	65,372	38,017	388,065	37,150	184,077	350,204	*30,199
Other deductions.....	196,836,784	9,122,855	7,192,564	69,916,282	13,209,538	20,491,441	76,904,106	483,596
Total receipts less total deductions.....	2,673,384	-824,365	844,424	798,876	271,567	-1,324,239	2,907,120	-110,991
Constructive taxable income from related foreign corporations.....	871,960	36,400	26,048	277,933	*10,266	208,684	112,631	
Net income (less deficit), total.....	2,922,789	-794,122	848,067	831,533	271,982	-1,145,748	2,913,075	-111,535
Income subject to tax.....	16,033,699	785,823	1,005,360	5,548,686	984,642	1,786,055	5,923,134	32,950
Income tax, total *.....	5,215,897	273,805	303,657	1,825,574	281,225	600,772	1,930,863	5,105
Regular tax.....	5,003,384	255,826	299,679	1,727,399	256,072	577,095	1,887,312	8,458
Personal holding company tax.....	*158			*90			*19	*19
Recapture of investment credit.....	363	29	16	86	23	(1)	209	
Alternative minimum tax.....	198,139	18,899	3,139	94,373	24,705	21,426	37,595	
Environmental tax.....	15,759	1,083	842	5,052	715	2,220	5,848	2
Foreign tax credit.....	474,901	*40,687	23,399	265,863	*778	96,159	48,015	1
U.S. possessions tax credit.....	13,518	5,510		3,798		199	4,011	
Orphan drug credit.....	*484						*484	
Nonconventional source fuel credit.....	919						919	
General business credit.....	127,486	7,350	5,373	56,827	19,801	6,370	31,767	
Prior year minimum tax credit.....	51,166	*323	*3,123	15,046	8,354	1,296	23,023	
Total income tax after credits.....	4,547,421	219,935	271,762	1,484,040	252,292	496,748	1,822,644	5,103

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

\* Less than \$500 per return.

\* Also includes branch tax (Form 1120F) 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."

# Corporation Returns/1991

## 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	Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	1,088,017	41,502	11,849	157	979	9,849	864
Total assets.....	12,397,857,640	30,558,309	140,323,726	11,335,224	5,082,129	112,837,722	11,068,650
Cash.....	494,398,688	2,253,073	3,318,003	222,286	282,359	2,289,211	524,148
Notes and accounts receivable.....	2,864,499,956	2,650,719	11,441,703	1,098,872	880,760	8,278,879	1,183,193
Less: Allowance for bad debts.....	74,721,413	21,183	134,372	*524	3,865	106,873	23,109
Inventories.....	521,342,591	3,935,385	3,691,830	469,212	146,714	2,441,553	634,351
Investments in Government obligations.....	725,149,651	170,218	1,033,702	-	*81,641	882,418	*69,642
Tax-exempt securities.....	256,730,862	33,556	124,389	3,000	*56,422	*59,301	5,666
Other current assets.....	775,096,559	1,008,756	4,626,906	557,242	554,949	2,800,600	714,114
Loans to stockholders.....	43,987,570	799,067	616,230	22,910	17,717	555,103	20,501
Mortgage and real estate loans.....	1,158,155,989	301,150	117,408	*1,120	*43	*107,249	*8,995
Other investments.....	2,926,502,509	2,852,411	65,094,396	4,746,651	600,065	56,846,955	3,100,725
Depreciable assets.....	3,017,913,584	20,745,455	62,836,626	5,382,759	3,054,352	47,392,706	7,006,809
Less: Accumulated depreciation.....	1,324,672,319	13,207,472	31,120,453	2,576,188	1,695,347	22,886,886	3,962,052
Depletable assets.....	91,181,143	362,276	20,270,111	653,718	516,581	18,145,728	954,083
Less: Accumulated depletion.....	40,376,426	127,547	8,998,336	*99,467	102,943	8,658,024	137,902
Land.....	105,987,476	7,088,012	1,698,851	*24,313	126,056	1,046,082	502,400
Intangible assets (amortizable).....	297,035,449	176,012	3,841,188	*316,677	349,323	2,842,334	332,855
Less: Accumulated amortization.....	68,993,245	39,565	1,452,924	*61,762	123,580	1,212,245	55,337
Other assets.....	628,639,015	1,577,984	3,318,468	574,406	340,883	2,213,611	189,569
Total liabilities.....	12,397,857,640	30,558,309	140,323,726	11,335,224	5,082,129	112,837,722	11,068,650
Accounts payable.....	1,145,281,477	1,622,243	7,490,292	868,956	485,026	5,502,340	633,970
Mortgages, notes, and bonds payable in less than one year.....	935,878,963	3,546,858	3,824,131	307,207	261,637	1,922,187	1,333,101
Other current liabilities.....	3,447,255,460	1,300,986	6,432,377	501,170	447,097	4,939,940	544,170
Loans from stockholders.....	117,913,506	1,255,011	1,255,965	*372,058	*17,603	815,667	50,636
Mortgages, notes, and bonds payable in one year or more.....	1,600,225,080	5,820,985	33,292,795	2,095,620	740,927	28,749,993	1,706,254
Other liabilities.....	2,128,201,263	1,542,536	9,775,537	732,359	727,560	7,701,316	614,302
Capital stock.....	409,284,995	3,598,045	4,671,926	449,617	266,778	3,303,583	651,950
Paid-in or capital surplus.....	1,226,572,970	2,440,382	67,782,318	4,017,825	1,297,678	60,444,067	2,022,947
Retained earnings, appropriated.....	55,477,200	117,322	150,555	23,533	*2,437	*72,368	*52,216
Retained earnings, unappropriated.....	1,492,001,060	9,907,775	9,357,142	2,088,123	1,005,451	2,289,901	3,973,666
Less: Cost of treasury stock.....	160,234,334	690,834	3,709,312	*121,043	170,065	2,903,641	514,563
Total receipts.....	7,093,179,164	39,424,790	63,158,503	4,879,036	6,512,003	44,527,236	7,240,228
Business receipts.....	6,093,276,802	36,596,607	53,719,932	4,172,283	6,063,519	36,749,408	6,734,721
Interest.....	606,713,542	375,836	2,241,997	131,281	92,852	1,806,600	211,264
Interest on Government obligations:							
State and local.....	18,164,178	13,138	10,734	100	*2,325	7,298	*1,010
Rents.....	69,967,099	362,502	230,619	9,973	20,549	152,542	47,555
Royalties.....	28,988,622	55,345	291,109	*10,588	49,875	212,605	18,042
Net short-term capital gain reduced by net long-term capital loss.....	5,698,296	6,615	72,123	.9,892	*8,061	51,069	3,102
Net long-term capital gain reduced by net short-term capital loss.....	30,024,508	353,341	1,951,326	193,585	39,292	1,666,011	52,438
Net gain, noncapital assets.....	19,608,968	170,680	1,232,318	*558	13,242	1,197,843	20,674
Dividends received from domestic corporations.....	11,263,154	64,527	256,284	*52,805	12,489	181,857	9,132
Dividends received from foreign corporations.....	26,428,189	78,280	223,198	13,857	3,813	204,730	*797
Other receipts.....	183,043,807	1,349,919	2,928,863	284,113	205,986	2,287,273	141,491
Total deductions.....	6,701,872,420	37,042,260	56,705,824	4,088,383	6,141,580	39,605,415	6,870,445
Cost of sales and operations.....	3,986,631,039	23,081,631	32,993,096	2,483,659	3,832,158	22,730,653	3,946,627
Compensation of officers.....	92,404,834	1,019,162	738,022	20,601	45,860	535,914	133,647
Repairs.....	62,097,434	708,783	563,350	*56,881	125,524	177,445	203,521
Bad debts.....	50,164,205	57,004	77,820	*3,065	8,112	53,859	12,783
Rent paid on business property.....	101,118,146	1,078,544	750,470	11,943	109,882	545,350	83,295
Taxes paid.....	165,208,748	946,631	1,970,971	200,489	361,628	1,203,415	205,439
Interest paid.....	475,340,251	970,151	3,953,283	197,987	112,138	3,351,618	291,542
Contributions or gifts.....	4,592,177	28,655	28,449	1,859	2,702	15,744	8,143
Amortization.....	18,491,810	23,107	267,381	52,830	21,978	178,001	16,552
Depreciation.....	208,018,881	1,379,247	3,118,833	257,273	203,792	2,160,808	496,960
Depletion.....	5,588,334	14,014	1,574,037	345,005	190,355	895,710	142,968
Advertising.....	81,166,519	156,198	65,610	*383	2,355	46,918	15,954
Pension, profit-sharing, stock bonus, and annuity plans.....	30,584,672	89,717	335,570	8,099	12,640	263,077	51,754
Employee benefit programs.....	85,446,995	301,391	854,236	51,233	203,407	480,162	119,434
Net loss, noncapital assets.....	6,220,561	15,672	39,414	7,944	*5,954	18,708	8,807
Other deductions.....	1,328,800,016	7,174,353	9,377,301	388,150	903,098	6,950,034	1,135,019
Total receipts less total deductions.....	391,306,744	2,382,529	6,452,679	790,653	370,423	4,921,821	369,783
Constructive taxable income from related foreign corporations.....	28,439,553	*34,028	255,832	14,981	-	240,850	-
Net income.....	401,582,120	2,403,419	6,697,777	805,534	368,097	5,155,373	368,772
Income subject to tax.....	349,551,532	1,826,255	4,495,050	703,290	282,815	3,187,606	311,340
Income tax, total *.....	120,097,011	498,983	1,778,981	248,655	103,979	1,297,900	128,448
Regular tax.....	116,105,359	481,890	1,504,876	239,026	97,444	1,068,414	101,991
Personal holding company tax.....	14,501	*690	*283	-	-	*283	-
Recapture of investment credit.....	69,250	*4	*3,321	-	5	*3,315	(1)
Alternative minimum tax.....	4,543,279	15,725	281,303	8,353	6,405	221,574	24,972
Environmental tax.....	473,810	770	8,430	1,276	458	6,209	487
Foreign tax credit.....	21,082,049	30,951	639,076	90,858	279	541,950	*6,188
U.S. possessions tax credit.....	3,472,330	2,167	-	-	-	-	-
Orphan drug credit.....	18,475	-	-	-	-	-	-
Nonconventional source fuel credit.....	244,732	-	51,054	-	7	49,887	*1,160
General business credit.....	2,195,050	11,298	38,800	5,712	928	31,142	*1,018
Prior year minimum tax credit.....	1,497,750	2,276	44,356	8,843	*2,575	34,445	*493
Total income tax after credits.....	91,586,624	452,291	1,003,695	145,442	100,191	640,475	117,587

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

# Corporation Returns/1991

## 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	125,589	47,339	8,356	69,894	104,382	5,220	63	1,343	4,043
Total assets	107,512,385	43,329,401	33,525,880	30,657,103	2,743,827,169	262,605,285	219,167,139	19,833,261	25,352,127
Cash	12,845,075	5,259,397	3,154,280	4,431,398	63,669,404	6,026,561	*460,893	566,520	835,447
Notes and accounts receivable	29,663,195	10,279,607	7,788,718	11,594,871	510,618,781	65,892,736	39,998,015	4,235,528	4,487,844
Less: Allowance for bad debts	261,377	43,091	132,297	85,990	11,130,763	597,526	*195,756	102,952	114,013
Inventories	9,626,430	5,900,372	1,155,373	2,570,684	242,269,848	22,890,891	8,398,971	3,950,810	5,495,064
Investments in Government obligations	575,541	160,172	359,718	55,650	20,042,209	2,066,984	172,308	*593,012	*75,384
Tax-exempt securities	774,955	58,741	663,048	53,168	17,177,898	489,319	388,679	*256,340	*3,675
Other current assets	9,586,986	4,855,757	2,021,449	2,709,780	142,533,533	9,180,531	2,355,805	462,230	787,272
Loans to stockholders	2,081,628	553,321	760,735	767,572	10,431,825	1,183,145	45,323	116,711	76,754
Mortgage and real estate loans	3,838,360	3,637,661	38,366	162,333	5,043,829	24,315	374,868	*7,547	*10,171
Other investments	14,568,994	5,056,706	8,070,535	1,441,753	755,236,931	65,104,585	*99,728,163	1,882,778	7,583,183
Depreciable assets	45,594,483	10,413,732	18,666,186	16,514,565	1,172,641,397	96,154,689	19,045,683	14,001,575	6,153,731
Less: Accumulated depreciation	28,160,038	5,715,479	11,660,020	10,784,538	589,313,893	41,788,020	6,894,345	7,629,877	2,880,063
Depletable assets	323,297	121,202	179,123	*22,973	59,760,143	*52,313	797	*2,818	
Less: Accumulated depletion	110,137	*41,800	52,300	*16,037	26,794,069	*5,929		*594	
Land	2,670,818	1,392,495	709,189	569,133	32,657,097	3,738,275	*711,268	143,787	161,048
Intangible assets (amortizable)	715,066	279,787	161,284	273,995	190,182,231	20,224,663	*39,165,811	454,679	1,328,458
Less: Accumulated amortization	206,411	72,516	41,926	91,969	46,106,848	2,060,544	*2,275,906	86,949	297,592
Other assets	3,385,521	1,233,338	1,684,422	467,762	194,907,615	14,028,296	17,686,562	981,296	1,645,763
Total liabilities	107,512,385	43,329,401	33,525,880	30,657,103	2,743,827,169	262,605,285	219,167,139	19,833,261	25,352,127
Accounts payable	18,602,847	8,937,111	4,099,916	5,565,820	289,365,955	56,172,378	25,267,246	1,867,039	2,553,674
Mortgages, notes, and bonds payable in less than one year	8,662,834	4,562,632	1,617,193	2,483,008	187,226,429	17,202,133	*6,365,523	1,228,639	1,544,062
Other current liabilities	13,306,276	5,460,285	3,375,504	4,470,487	253,448,044	17,741,504	*9,999,950	1,433,858	2,343,884
Loans from stockholders	2,585,175	1,453,105	284,503	847,567	39,324,027	2,840,948	14,834,643	239,478	189,590
Mortgages, notes, and bonds payable in one year or more	17,228,019	9,453,126	4,728,019	3,046,874	474,741,178	52,145,111	*41,065,521	4,494,413	5,727,078
Other liabilities	6,312,408	1,801,014	3,451,495	1,059,900	328,390,469	18,814,848	*15,509,050	942,185	2,260,243
Capital stock	4,006,186	1,198,980	1,605,735	1,201,471	112,248,837	10,979,262	5,486,897	865,034	1,412,407
Paid-in or capital surplus	9,431,503	1,996,376	6,083,180	1,351,948	517,097,183	38,570,056	*86,143,144	1,803,834	4,096,846
Retained earnings, appropriated	187,738	74,385	*38,569	74,784	6,728,852	610,207	144,596	*880	*222,964
Retained earnings, unappropriated	29,246,630	8,964,392	8,985,659	11,296,580	630,594,601	60,894,863	15,870,051	7,167,967	5,584,259
Less: Cost of treasury stock	2,057,231	572,005	743,892	741,334	95,338,407	13,366,025	1,519,480	210,067	582,879
Total receipts	238,216,115	97,825,389	50,335,635	90,055,090	2,442,693,592	297,054,032	75,342,921	29,240,675	32,833,840
Business receipts	230,686,877	94,705,813	47,109,137	88,871,827	2,263,619,372	283,364,390	67,384,532	28,774,146	31,484,162
Interest	2,067,780	1,032,579	749,190	286,012	46,918,683	3,679,256	*5,333,087	141,754	449,061
Interest on Government obligations:									
State and local	62,472	25,058	24,384	13,030	1,383,301	42,305	7,457	9,100	21,305
Rents	772,456	389,295	245,474	137,687	27,610,109	1,127,928	671,466	27,071	43,154
Royalties	54,456	*17,589	28,987	7,880	23,286,682	2,267,160	555,548	21,241	334,527
Net short-term capital gain reduced by net long-term capital loss	33,726	6,427	25,663	1,636	764,903	19,463		*2,850	*429
Net long-term capital gain reduced by net short-term capital loss	972,087	219,209	657,234	95,644	7,682,492	768,581	60,198	11,214	31,320
Net gain, noncapital assets	494,022	90,188	296,009	107,826	6,358,543	548,526	14,649	32,555	23,530
Dividends received from domestic corporations	80,216	15,584	55,776	8,856	3,116,452	545,202	58,423	11,171	7,837
Dividends received from foreign corporations	186,829	54,523	127,834	*4,473	22,823,354	1,863,034	745,376	49,227	250,750
Other receipts	2,805,193	1,269,025	1,015,947	520,221	39,129,701	2,828,186	512,186	160,345	287,765
Total deductions	230,139,155	95,202,127	47,798,284	87,138,745	2,297,257,521	281,005,117	68,838,125	27,745,628	30,723,981
Cost of sales and operations	178,789,945	80,274,439	36,081,403	62,434,103	1,510,218,910	189,173,810	33,498,753	21,622,466	21,852,976
Compensation of officers	8,012,500	2,700,653	819,262	4,492,585	18,875,344	1,763,908	*252,445	301,697	632,880
Repairs	1,054,588	231,994	350,988	471,605	21,045,681	2,434,097	*160,649	116,750	110,291
Bad debts	371,655	97,912	62,575	5,997,110	280,061	*48,341	65,837	95,191	
Rent paid on business property	2,387,687	685,410	643,245	1,059,032	23,746,651	2,545,412	432,425	157,929	432,257
Taxes paid	4,787,071	1,342,252	752,580	2,692,240	60,901,982	7,306,964	4,003,863	627,547	736,058
Interest paid	2,879,645	1,274,153	923,228	682,264	84,519,934	8,114,798	*8,918,448	603,270	1,067,197
Contributions or gifts	105,633	38,897	29,450	37,285	2,203,292	318,461	*91,957	25,032	35,623
Amortization	81,964	31,838	23,706	26,420	8,185,854	812,853	*886,817	33,954	83,195
Depreciation	3,793,488	833,393	1,295,218	1,664,878	75,018,276	6,620,527	2,219,878	672,566	488,526
Depletion	29,265	2,417	22,825	*4,023	3,120,571	5,074	33	306	1
Advertising	595,057	209,940	55,798	329,320	45,512,099	13,992,928	*5,303,944	202,045	623,545
Pension, profit-sharing, stock bonus, and annuity plans	1,093,707	295,044	260,456	538,208	12,971,886	1,202,321	411,057	146,375	97,287
Employee benefit programs	2,048,400	644,109	379,461	1,024,831	37,709,946	3,805,553	*1,009,735	420,815	345,980
Net loss, noncapital assets	76,201	32,273	12,875	31,054	1,391,695	48,519	3,735	10,077	8,853
Other deductions	24,032,347	6,507,404	6,085,214	11,439,729	385,838,289	42,579,833	11,596,045	2,538,962	4,104,121
Total receipts less total deductions	8,076,959	2,623,262	2,537,352	2,916,345	145,436,071	18,048,915	6,504,796	1,495,047	2,209,859
Constructive taxable income from related foreign corporations	315,661	48,356	*257,137	*10,169	22,277,901	1,759,557	1,179,625	15,995	229,974
Net income	8,330,149	2,646,560	2,770,104	2,913,485	166,330,670	17,766,167	7,676,964	1,501,942	2,418,528
Income subject to tax	6,632,035	2,002,013	2,340,074	2,289,949	152,564,012	16,672,720	7,320,812	1,353,676	2,325,016
Income tax, total <sup>2</sup>	1,959,211	574,973	792,199	592,039	53,589,555	5,830,068	2,512,507	461,111	785,952
Regular tax	1,899,048	559,942	770,407	568,699	51,738,743	5,646,051	2,489,076	446,339	780,891
Personal holding company tax	*58	*58			526				
Recapture of investment credit	273	*32	213	*28	14,638	737	277	*4	( <sup>1</sup> )
Alternative minimum tax	48,975	11,238	16,655	21,082	1,643,594	161,259	12,754	13,168	2,640
Environmental tax	3,429	582	2,508	339	201,767	22,133	*10,399	1,735	2,424
Foreign tax credit	181,412	29,727	146,956	*4,728	16,905,943	1,268,473	479,919	15,820	180,514
U.S. possessions tax credit	2,295		2,260	35	3,351,884	501,344	18,353	2,217	42,124
Orphan drug credit					17,991				
Nonconventional source fuel credit	*464	*165	*289	*10	151,675	*78			
General business credit	44,279	4,519	33,005	6,755	887,291	64,618	*23,625	8,260	4,895
Prior year minimum tax credit	57,807	23,720	15,464	18,623	463,146	38,108		9,718	3,172
Total income tax after credits	1,672,954	516,841	594,224	561,888	31,811,625	3,957,448	1,990,610	425,096	555,248

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

# Corporation Returns/1991

## 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.....	6,180	3,647	1,374	17,120	3,994	954	4,020	900	3,424
Total assets.....	33,022,199	10,734,680	75,015,463	123,658,327	423,632,019	548,571,631	27,455,827	14,449,600	28,252,568
Cash.....	1,039,923	511,334	781,569	3,658,942	10,839,696	2,357,393	983,219	254,219	986,235
Notes and accounts receivable.....	2,337,727	2,527,949	7,777,567	18,088,941	76,223,596	67,954,009	5,142,364	3,734,005	4,625,089
Less: Allowance for bad debts.....	76,794	73,003	236,859	1,785,500	1,371,910	588,768	159,735	29,571	132,089
Inventories.....	3,861,669	2,112,655	7,298,443	6,745,479	34,172,420	18,524,780	4,207,978	2,181,313	2,567,378
Investments in Government obligations.....	103,500	*20,480	*235,348	651,525	892,311	279,622	*31,841	*41,838	*54,150
Tax-exempt securities.....	*9,345	*1,017	*127,070	343,006	2,321,219	422,278	*1,703	12,509	*52,490
Other current assets.....	740,049	299,068	1,933,424	5,796,181	13,394,693	19,023,404	747,796	417,903	897,251
Loans to stockholders.....	56,570	55,087	83,581	622,996	3,005,583	1,051,276	172,463	*13,832	135,415
Mortgage and real estate loans.....	*1,281,733	*9,144	*180,925	46,144	36,838	*50,594	*52,362	574	*22,234
Other investments.....	3,189,130	1,098,253	9,656,566	35,683,253	131,439,671	233,451,965	3,739,070	525,086	8,652,233
Depreciable assets.....	20,622,092	6,275,409	54,696,395	51,152,055	177,583,647	282,961,791	19,709,600	4,223,395	18,941,173
Less: Accumulated depreciation.....	10,202,071	3,275,390	23,729,374	25,156,294	87,388,500	146,403,453	9,521,319	2,335,615	10,850,767
Depletable assets.....	3,574,345	*464	1,721,868	*11,663	7,351,647	42,477,423	*42,062	-	429,587
Less: Accumulated depletion.....	*159,328	-	338,167	*157	4,140,548	21,673,903	*17,726	-	78,357
Land.....	468,723	156,149	706,540	1,622,192	4,448,069	6,758,883	322,880	4,988,680	604,142
Intangible assets (amortizable).....	455,071	729,955	3,543,019	17,968,945	22,049,824	42,981,667	1,317,362	308,899	612,175
Less: Accumulated amortization.....	54,467	103,782	359,502	3,011,813	6,572,323	22,907,206	349,677	116,836	156,731
Other assets.....	5,774,981	389,890	10,937,050	11,220,768	39,346,086	21,849,875	1,033,133	229,368	890,961
Total liabilities.....	33,022,199	10,734,680	75,015,463	123,658,327	423,632,019	548,571,631	27,455,827	14,449,600	28,252,568
Accounts payable.....	3,342,163	1,460,288	6,894,004	8,562,104	42,097,553	47,870,489	2,757,165	682,660	2,406,024
Mortgages, notes, and bonds payable in less than one year.....	1,829,144	519,495	2,952,065	4,781,957	25,315,724	19,307,182	1,740,151	309,258	894,482
Other current liabilities.....	2,870,986	981,454	6,761,957	12,946,865	34,774,940	30,461,174	2,134,878	1,623,832	1,959,763
Loans from stockholders.....	227,464	56,279	164,061	1,969,087	5,773,373	4,806,240	459,072	*35,675	390,770
Mortgages, notes, and bonds payable in one year or more.....	8,588,433	1,714,107	17,988,191	27,116,914	76,178,818	76,705,380	5,936,178	4,140,332	5,464,524
Other liabilities.....	2,373,198	580,515	6,004,412	13,281,982	46,406,502	82,372,475	2,780,554	5,190,613	2,365,963
Capital stock.....	778,132	540,805	3,377,691	4,162,618	18,906,300	16,246,792	1,281,370	853,315	1,557,631
Paid-in or capital surplus.....	4,978,235	513,859	11,478,804	24,502,722	89,302,653	149,283,087	3,584,811	512,336	7,169,957
Retained earnings, appropriated.....	*28,001	*23,384	*49,596	85,775	951,576	1,049,327	*8,487	8,232	*770,233
Retained earnings, unappropriated.....	8,385,110	4,510,221	21,167,597	30,869,893	102,184,450	144,796,380	7,229,528	1,282,713	7,100,309
Less: Cost of treasury stock.....	378,667	165,726	1,822,714	4,621,590	18,259,871	24,326,898	456,368	189,366	1,827,087
Total receipts.....	37,705,303	18,566,666	69,042,878	111,152,824	339,125,483	449,520,813	41,846,578	15,098,471	27,096,219
Business receipts.....	35,742,860	18,165,932	65,856,177	104,527,986	311,912,612	422,976,467	39,951,023	14,452,865	25,840,573
Interest.....	366,117	68,121	455,164	1,512,720	6,867,921	8,465,239	304,332	312,743	200,261
Interest on Government obligations:									
State and local.....	16,073	8,331	13,311	53,251	132,308	40,994	3,054	*2,365	5,327
Rents.....	38,959	18,358	108,376	492,420	908,240	2,331,342	103,244	34,687	74,615
Royalties.....	54,574	24,232	625,236	1,775,347	4,190,439	1,392,068	135,917	36,753	204,926
Net short-term capital gain reduced by net long-term capital loss.....	3,947	*385	53,407	60,140	72,207	18,727	*1,849	*7,492	*996
Net long-term capital gain reduced by net short-term capital loss.....	539,156	16,760	417,434	191,359	2,587,481	487,725	108,515	45,166	130,510
Net gain, noncapital assets.....	342,522	17,285	194,419	242,197	630,302	1,493,570	70,598	*4,289	88,745
Dividends received from domestic corporations.....	23,920	6,013	102,837	117,087	520,518	735,887	10,428	4,854	58,712
Dividends received from foreign corporations.....	66,852	18,334	496,563	353,802	4,343,228	3,441,403	434,619	*22,801	171,643
Other receipts.....	510,323	222,916	719,954	1,826,514	6,960,229	8,137,390	523,199	174,455	319,913
Total deductions.....	35,976,593	17,644,364	64,635,123	103,670,446	309,827,894	430,251,958	39,313,335	14,569,130	25,568,486
Cost of sales and operations.....	26,286,122	12,450,794	41,428,814	49,484,672	182,674,339	329,269,938	26,330,113	9,636,297	16,146,475
Compensation of officers.....	487,197	305,632	465,906	1,876,253	4,993,838	647,527	174,924	375,742	674,273
Repairs.....	464,351	66,348	1,206,757	691,015	4,337,729	5,248,167	450,064	48,704	674,273
Bad debts.....	63,307	101,361	96,115	913,279	566,696	394,743	97,370	35,557	130,194
Rent paid on business property.....	224,955	263,333	609,021	1,853,011	3,494,266	3,497,388	460,406	284,193	244,283
Taxes paid.....	886,029	492,361	1,475,251	3,095,324	6,668,674	15,409,651	824,530	666,570	733,388
Interest paid.....	1,304,909	250,393	2,050,246	4,128,981	10,957,060	14,043,212	1,027,359	594,963	632,364
Contributions or gifts.....	20,373	17,581	56,667	163,447	485,986	193,087	25,810	10,731	17,474
Amortization.....	45,666	17,905	109,002	2,080,262	1,019,071	1,000,134	86,405	17,915	45,957
Depreciation.....	1,367,732	451,365	3,966,092	3,908,234	11,344,690	10,248,749	1,417,609	256,998	988,244
Depletion.....	382,345	*140	129,030	*694	492,789	1,716,654	1,773	112,198	65,781
Advertising.....	174,688	195,784	1,065,121	2,568,211	9,741,870	964,581	464,002	280,482	173,705
Pension, profit-sharing, stock bonus, and annuity plans.....	279,873	98,993	497,375	883,275	1,994,815	1,437,892	258,604	47,616	221,698
Employee benefit programs.....	326,337	278,931	1,269,124	2,193,489	5,470,393	2,312,082	989,704	160,317	535,109
Net loss, noncapital assets.....	6,443	5,372	40,329	61,025	123,280	551,718	19,376	9,315	10,283
Other deductions.....	3,656,265	2,650,071	10,170,273	29,392,094	68,579,783	43,464,124	6,212,684	2,232,348	4,573,517
Total receipts less total deductions.....	1,728,710	922,302	4,407,754	7,482,378	29,297,590	19,268,856	2,333,243	529,341	1,527,733
Constructive taxable income from related foreign corporations.....	*43,203	15,569	575,238	145,508	5,227,667	4,446,221	225,414	*4,573	188,832
Net income.....	1,755,839	929,540	4,969,682	7,574,636	34,392,949	23,674,082	2,555,603	531,549	1,711,239
Income subject to tax.....	1,600,456	823,571	4,687,608	6,540,139	32,122,677	22,605,091	2,339,163	483,340	1,525,945
Income tax, total <sup>2</sup> .....	542,445	276,752	1,741,617	2,253,619	11,159,130	7,916,522	830,525	166,365	523,833
Regular tax.....	525,391	273,833	1,590,535	2,180,013	10,904,873	7,682,720	783,874	161,283	506,229
Personal holding company tax.....	-	-	39	-	-	-	-	-	-
Recapture of investment credit.....	6,219	46	149	489	791	1,152	321	( <sup>1</sup> )	19
Alternative minimum tax.....	8,783	2,537	144,121	64,767	213,998	221,582	44,031	2,889	16,059
Environmental tax.....	1,974	913	7,404	8,826	41,814	31,196	2,617	550	1,835
Foreign tax credit.....	28,087	4,344	402,183	201,780	3,421,831	4,806,497	252,584	3,330	121,471
U.S. possessions tax credit.....	-	-	4,223	5,781	1,981,797	1,848	11,343	17,336	8,076
Orphan drug credit.....	-	-	-	-	17,710	-	-	-	-
Nonconventional source fuel credit.....	*5,510	-	419	*4	*26,947	118,521	22	-	69
General business credit.....	3,591	3,142	28,849	21,472	212,272	61,532	8,190	15,663	11,246
Prior year minimum tax credit.....	9,783	*444	7,250	8,261	91,117	112,747	6,778	*1,812	1,930
Total income tax after credits.....	495,475	268,821	1,298,692	2,016,320	5,407,455	2,815,377	551,607	128,224	381,041

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

# Corporation Returns/1991

## 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.....	1,856	18,397	11,601	9,348	1,043	1,277	2,728	6,051
Total assets.....	47,705,148	89,693,684	196,816,663	322,157,292	20,691,795	108,651,381	89,341,037	57,020,044
Cash.....	1,445,491	3,091,756	5,825,129	10,452,183	865,426	6,318,073	4,048,142	2,321,252
Notes and accounts receivable.....	8,884,891	19,886,399	48,582,559	75,070,953	5,416,718	19,562,513	21,602,135	8,577,243
Less: Allowance for bad debts.....	188,457	438,483	1,282,545	2,480,894	118,101	288,205	371,883	497,719
Inventories.....	7,122,855	12,206,800	23,118,567	29,438,729	2,930,017	27,912,994	11,616,896	5,515,139
Investments in Government obligations.....	67,247	509,361	5,360,635	7,118,648	65,926	45,302	168,695	1,488,093
Tax-exempt securities.....	27,297	765,379	3,856,680	7,052,253	16,505	6,872	316,203	708,058
Other current assets.....	1,248,905	6,137,030	12,700,599	52,992,766	800,822	6,052,639	3,967,308	2,597,856
Loans to stockholders.....	166,739	260,853	1,849,654	493,907	67,803	532,193	153,265	288,673
Mortgage and real estate loans.....	21,158	337,106	109,363	1,334,211	750,352	59,650	92,960	241,581
Other investments.....	7,895,366	17,566,253	28,489,900	57,302,372	2,143,435	10,542,247	13,388,294	16,175,125
Depreciable assets.....	31,899,675	38,106,236	67,710,187	119,705,181	8,904,680	57,482,726	40,720,207	16,591,289
Less: Accumulated depreciation.....	15,087,299	21,240,696	47,676,074	64,566,208	4,209,454	29,946,970	20,186,005	8,366,099
Depletable assets.....	365,382	113,713	3,325,835	55,178	127	201,432	33,490	3,585
Less: Accumulated depletion.....	241,760	77,196	15,698	10,247	127	31,218	969,220	380,760
Land.....	587,129	926,672	1,711,595	1,735,378	276,757	1,238,948	6,136,406	3,386,763
Intangible assets (amortizable).....	989,543	4,549,262	9,930,538	10,821,296	757,344	2,470,552	1,640,540	815,674
Less: Accumulated amortization.....	212,659	318,005	1,984,040	2,339,389	121,290	319,923	8,359,735	8,397,778
Other assets.....	2,693,646	7,301,242	15,203,779	17,980,978	2,144,874	6,811,556	8,359,735	8,397,778
Total liabilities.....	47,705,148	89,693,684	196,816,663	322,157,292	20,691,795	108,651,381	89,341,037	57,020,044
Accounts payable.....	5,629,495	7,123,127	17,136,598	30,188,487	1,989,439	11,873,708	9,634,799	3,847,513
Mortgages, notes, and bonds payable in less than one year.....	2,546,009	9,171,426	18,517,338	58,455,472	1,738,107	3,862,429	5,396,031	3,549,803
Other current liabilities.....	4,722,021	6,628,847	28,348,103	32,252,079	3,151,939	31,706,105	10,905,525	9,698,379
Loans from stockholders.....	845,778	866,117	1,256,023	1,271,961	360,822	345,861	2,005,321	585,465
Mortgages, notes, and bonds payable in one year or more.....	8,666,202	16,278,538	31,248,577	42,500,440	5,194,076	16,870,105	16,212,230	10,506,012
Other liabilities.....	4,807,813	9,950,684	21,156,325	70,547,851	1,227,419	7,945,127	7,690,166	6,382,546
Capital stock.....	3,291,962	3,458,341	14,738,275	8,884,526	2,023,668	6,924,018	4,191,878	2,287,917
Paid-in or capital surplus.....	7,634,493	13,435,207	20,133,102	23,860,458	2,072,327	6,142,853	13,853,704	8,024,793
Retained earnings, appropriated.....	82,279	230,402	466,374	602,970	10,476	32,779	1,112,823	237,489
Retained earnings, unappropriated.....	10,499,141	25,450,753	48,783,612	61,107,159	3,822,341	26,587,532	23,895,768	13,424,959
Less: Cost of treasury stock.....	620,044	2,899,759	4,967,664	7,524,111	898,819	5,557,206	1,524,831	1,524,831
Total receipts.....	58,743,032	98,876,285	184,324,675	231,414,694	25,619,113	160,109,920	92,393,304	47,685,883
Business receipts.....	55,564,720	93,894,736	151,153,954	207,833,502	23,977,492	151,849,202	84,513,944	44,398,079
Interest.....	613,713	2,041,586	4,576,965	7,531,149	391,057	1,253,976	1,486,952	867,509
Interest on Government obligations:								
State and local.....	3,248	43,649	285,591	512,564	15,822	19,755	66,904	80,589
Rents.....	446,593	531,699	10,811,563	6,400,978	676,059	1,422,639	1,053,466	287,252
Royalties.....	209,547	375,398	7,755,951	1,611,705	50,510	290,918	1,111,126	263,561
Net short-term capital gain reduced by net long-term capital loss.....	2,511	14,869	133,361	68,067	1,743	69,055	28,823	204,781
Net long-term capital gain reduced by net short-term capital loss.....	117,622	197,638	493,698	556,373	22,348	421,990	166,635	310,770
Net gain, noncapital assets.....	109,351	222,395	269,334	1,153,300	132,101	566,291	51,550	151,034
Dividends received from domestic corporations.....	37,078	71,480	188,788	168,413	17,109	100,559	41,109	289,030
Dividends received from foreign corporations.....	333,472	427,964	5,153,536	1,583,978	105,293	1,029,590	1,732,858	219,028
Other receipts.....	1,305,177	1,054,873	3,501,936	4,014,666	229,579	3,085,908	2,139,936	614,250
Total deductions.....	56,778,173	93,497,214	173,483,783	218,413,615	24,781,170	150,420,716	85,733,716	44,368,973
Cost of sales and operations.....	45,384,459	64,821,243	94,338,713	133,693,552	18,406,130	117,172,570	48,880,164	27,666,509
Compensation of officers.....	449,582	2,347,198	1,977,843	1,839,613	194,829	374,492	803,983	750,801
Repairs.....	472,321	404,499	967,459	1,436,789	97,146	1,049,540	333,720	275,011
Bad debts.....	76,378	351,288	768,115	1,358,790	65,361	101,891	204,587	184,650
Rent paid on business property.....	312,523	893,657	2,522,640	2,741,765	143,925	1,188,539	903,679	541,048
Taxes paid.....	916,208	2,338,998	4,050,651	4,978,087	432,531	2,471,784	1,807,363	979,749
Interest paid.....	1,133,945	2,797,838	5,779,672	13,554,108	869,356	2,354,430	2,751,421	1,585,853
Contributions or gifts.....	23,751	63,019	202,914	137,833	12,821	117,529	138,683	44,514
Amortization.....	80,897	137,460	393,293	617,102	29,622	201,764	329,916	146,664
Depreciation.....	1,749,030	2,562,143	6,386,883	12,549,423	1,158,638	2,730,853	2,483,443	1,246,652
Depletion.....	156,381	4,338	25,144	1,104	4	23,926	8	2,850
Advertising.....	119,186	891,313	1,932,734	2,545,208	154,131	298,465	2,656,164	1,163,992
Pension, profit-sharing, stock bonus, and annuity plans.....	341,690	629,152	1,072,197	1,429,672	84,006	937,778	709,896	192,315
Employee benefit programs.....	839,919	1,823,973	4,630,991	4,728,507	788,444	3,198,779	1,721,102	860,683
Net loss, noncapital assets.....	15,501	17,172	118,468	125,795	8,841	39,768	126,768	41,056
Other deductions.....	4,706,407	13,413,823	48,328,043	36,576,267	2,335,586	18,158,609	21,882,816	8,686,618
Total receipts less total deductions.....	1,964,859	5,379,071	10,830,912	13,001,079	837,943	9,689,185	6,659,588	3,316,909
Constructive taxable income from related foreign corporations.....	240,505	636,164	3,103,119	1,453,740	54,138	901,744	1,638,048	193,067
Net income.....	2,202,116	5,971,587	13,648,441	13,942,255	878,258	10,571,174	8,230,733	3,429,388
Income subject to tax.....	1,918,187	5,304,155	12,434,781	12,504,704	692,031	9,347,478	7,271,328	2,691,135
Income tax, total.....	708,616	1,764,868	4,463,469	4,463,040	257,952	3,246,722	2,722,239	962,204
Regular tax.....	647,784	1,731,528	4,240,874	4,228,593	232,693	3,173,639	2,614,287	898,237
Personal holding company tax.....	17	144	2,516	903	30	506	308	10
Recapture of investment credit.....	58,117	28,267	205,366	211,542	24,224	48,702	97,829	60,960
Alternative minimum tax.....	2,982	5,339	16,021	17,024	977	12,351	9,801	3,451
Foreign tax credit.....	189,004	391,128	2,719,218	948,128	55,044	322,012	980,962	113,614
U.S. possessions tax credit.....		3,759	14,582	320,265	9,848	547	371,394	37,248
Orphan drug credit.....							280	
Nonconventional source fuel credit.....			104		(1)			(1)
General business credit.....	8,163	50,774	74,702	165,274	3,836	19,267	80,972	16,949
Prior year minimum tax credit.....	6,155	24,109	31,550	10,140	2,474	71,254	20,198	6,146
Total income tax after credits.....	505,295	1,295,099	1,623,313	3,019,232	188,950	2,833,642	1,268,434	788,248

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

# Corporation Returns/1991

## 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]

[All figures are estimates based on samples—money amounts are in thousands of dollars]									
Item	Major industry--Continued								
	Transportation and public utilities				Wholesale and retail trade				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
						Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total.....	50,883	42,181	4,215	4,488	313,030	115,611	8,051	22,577	84,983
Total assets.....	1,246,373,703	138,933,165	478,313,049	629,127,490	908,685,680	402,640,813	34,587,093	41,444,525	326,609,196
Cash.....	18,701,684	5,959,168	7,553,331	5,189,185	41,704,593	19,301,172	1,491,151	2,871,470	14,938,551
Notes and accounts receivable.....	129,263,940	17,473,236	73,034,541	38,756,164	205,642,112	115,855,786	9,246,552	12,253,201	94,356,033
Less: Allowance for bad debts.....	3,899,352	363,282	2,500,998	1,035,072	3,681,790	1,780,358	205,146	219,472	1,355,740
Inventories.....	23,322,273	1,713,027	5,671,607	15,937,639	216,575,051	103,294,557	8,239,697	12,576,868	82,477,993
Investments in Government obligations.....	4,966,670	522,554	1,550,771	2,893,345	18,324,503	16,712,141	*35,509	94,347	16,582,284
Tax-exempt securities.....	1,742,451	336,400	947,280	458,770	17,745,727	747,281	*43,248	*132,988	571,045
Other current assets.....	37,940,600	5,784,201	13,005,263	19,171,137	61,587,393	34,740,478	1,121,843	1,877,382	31,741,253
Loans to stockholders.....	1,991,001	771,983	345,564	873,454	5,799,112	2,459,283	586,109	409,138	1,464,036
Mortgage and real estate loans.....	770,998	516,645	164,243	90,110	12,005,496	1,818,924	170,304	102,325	1,546,296
Other investments.....	201,254,758	18,535,049	119,366,624	63,353,085	112,128,190	40,543,883	3,062,220	4,116,808	33,364,855
Other investments.....	201,254,758	18,535,049	119,366,624	63,353,085	112,128,190	40,543,883	3,062,220	4,116,808	33,364,855
Depreciable assets.....	1,105,897,673	131,431,240	348,886,112	625,580,321	272,834,502	90,202,442	13,320,873	10,554,024	66,327,545
Less: Accumulated depreciation.....	399,776,809	57,152,378	138,174,212	204,450,219	123,089,375	45,446,726	6,613,980	5,692,850	33,139,896
Depletable assets.....	6,651,696	413,733	*19,936	8,218,027	999,509	794,396	-	128,834	665,562
Less: Accumulated depletion.....	3,699,724	134,459	*7,003	3,558,262	372,414	315,989	-	*51,063	264,925
Land.....	10,283,156	3,008,350	2,851,744	4,423,062	21,751,816	6,002,835	647,897	623,079	4,731,859
Intangible assets (amortizable).....	31,189,165	3,081,960	19,729,179	8,378,026	21,872,724	10,242,712	2,132,233	726,127	7,384,351
Less: Accumulated amortization.....	5,356,179	481,062	2,235,415	2,639,703	4,461,366	2,143,336	351,244	144,631	1,647,461
Other assets.....	83,129,702	7,538,801	28,104,480	47,488,422	31,319,899	9,611,331	1,659,827	1,085,951	6,865,553
Total liabilities.....	1,246,373,703	138,933,165	478,313,049	629,127,490	908,685,680	402,640,813	34,587,093	41,444,525	326,609,196
Accounts payable.....	63,504,570	12,342,592	23,109,865	28,052,112	149,014,204	76,835,742	7,419,022	8,714,326	60,702,394
Mortgages, notes, and bonds payable in less than one year.....	55,242,961	8,959,351	24,599,556	23,684,054	132,655,613	85,429,301	2,137,309	6,214,039	77,077,952
Other current liabilities.....	98,317,721	13,745,866	42,090,893	42,480,962	123,367,574	51,831,609	3,989,166	3,179,990	44,662,453
Loans from stockholders.....	4,879,650	1,815,899	293,427	2,770,325	14,694,849	6,948,846	468,432	638,165	5,642,248
Mortgages, notes, and bonds payable in one year or more.....	353,882,909	32,939,893	112,658,895	208,284,120	157,237,061	54,513,838	6,697,772	5,699,192	42,116,874
Other liabilities.....	181,802,276	23,544,444	62,057,619	96,200,213	58,107,466	12,820,831	1,836,612	1,766,477	9,217,742
Capital stock.....	143,441,177	4,696,782	47,486,605	91,257,791	38,893,946	21,095,438	1,435,181	2,704,159	16,956,097
Paid-in or capital surplus.....	184,315,533	15,625,330	106,723,512	61,966,691	75,951,601	26,351,058	2,957,546	2,806,225	20,587,288
Retained earnings, appropriated.....	5,090,574	265,855	3,018,310	1,806,409	1,071,183	300,485	38,344	21,418	240,723
Retained earnings, unappropriated.....	173,029,488	29,874,464	67,597,505	75,557,519	172,594,216	72,869,406	8,232,944	10,213,488	54,422,973
Less: Cost of treasury stock.....	17,133,155	2,877,311	11,323,137	2,932,707	14,902,034	6,355,740	625,236	712,954	5,017,549
Total receipts.....	684,805,943	166,284,192	238,060,315	280,461,437	1,838,206,168	902,747,152	152,427,699	80,098,747	670,220,705
Business receipts.....	642,332,687	156,789,045	219,861,169	265,682,473	1,781,331,364	877,291,756	149,646,258	77,898,743	649,746,755
Interest.....	12,877,121	1,870,324	5,465,229	5,541,568	22,360,566	11,429,085	428,218	543,146	10,457,721
Interest on Government obligations:									
State and local.....	292,311	27,906	122,088	142,317	1,448,276	135,727	18,102	16,560	101,065
Rents.....	8,640,741	1,877,175	4,616,950	2,146,616	5,655,947	2,187,969	264,459	427,115	1,496,395
Royalties.....	395,168	77,504	187,571	130,092	1,588,401	369,878	*2,644	18,608	348,626
Net short-term capital gain reduced by net long-term capital loss.....	142,630	36,740	46,511	59,379	202,084	156,506	*972	3,938	151,596
Net long-term capital gain reduced by net short-term capital loss.....	3,545,467	1,392,740	908,785	1,243,942	2,003,737	701,268	52,468	78,924	569,876
Net gain, noncapital assets.....	2,018,041	876,729	444,987	696,325	1,811,250	1,084,616	54,587	110,690	919,339
Dividends received from domestic corporations.....	700,287	69,394	258,047	372,845	582,791	280,302	14,862	20,526	244,914
Dividends received from foreign corporations.....	473,860	44,179	351,440	78,241	1,283,569	1,036,233	7,750	31,848	996,636
Other receipts.....	13,387,630	3,222,457	5,797,535	4,367,638	19,938,183	8,073,812	1,937,379	948,650	5,187,783
Total deductions.....	634,407,314	159,431,098	218,100,170	256,876,046	1,792,293,472	884,119,727	150,305,842	77,819,079	655,994,806
Cost of sales and operations.....	293,193,847	67,624,718	93,896,988	131,672,141	1,357,268,045	733,268,045	129,722,919	59,286,621	544,258,503
Compensation of officers.....	4,146,102	2,385,525	699,803	1,060,773	22,443,298	11,655,889	941,715	2,205,642	8,508,533
Repairs.....	24,551,476	3,936,193	9,932,325	10,682,958	7,121,075	2,367,216	481,980	231,358	1,653,878
Bad debts.....	5,322,418	478,252	3,763,439	1,080,727	5,206,185	1,681,487	222,780	222,823	1,235,884
Rent paid on business property.....	13,809,463	6,473,833	4,367,454	2,968,176	31,642,665	6,704,539	1,014,201	789,966	4,900,371
Taxes paid.....	33,401,410	6,920,445	9,232,232	17,248,733	26,811,325	9,527,995	1,351,154	1,083,048	7,093,793
Interest paid.....	42,487,803	4,877,534	14,217,278	23,392,991	32,979,245	14,795,733	1,110,201	1,057,605	12,627,992
Contributions or gifts.....	555,464	83,692	263,948	207,824	253,597	253,597	52,858	29,040	171,698
Amortization.....	3,473,462	205,936	2,609,494	658,032	1,540,760	691,994	134,603	54,666	502,725
Depreciation.....	64,416,878	7,876,290	27,356,461	29,184,127	23,249,926	8,508,499	1,144,864	1,145,531	6,218,105
Depletion.....	648,416	93,093	7,277	548,046	93,929	87,403	*77	16,081	71,245
Advertising.....	2,776,748	483,425	1,875,794	417,529	21,544,443	6,459,768	622,437	398,145	5,439,186
Pension, profit-sharing, stock bonus, and annuity plans.....	4,233,712	1,171,693	1,523,329	1,538,690	4,341,128	1,768,662	295,588	288,253	1,184,822
Employee benefit programs.....	14,744,832	3,910,982	7,496,584	3,337,286	12,101,899	3,812,289	832,276	570,579	2,409,434
Net loss, noncapital assets.....	1,219,367	32,482	80,605	377,280	520,119	155,272	12,198	29,579	113,495
Other deductions.....	125,425,915	52,877,004	40,048,179	32,500,732	244,799,782	82,381,339	12,365,991	10,410,143	59,605,205
Total receipts less total deductions.....	50,398,629	6,853,094	19,960,145	23,585,391	45,912,697	18,627,425	2,121,858	2,279,668	14,225,899
Constructive taxable income from related foreign corporations.....	922,754	207,306	601,776	113,671	1,691,397	1,383,373	*4,951	*25,380	1,353,043
Net income.....	51,029,071	7,032,493	20,439,833	23,556,745	46,155,818	19,875,071	2,108,706	2,288,487	15,477,878
Income subject to tax.....	47,094,487	5,928,882	19,165,814	21,999,791	40,315,099	16,253,072	1,920,528	1,923,313	12,409,231
Income tax, total.....	16,933,832	2,072,310	6,811,562	8,049,961	13,154,555	5,298,702	640,212	588,463	4,070,027
Regular tax.....	15,881,946	1,910,250	6,495,061	7,476,635	12,780,324	5,151,645	628,581	572,293	3,950,772
Personal holding company tax.....	*27	*27	-	-	*971	*764	*283	-	*481
Recapture of investment credit.....	44,057	207	13,297	30,553	997	859	*10	*23	827
Alternative minimum tax.....	949,763	154,228	268,590	526,945	332,793	128,958	9,398	14,256	105,304
Environmental tax.....	84,644	8,023	35,415	41,206	44,277	15,688	1,940	1,093	12,654
Foreign tax credit.....	390,601	44,415	292,174	54,013	876,410	610,971	*2,627	16,588	591,755
U.S. possessions tax credit.....	56,757	28	56,728	-	24,086	1,927	70	64	1,792
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	37,164	563	9,132	27,469	173	171	-	*57	*115
General business credit.....	628,897	147,507	103,423	377,968	230,999	46,028	7,323	5,433	33,272
Prior year minimum tax credit.....	236,287	18,007	89,735	128,546	79,415	31,327	3,778	2,066	25,485
Total income tax after credits.....	15,584,126	1,861,791	6,260,370	7,461,966	11,943,472	4,608,278	626,416	564,254	3,417,608

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

# Corporation Returns/1991

## 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.....	195,841	15,251	3,120	18,768	27,804	14,340	11,177	38,382	66,998	1,578
Total assets.....	504,130,270	21,172,540	239,085,042	70,724,245	32,809,729	33,239,714	10,664,875	38,080,574	58,353,552	1,914,597
Cash.....	22,239,367	1,626,296	5,309,522	4,197,288	2,518,420	933,608	1,158,160	35,065,366	4,340,707	164,053
Notes and accounts receivable.....	89,484,709	3,364,072	59,361,436	4,972,503	4,452,496	4,046,981	2,713,052	1,848,933	8,725,235	301,617
Less: Allowance for bad debts.....	1,891,979	54,437	1,105,031	59,874	69,680	140,468	54,589	85,669	322,431	9,453
Inventories.....	112,955,963	6,979,772	36,873,543	16,139,252	16,291,654	10,064,716	3,814,248	1,043,677	21,749,102	324,531
Investments in Government obligations.....	1,612,362	8,816	850,765	449,581	19,886	75,298	10,565	14,640	182,811	-
Tax-exempt securities.....	16,998,446	1,268	16,444,381	392,216	27,737	483	10,565	14,640	182,811	-
Other current assets.....	26,807,549	981,681	17,591,071	1,895,738	724,584	1,959,657	252,893	919,941	2,481,984	39,366
Loans to stockholders.....	3,299,913	157,513	234,511	189,920	390,032	440,245	130,407	568,530	1,190,756	39,916
Mortgage and real estate loans.....	10,186,572	177,905	9,600,694	135,394	60,829	14,038	17,757	122,263	57,693	-
Other investments.....	71,530,187	1,108,561	47,452,457	6,829,278	1,010,017	5,082,152	476,843	6,391,367	3,179,513	54,120
Depreciable assets.....	181,877,298	8,813,017	53,587,545	43,413,989	11,136,151	13,885,256	3,362,377	26,914,249	20,764,714	754,761
Less: Accumulated depreciation.....	77,423,939	3,994,205	19,212,394	19,171,193	5,843,791	5,813,091	1,548,225	11,444,679	10,396,361	218,710
Depletable assets.....	205,113	45,640	51	95,772	4,720	276	57,434	24,509	1,218	-
Less: Accumulated depletion.....	56,425	7,048	-	23,880	65	276	24,509	648	-	-
Land.....	15,718,064	1,195,583	4,316,294	3,322,502	1,177,138	258,310	206,640	3,943,531	1,298,066	30,916
Intangible assets (amortizable).....	11,325,795	285,333	1,816,535	1,513,131	312,139	1,051,038	65,354	2,687,130	3,615,135	304,217
Less: Accumulated amortization.....	2,304,219	72,778	195,603	311,851	184,884	281,005	25,171	558,213	674,714	13,811
Other assets.....	21,565,493	555,552	6,159,266	6,744,278	782,345	1,437,946	260,861	3,537,677	2,087,567	143,075
Total liabilities.....	504,130,270	21,172,540	239,085,042	70,724,245	32,809,729	33,239,714	10,664,875	38,080,574	58,353,552	1,914,597
Accounts payable.....	71,988,584	2,802,583	34,371,188	12,406,996	3,209,819	3,876,646	1,831,878	2,245,779	11,243,695	189,878
Mortgages, notes, and bonds payable in less than one year.....	47,053,530	1,672,160	21,557,981	2,817,123	12,218,820	1,852,730	769,914	1,850,444	4,314,360	172,782
Other current liabilities.....	71,363,407	1,637,943	46,593,293	8,562,190	1,826,620	3,914,242	982,459	2,774,910	5,071,749	172,558
Loans from stockholders.....	7,733,161	683,269	632,762	700,327	1,206,799	815,225	331,929	862,823	2,500,027	12,842
Mortgages, notes, and bonds payable in one year or more.....	101,653,878	4,252,190	40,734,531	24,548,845	4,457,366	4,538,722	1,982,247	11,227,602	9,912,375	1,069,345
Other liabilities.....	45,120,264	681,218	4,089,484	537,485	1,752,090	488,423	488,423	3,469,964	1,314,121	186,372
Capital stock.....	17,788,009	831,574	4,255,994	2,217,575	1,525,144	2,781,510	458,968	2,471,557	3,245,687	10,500
Paid-in or capital surplus.....	49,508,608	2,023,056	26,386,406	5,248,119	1,165,717	3,294,852	503,663	4,830,950	6,055,845	91,934
Retained earnings, appropriated.....	770,698	60,426	289,311	50,133	58,855	134,661	48,278	46,526	82,508	-
Retained earnings, unappropriated.....	99,681,230	7,055,179	33,559,114	11,194,508	7,260,712	11,069,087	3,538,024	10,302,088	15,682,517	63,580
Less: Cost of treasury stock.....	8,511,099	507,058	2,103,016	1,111,055	657,608	790,050	270,911	2,002,069	1,069,331	35,195
Total receipts.....	932,669,069	46,080,907	241,875,974	240,117,896	119,264,190	63,319,232	24,280,189	56,671,094	141,059,588	2,789,947
Business receipts.....	901,506,177	44,854,708	227,575,224	235,418,283	116,920,486	61,031,508	23,459,546	54,128,783	138,116,641	2,533,431
Interest.....	10,867,753	470,551	7,123,738	702,827	495,666	715,027	173,850	367,699	818,396	63,728
Interest on Government obligations:										
State and local.....	1,312,502	14,543	1,218,549	37,025	2,469	9,965	4,976	9,595	15,381	46
Rents.....	3,451,865	184,055	1,256,082	765,172	416,546	113,333	40,530	317,367	358,780	16,113
Royalties.....	1,212,796	151,923	36,087	30,385	2,608	409,098	1,785	391,503	189,428	5,728
Net short-term capital gain reduced by net long-term capital loss.....	45,510	4,764	17,570	2,215	328	1,129	1,068	14,578	3,859	69
Net long-term capital gain reduced by net short-term capital loss.....	1,199,137	38,330	523,162	240,809	81,073	22,580	26,453	162,754	103,977	103,332
Net gain, noncapital assets.....	679,679	23,948	101,502	82,129	153,628	7,474	24,661	202,356	83,982	46,955
Dividends received from domestic corporations.....	301,469	16,958	164,367	9,326	6,764	68,224	3,575	10,564	21,692	1,019
Dividends received from foreign corporations.....	247,336	451	42,794	6,925	1,632	100,008	7	45,574	49,945	-
Other receipts.....	11,844,844	320,677	3,816,901	2,821,800	1,182,990	840,887	543,759	1,020,322	1,297,509	19,527
Total deductions.....	905,559,677	44,639,236	233,219,172	235,851,697	117,731,190	60,452,563	23,488,101	53,821,637	136,356,082	2,614,068
Cost of sales and operations.....	622,298,698	31,852,864	147,865,833	178,445,055	96,772,928	38,840,609	15,199,543	22,299,905	93,021,961	1,701,677
Compensation of officers.....	10,701,235	1,053,190	527,236	945,214	1,857,474	609,532	704,395	1,415,493	3,588,700	86,174
Repairs.....	4,744,976	259,782	1,129,511	1,379,169	353,064	256,737	104,699	730,573	531,441	8,882
Bad debts.....	3,517,913	123,058	2,030,712	197,574	176,392	230,831	119,346	197,972	57,472	6,785
Rent paid on business property.....	24,896,326	718,917	6,301,079	4,138,154	1,497,490	4,163,653	787,747	2,965,869	4,325,417	41,800
Taxes paid.....	17,238,392	894,984	4,654,106	3,431,503	1,477,382	1,458,098	505,694	2,258,726	2,554,898	46,938
Interest paid.....	18,010,874	864,895	8,348,134	2,927,304	1,271,360	879,780	306,558	1,853,530	1,759,314	172,638
Contributions or gifts.....	374,803	17,257	116,469	78,248	21,320	38,237	12,212	30,675	64,187	1,074
Amortization.....	845,956	22,073	150,043	141,582	55,899	91,583	14,780	162,579	207,436	2,810
Depreciation.....	14,692,355	620,785	4,044,934	3,348,234	1,135,675	1,237,962	275,222	2,089,975	1,839,586	49,073
Depletion.....	6,490	2,804	2	1	3,135	(1)	349	198	37	-
Advertising.....	15,058,949	554,445	4,975,920	2,132,035	1,053,590	1,197,412	986,013	1,461,316	2,898,219	25,728
Pension, profit-sharing, stock bonus, and annuity plans.....	2,563,119	155,540	700,207	809,107	104,028	190,051	64,803	197,306	352,279	9,346
Employee benefit programs.....	8,257,769	313,466	2,324,180	3,078,434	562,145	424,377	115,020	584,389	855,778	31,842
Net loss, noncapital assets.....	364,518	10,771	50,012	85,158	11,104	84,811	6,070	43,648	92,846	329
Other deductions.....	181,989,506	7,178,424	50,000,795	34,716,948	11,378,205	12,789,691	4,298,198	17,865,396	23,785,850	428,937
Total receipts less total deductions.....	27,109,392	1,441,670	8,556,802	4,266,199	1,533,000	2,866,670	792,088	2,849,457	4,703,506	175,880
Constructive taxable income from related foreign corporations.....	308,024	-	71,484	1,452	-	81,838	-	154,844	18,407	-
Net income.....	28,104,913	1,427,128	7,509,737	4,230,626	1,530,531	2,918,540	787,112	2,994,706	4,708,532	175,833
Income subject to tax.....	23,984,753	1,286,780	7,267,961	4,033,203	1,248,125	2,785,005	713,337	2,566,677	4,082,683	77,274
Income tax, total.....	7,831,770	395,618	2,591,842	1,366,015	337,958	900,322	207,483	808,888	1,223,684	24,083
Regular tax.....	7,808,420	391,852	2,463,427	1,328,420	328,626	892,636	205,465	794,818	1,201,378	22,258
Personal holding company tax.....	207	-	180	-	17	-	-	-	-	-
Recapture of investment credit.....	138	3	30	30	(1)	(1)	(1)	30	45	-
Alternative minimum tax.....	202,158	3,691	118,457	33,963	11,722	4,289	1,630	11,060	19,342	1,879
Environmental tax.....	28,443	985	11,927	5,369	331	3,397	368	2,739	3,328	148
Foreign tax credit.....	285,434	32	20,263	2,174	83	73,482	150	142,022	27,228	5
U.S. possessions tax credit.....	20,249	-	15,891	3,121	1,014	-	-	223	-	1,911
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	2	(1)	-	-	-	-	-	-	-	-
General business credit.....	184,733	6,536	60,399	33,458	7,404	11,824	1,009	43,652	20,452	237
Prior year minimum tax credit.....	48,088	493	24,070	9,033	3,070	4,970	35	2,285	4,152	-
Total income tax after credits.....	7,313,265	388,557	2,471,219	1,318,231	326,388	810,046	206,269	620,704	1,171,851	21,629

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



# Corporation Returns/1991

## 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.....	186,332	8,485	8,630	5,207	4,836	21,829	119,283	18,062
Total assets.....	6,919,363,170	2,854,394,685	1,319,893,533	401,810,568	2,077,436,439	28,731,210	88,780,588	148,316,148
Cash.....	328,463,656	226,683,374	51,056,604	12,363,292	20,185,728	4,377,278	9,539,141	4,250,240
Notes and accounts receivable.....	1,923,652,623	1,398,150,454	280,991,933	87,359,951	107,927,813	8,196,066	7,606,423	33,419,983
Less: Allowance for bad debts.....	52,808,496	35,281,255	15,254,289	464,423	1,298,402	108,340	214,012	187,775
Inventories.....	12,368,979	656,643	3,260,309	978,682	2,938,891	*766	3,556,708	976,980
Investments in Government obligations.....	678,148,610	399,863,674	44,685,134	30,965,105	198,490,072	409,593	758,566	2,976,466
Tax-exempt securities.....	217,888,307	58,011,589	9,943,136	436,562	147,353,710	390,748	4,852,319	11,764,654
Other current assets.....	499,011,709	83,061,947	62,422,628	127,195,717	208,329,784	1,384,660	1,498,110	2,070,683
Loans to stockholders.....	18,496,601	2,803,524	5,504,500	1,940,483	1,177,978	259,453	1,498,110	5,312,552
Mortgage and real estate loans.....	1,131,470,043	255,482,458	631,883,724	1,410,031	237,686,505	38,599	2,898,042	2,070,683
Other investments.....	1,714,978,031	299,081,139	182,371,723	115,238,882	1,046,563,062	8,971,968	13,627,192	49,124,065
Depreciable assets.....	194,255,543	67,574,384	23,398,007	6,805,740	34,827,274	4,486,712	48,239,637	9,123,789
Less: Accumulated depreciation.....	73,924,045	27,754,040	9,882,123	3,301,148	7,510,283	2,422,927	18,793,833	4,259,592
Depletable assets.....	730,650	10,566	4,652	*3,083	229,800	*60,216	184,025	238,309
Less: Accumulated depletion.....	229,512	3,375	215	*811	50,031	*33,332	61,958	*79,789
Land.....	22,505,118	5,527,204	2,623,941	139,662	2,139,903	176,075	10,853,432	1,044,902
Intangible assets (amortizable).....	26,841,840	9,350,238	7,378,321	1,101,024	3,900,819	2,244,049	1,108,380	1,759,009
Less: Accumulated amortization.....	5,832,908	1,884,674	901,680	315,546	1,279,175	687,694	316,222	467,916
Other assets.....	283,348,419	113,040,836	40,407,228	19,954,280	76,022,995	987,319	2,878,202	30,057,560
Total liabilities.....	6,919,363,170	2,854,394,685	1,319,893,533	401,810,568	2,077,436,439	28,731,210	88,780,588	148,316,148
Accounts payable.....	592,624,098	391,352,288	72,480,988	83,329,937	28,076,475	9,505,942	3,081,270	4,797,199
Mortgages, notes, and bonds payable in less than one year.....	525,675,063	161,767,883	233,409,311	27,444,926	45,668,511	835,275	7,033,697	49,515,460
Other current liabilities.....	2,912,300,147	1,794,589,108	536,656,403	223,492,646	340,996,857	3,096,662	4,366,216	9,102,253
Loans from stockholders.....	45,350,718	5,188,853	25,531,788	879,016	6,216,237	157,421	4,345,934	3,031,470
Mortgages, notes, and bonds payable in one year or more.....	493,404,650	118,075,429	243,261,021	17,260,738	57,266,975	2,370,214	29,627,664	25,542,608
Other liabilities.....	1,511,901,017	133,310,671	111,136,622	25,172,685	1,224,044,155	2,037,813	7,231,478	8,967,593
Capital stock.....	87,930,516	40,401,854	11,702,432	3,112,770	15,641,778	1,251,041	7,127,608	8,693,234
Paid-in or capital surplus.....	312,752,329	88,157,272	43,200,075	9,699,695	129,939,435	3,198,677	14,470,763	24,088,413
Retained earnings, appropriated.....	41,731,153	1,901,944	2,919,362	118,375	34,360,164	40,458	1,279,785	1,111,064
Retained earnings, unappropriated.....	415,308,827	122,307,148	43,096,832	12,885,850	202,627,142	7,222,015	12,312,314	14,857,328
Less: Cost of treasury stock.....	19,615,149	2,657,566	3,501,300	1,586,071	7,401,289	982,308	2,096,141	1,390,473
Total receipts.....	1,412,340,402	334,359,283	253,514,704	66,446,574	671,391,894	21,442,018	42,822,143	22,363,786
Business receipts.....	736,610,775	39,937,241	114,130,044	34,809,596	488,999,974	19,706,525	30,530,035	8,497,361
Interest.....	514,423,690	259,487,656	109,345,469	19,804,691	116,007,179	640,039	2,069,114	7,069,542
Interest on Government obligations:								
State and local.....	14,554,894	6,299,864	428,144	168,980	7,391,973	52,848	81,710	131,476
Rents.....	22,795,813	7,502,606	1,672,101	387,557	7,962,996	78,065	3,838,889	1,353,600
Royalties.....	727,727	10,463	91,329	7,217	79,834	*10,156	167,498	361,230
Net short-term capital gain reduced by net long-term capital loss.....	4,389,287	166,932	117,034	238,554	3,623,716	16,786	63,317	162,947
Net long-term capital gain reduced by net short-term capital loss.....	12,289,967	1,246,946	565,189	431,025	6,849,350	90,449	2,080,991	1,026,017
Net gain, noncapital assets.....	6,261,000	3,254,097	2,030,093	47,187	418,284	12,264	325,850	173,225
Dividends received from domestic corporations.....	6,037,507	426,171	576,533	245,595	3,865,149	46,013	196,850	681,195
Dividends received from foreign corporations.....	915,543	96,749	29,573	128,693	161,859	*201,618	33,768	263,284
Other receipts.....	93,334,100	15,930,560	24,529,196	10,177,480	36,031,579	587,254	3,434,121	2,643,910
Total deductions.....	1,299,740,816	302,620,515	228,575,456	61,303,051	631,610,091	19,564,227	37,921,367	18,145,910
Cost of sales and operations.....	448,383,712	403,624	81,588,459	4,782,820	344,541,037	1,923,356	11,095,472	4,048,944
Compensation of officers.....	20,065,095	8,570,409	2,110,089	2,290,364	2,150,614	2,375,143	2,136,796	431,681
Repairs.....	4,013,640	1,974,976	560,546	114,598	232,159	112,192	963,983	55,184
Bad debts.....	30,739,344	19,377,963	8,716,523	350,444	1,477,884	87,444	176,688	552,397
Rent paid on business property.....	15,473,234	5,165,483	1,874,103	1,547,561	4,597,035	906,941	1,133,876	248,234
Taxes paid.....	24,126,745	5,915,738	2,098,963	1,114,831	11,372,034	780,279	2,399,257	445,643
Interest paid.....	297,553,637	171,414,566	84,166,744	16,386,837	16,724,449	395,963	3,447,175	5,017,903
Contributions or gifts.....	829,830	425,812	71,696	74,187	158,645	31,141	43,764	24,585
Amortization.....	3,263,419	1,159,900	633,509	181,067	907,539	148,770	110,556	122,078
Depreciation.....	22,068,051	10,017,942	2,343,430	718,855	5,467,121	417,012	1,926,515	1,177,176
Depletion.....	100,663	7,990	18,596	*224	16,351	(*)	36,081	21,421
Advertising.....	6,328,518	1,923,743	1,735,405	612,655	1,341,307	178,958	409,360	127,091
Pension, profit-sharing, stock bonus, and annuity plans.....	5,342,546	1,394,478	498,759	322,347	2,528,562	337,335	182,439	78,628
Employee benefit programs.....	11,342,586	4,076,715	1,138,537	685,107	4,356,041	551,380	296,627	238,179
Net loss, noncapital assets.....	2,680,196	1,125,461	1,213,485	27,987	147,360	10,690	87,387	67,826
Other deductions.....	407,429,400	69,965,715	39,806,812	32,093,166	235,591,953	11,307,623	13,475,391	5,488,941
Total receipts less total deductions.....	112,599,786	31,738,768	24,939,248	5,143,524	39,781,803	1,877,791	4,900,776	4,217,876
Constructive taxable income from related foreign corporations.....	2,479,408	584,655	270,464	394,077	863,784	124,327	3,764	238,356
Net income.....	100,524,200	26,023,560	24,781,569	5,368,621	33,253,594	1,949,271	4,822,830	4,324,756
Income subject to tax.....	80,565,793	23,028,320	17,988,860	4,738,977	26,524,347	1,781,851	3,214,203	3,289,236
Income tax, total.....	27,005,665	8,072,239	5,134,055	1,610,716	9,606,855	562,464	914,870	1,104,465
Regular tax.....	26,810,105	7,802,464	5,976,127	1,593,271	9,559,171	558,187	867,332	1,053,553
Personal holding company tax.....	11,774	*123	-	-	*1,899	-	4,580	5,172
Recapture of investment credit.....	5,711	4,198	15	210	994	-	*293	(*)
Alternative minimum tax.....	1,133,202	242,070	202,839	10,991	595,724	2,700	37,005	41,873
Environmental tax.....	114,668	31,066	24,147	6,208	46,711	1,561	1,441	3,533
Foreign tax credit.....	1,582,941	436,356	101,754	194,940	599,487	108,080	11,217	131,108
U.S. possessions tax credit.....	21,624	-	20,788	-	123	-	486	227
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	3,283	840	661	*14	960	193	*500	*115
General business credit.....	227,794	99,253	48,039	34,832	31,664	4,177	8,976	2,854
Prior year minimum tax credit.....	563,887	199,137	31,654	27,971	283,601	*317	9,637	11,571
Total income tax after credits.....	24,606,137	7,336,654	4,933,160	1,352,959	6,691,019	449,697	884,055	958,591

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



# Corporation Returns/1991

## 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							Nature of business not allocable
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	251,517	5,690	21,563	82,539	36,608	19,275	85,842	2,934
Total assets	300,763,689	17,045,020	12,856,432	108,983,139	22,021,444	57,070,366	82,787,287	449,810
Cash	23,349,243	753,643	1,239,515	8,603,339	1,368,025	3,002,603	8,382,119	93,956
Notes and accounts receivable	51,508,539	1,120,066	1,633,382	24,409,110	3,058,619	3,755,049	17,534,314	58,343
Less: Allowance for bad debts	2,783,554	115,632	38,831	709,015	77,882	184,228	1,657,967	*526
Inventories	9,480,005	174,507	760,960	2,853,358	2,082,074	1,733,987	1,875,120	*72,790
Investments in Government obligations	1,887,933	18,986	10,151	773,800	38,950	111,523	934,523	*265
Tax-exempt securities	1,245,580	15,520	137,842	552,798	14,765	29,158	495,497	
Other current assets	18,780,807	994,664	499,286	8,460,869	650,944	2,899,908	5,275,135	*19,869
Loans to stockholders	3,736,612	1,078,099	183,930	1,115,323	293,712	245,985	819,563	*35,494
Mortgage and real estate loans	4,598,372	135,637	68,298	4,083,809	62,036	85,243	163,350	*10,333
Other investments	60,378,038	2,584,837	1,420,627	23,928,570	1,416,259	18,247,759	12,779,985	*10,762
Depreciable assets	142,984,748	11,435,274	7,828,009	39,916,650	21,425,816	22,912,068	39,466,932	123,157
Less: Accumulated depreciation	66,014,729	4,564,517	4,451,491	21,849,399	9,983,313	9,891,794	15,274,214	65,508
Depletable assets	83,462	1,625	148	27,954	4,087	17,000	32,648	
Less: Accumulated depletion	44,688	384		10,903	984	12,351	20,066	
Land	7,310,177	1,358,716	579,369	1,023,366	543,406	1,387,689	2,417,631	*22,432
Intangible assets (amortizable)	22,179,214	275,959	1,188,825	9,163,165	836,418	5,692,654	5,020,194	*38,009
Less: Accumulated amortization	5,535,303	111,815	213,031	2,416,212	137,077	1,379,582	1,277,587	*1,741
Other assets	27,619,233	1,889,833	2,009,444	9,056,558	425,590	8,417,697	5,820,111	*32,173
Total liabilities	300,763,689	17,045,020	12,856,432	108,983,139	22,021,444	57,070,366	82,787,287	449,810
Accounts payable	23,036,455	501,305	516,779	11,207,225	1,981,603	2,159,289	6,670,254	20,813
Mortgages, notes, and bonds payable in less than one year	19,028,871	494,470	336,782	8,543,772	3,304,835	1,600,164	4,748,849	*16,202
Other current liabilities	38,709,159	1,070,297	1,343,357	19,600,996	1,193,614	5,202,649	10,298,248	*73,176
Loans from stockholders	8,394,078	1,342,043	267,100	3,828,865	613,882	806,237	1,735,951	77,033
Mortgages, notes, and bonds payable in one year or more	64,545,333	6,167,094	2,684,028	17,349,933	6,590,387	11,276,762	20,477,130	*72,152
Other liabilities	30,358,491	993,750	1,431,213	9,510,884	1,324,859	11,110,293	5,867,492	*11,061
Capital stock	14,431,071	1,889,339	748,252	5,102,561	918,951	1,568,207	4,203,759	63,290
Paid-in or capital surplus	56,764,180	2,255,044	1,428,941	18,554,019	1,841,475	14,210,857	18,473,844	*37,941
Retained earnings, appropriated	399,823	600	37,895	130,150	21,142	51,325	158,912	(*)
Retained earnings, unappropriated	51,884,184	2,862,891	4,500,528	17,710,342	4,683,009	10,783,660	11,343,753	78,397
Less: Cost of treasury stock	6,787,956	531,813	438,243	2,555,608	452,313	1,499,078	1,310,901	*256
Total receipts	373,446,727	16,755,392	17,414,891	142,053,824	34,512,862	32,979,268	129,730,491	886,925
Business receipts	347,555,709	15,378,143	16,296,651	131,156,753	32,418,723	28,729,682	123,575,757	825,479
Interest	5,438,960	272,574	308,673	2,139,801	208,687	1,164,910	1,344,314	8,909
Interest on Government obligations:								
State and local	398,409	5,065	23,399	239,723	1,769	28,923	99,530	*544
Rents	3,894,438	327,722	52,740	1,537,505	1,084,490	288,762	603,220	*4,472
Royalties	2,589,069	34,911	136,775	1,227,523	*1,860	1,022,135	165,863	*666
Net short-term capital gain reduced by net long-term capital loss	86,928	*2,422	9,842	17,164	*2,527	8,165	46,809	
Net long-term capital gain reduced by net short-term capital loss	1,222,929	209,058	74,121	320,458	44,261	146,331	428,700	*3,162
Net gain, noncapital assets	1,263,114	50,101	37,104	437,318	369,629	60,547	308,415	
Dividends received from domestic corporations	424,555	21,832	28,381	75,507	4,140	71,050	223,646	*535
Dividends received from foreign corporations	445,556	*38,885	*31,189	252,020	*3,940	104,518	15,004	
Other receipts	10,127,059	414,678	416,016	4,650,052	372,836	1,354,246	2,919,232	43,157
Total deductions	353,465,899	15,778,530	16,238,433	134,895,211	33,318,878	30,862,420	122,374,427	820,358
Cost of sales and operations	142,073,762	7,925,619	5,836,964	57,844,850	16,081,332	9,567,671	44,817,327	627,715
Compensation of officers	17,095,663	185,840	913,945	6,631,105	1,433,200	1,212,487	6,719,085	*11,448
Repairs	3,034,847	202,973	213,992	814,366	556,066	337,179	910,272	5,994
Bad debts	2,391,849	86,447	75,689	634,530	118,638	87,578	1,388,966	*820
Rent paid on business property	12,219,041	540,907	737,588	4,489,497	1,231,443	1,129,496	4,090,111	*10,391
Taxes paid	12,249,982	734,188	762,756	4,433,207	1,179,891	891,904	4,248,037	12,630
Interest paid	9,982,888	748,421	470,440	3,103,685	1,038,028	1,856,042	2,766,272	*13,665
Contributions or gifts	211,559	8,840	21,439	71,834	15,006	30,907	63,533	*20
Amortization	1,655,843	44,209	153,359	517,099	53,410	514,988	372,778	*40
Depreciation	14,961,799	658,472	595,300	5,218,049	3,178,394	2,169,983	3,141,600	10,383
Depletion	7,438	*145	8	2,382	2	*1,254	3,647	
Advertising	4,184,293	271,785	369,848	1,666,844	300,406	679,036	896,375	3,552
Pension, profit-sharing, stock bonus, and annuity plans	2,175,540	30,329	110,220	903,199	102,847	125,085	903,859	*866
Employee benefit programs	6,340,337	272,565	196,364	2,264,469	403,197	245,814	2,958,129	*3,367
Net loss, noncapital assets	277,896	*660	6,647	155,214	20,189	29,475	65,711	
Other deductions	124,603,164	4,067,131	5,771,874	46,144,881	7,606,829	11,983,723	49,028,726	119,465
Total receipts less total deductions	19,980,828	976,861	1,178,458	7,158,612	1,193,984	2,116,848	7,356,064	66,567
Constructive taxable income from related foreign corporations	482,573	27,015	26,046	228,027	*1,211	*84,765	95,510	
Net income	20,044,992	998,811	1,181,105	7,146,917	1,193,426	2,172,690	7,352,043	66,023
Income subject to tax	16,025,851	785,823	1,005,360	5,548,402	977,077	1,786,055	5,923,134	32,950
Income tax, total <sup>2</sup>	5,173,124	271,289	303,656	1,797,479	275,755	600,003	1,924,942	5,105
Regular tax	4,999,970	255,826	299,679	1,726,696	253,500	576,956	1,887,312	8,458
Personal holding company tax	*154			89		*45	*19	*19
Recapture of investment credit	249		16	*64	23	(*)	145	
Alternative minimum tax	157,824	14,443	3,138	65,870	21,812	20,803	31,857	
Environmental tax	15,623	1,071	842	4,952	710	2,218	5,830	2
Foreign tax credit	474,714	*40,687	23,399	265,883	*591	96,159	48,015	1
U.S. possessions tax credit	13,518	5,510		3,798		199	4,011	
Orphan drug credit	*484						*484	
Nonconventional source fuel credit	919						919	
General business credit	125,691	7,350	5,373	56,827	18,008	6,370	31,767	
Prior year minimum tax credit	50,576	*323	*3,121	15,046	7,764	1,296	23,023	
Total income tax after credits	4,507,221	217,419	271,761	1,455,945	249,394	495,979	1,816,723	5,103

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

<sup>2</sup> Less than \$500 per return.

\* Also includes branch tax (Form 1120F) 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 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	Agriculture, forestry, and fishing	Major industry				
			Total	Metal mining	Mining		
					Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	1,698,271	58,594	16,126	911	1,226	12,186	1,802
Total assets.....	769,648,961	21,457,880	11,373,512	341,187	1,894,001	6,609,446	2,528,877
Cash.....	73,244,012	1,750,153	1,313,052	8,335	262,754	727,836	314,127
Notes and accounts receivable.....	140,780,101	1,917,882	1,493,689	*51,794	321,029	796,332	324,534
Less: Allowance for bad debts.....	2,356,077	2,418	15,809	-	*5,380	*2,566	7,862
Inventories.....	146,298,190	1,720,144	356,028	*73	88,494	96,444	171,017
Investments in Government obligations.....	5,994,914	*14,221	287,122	-	*68,644	196,479	*21,999
Tax-exempt securities.....	2,657,278	133,882	*46,838	-	*3,600	*43,238	-
Other current assets.....	42,701,618	593,700	462,984	*37,865	35,452	303,014	86,653
Loans to stockholders.....	14,406,925	641,803	277,806	-	*9,018	241,424	27,364
Mortgage and real estate loans.....	10,096,934	266,157	*16,836	*62	-	*132	*16,642
Other investments.....	55,393,110	1,267,932	2,037,620	*41,256	163,630	1,643,377	189,357
Depreciable assets.....	408,760,382	17,868,718	7,079,647	*273,827	1,605,810	2,733,482	2,466,528
Less: Accumulated depreciation.....	208,824,560	10,803,896	4,235,122	*169,880	910,774	1,680,058	1,474,410
Depletable assets.....	3,725,868	309,435	2,304,911	*34,684	*52,185	2,067,212	150,830
Less: Accumulated depletion.....	1,535,732	*204,592	1,018,398	*6,647	*3,890	951,952	55,908
Land.....	41,988,157	5,273,701	474,078	*43,602	44,319	156,873	229,285
Intangible assets (amortizable).....	22,774,439	99,310	119,399	*1,883	*4,587	96,345	16,574
Less: Accumulated amortization.....	9,118,840	61,283	35,248	*823	*912	26,721	6,792
Other assets.....	22,662,243	673,031	408,079	*25,157	155,426	168,557	58,939
Total liabilities.....	769,648,961	21,457,880	11,373,512	341,187	1,894,001	6,609,446	2,528,877
Accounts payable.....	98,720,468	1,002,187	1,064,887	*45,089	221,537	630,337	167,904
Mortgages, notes, and bonds payable in less than one year.....	114,972,502	3,162,971	999,378	*60,731	327,018	393,074	218,555
Other current liabilities.....	59,027,560	779,948	528,257	*7,190	81,431	376,513	63,124
Loans from stockholders.....	88,165,022	5,254,645	1,505,177	*165,070	383,672	885,417	71,017
Mortgages, notes, and bonds payable in one year or more.....	181,550,423	5,640,446	2,437,720	*11,382	416,858	1,413,667	595,803
Other liabilities.....	25,332,035	746,876	524,029	*34,297	117,440	273,307	98,985
Capital stock.....	37,973,247	2,977,785	769,416	103,879	27,393	555,106	83,038
Paid-in or capital surplus.....	68,611,914	4,523,070	2,935,851	*35,952	67,856	2,670,314	161,729
Retained earnings, unappropriated.....	108,505,379	-2,104,514	907,100	-121,817	294,136	-429,072	1,163,853
Less: Cost of treasury stock.....	13,209,589	525,532	298,282	595	*43,340	159,217	*95,129
Total receipts.....	1,682,984,576	27,795,647	10,743,329	*217,320	3,529,299	4,438,021	2,558,689
Business receipts.....	1,655,481,071	26,776,485	10,075,645	*195,253	3,479,936	3,944,522	2,455,933
Interest on Government obligations:							
State and local.....	365,223	5,063	4,582	*7	*1,295	3,174	*107
Net gain, noncapital assets.....	2,702,228	154,723	105,092	*993	28,662	50,109	25,328
Other receipts.....	24,436,054	859,376	558,010	*21,067	19,406	440,216	77,321
Total deductions.....	1,653,544,441	28,063,077	10,335,897	206,461	3,517,449	4,176,234	2,435,553
Cost of sales and operations.....	1,115,192,717	16,367,254	5,131,350	*56,283	1,970,247	1,708,759	1,396,062
Compensation of officers.....	65,113,721	755,757	399,703	*3,006	42,076	230,266	124,355
Repairs.....	9,534,259	647,054	217,743	*20,190	110,411	45,106	42,035
Bad debts.....	5,483,096	86,620	47,112	*482	*592	27,548	18,491
Rent paid on business property.....	35,261,862	881,530	118,658	*2,271	35,268	65,139	15,980
Taxes paid.....	35,816,458	627,485	422,901	*10,299	163,178	162,892	86,532
Interest paid.....	24,105,288	830,361	368,245	*3,299	111,350	174,182	79,414
Amortization.....	3,137,116	37,249	18,203	*303	2,881	13,776	1,243
Depreciation.....	29,626,045	1,235,372	677,570	*24,814	177,988	269,288	205,480
Depletion.....	222,822	*3,274	156,378	*1,063	89,784	*19,175	46,357
Advertising.....	17,179,487	129,594	13,074	*75	2,097	5,519	5,383
Pension, profit-sharing, stock bonus, and annuity plans.....	5,203,636	49,290	46,165	1,330	14,109	11,459	19,266
Employee benefit programs.....	12,801,337	197,107	251,771	*6,696	172,643	34,132	38,301
Net loss, noncapital assets.....	568,349	17,174	1,109	-	*472	*527	*110
Other deductions.....	294,298,248	6,197,956	2,465,716	76,349	624,354	1,408,466	356,546
Total receipts less total deductions.....	29,440,136	-267,430	407,631	10,859	11,849	261,787	123,136
Net income (less deficit), total.....	29,074,913	-272,493	403,049	10,853	10,554	258,613	123,029
Income subject to tax.....	212,982	*48,986	*445	-	*86	-	*359
Income tax, total *.....	118,176	*17,234	*328	-	*29	-	*297

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.....	177,070	67,803	7,802	101,364	115,417	7,248	-	1,868	7,814
<b>Total assets.....</b>	<b>70,377,307</b>	<b>37,256,899</b>	<b>9,733,384</b>	<b>23,387,043</b>	<b>140,079,028</b>	<b>15,326,181</b>	-	<b>6,304,528</b>	<b>9,845,982</b>
Cash.....	9,586,723	4,254,535	1,570,879	3,761,509	12,737,632	1,223,002	-	479,666	693,987
Notes and accounts receivable.....	18,254,248	7,569,880	2,724,987	7,959,381	34,232,389	3,033,725	-	1,622,687	2,690,144
Less: Allowance for bad debts.....	116,971	38,568	21,105	57,298	638,957	58,275	-	29,791	63,956
Inventories.....	11,465,885	9,292,099	200,175	1,973,812	32,456,105	3,392,059	-	1,679,248	3,766,920
Investments in Government obligations.....	504,768	205,908	141,563	157,295	1,222,154	109,370	-	110,727	82,516
Tax-exempt securities.....	333,080	95,950	127,719	109,410	587,527	51,190	-	18,222	21,681
Other current assets.....	7,411,488	4,605,616	886,312	1,919,560	5,239,115	483,052	-	143,924	650,195
Loans to stockholders.....	1,404,294	629,275	168,078	606,940	1,362,935	101,881	-	29,709	67,953
Mortgage and real estate loans.....	922,742	745,768	86,206	90,768	300,623	27,300	-	3,369	9,423
Other investments.....	4,239,799	2,533,486	680,895	1,045,438	7,276,068	811,613	-	207,421	382,395
Depreciable assets.....	30,895,765	8,727,401	8,069,554	14,098,810	86,471,581	11,281,507	-	3,766,822	2,961,281
Less: Accumulated depreciation.....	19,136,389	4,344,955	5,365,524	9,425,910	49,103,268	6,146,927	-	1,925,857	1,692,220
Depletable assets.....	82,218	14,424	61,952	5,843	498,297	3,063	-	11,479	830
Less: Accumulated depletion.....	20,534	2,538	13,437	4,561	72,151	-	-	5,909	159
Land.....	2,651,229	1,887,890	258,156	505,184	2,551,567	415,646	-	64,058	68,422
Intangible assets (amortizable).....	315,645	100,894	31,615	183,137	3,588,090	491,465	-	54,930	148,656
Less: Accumulated amortization.....	141,513	43,179	13,673	84,661	1,505,868	163,917	-	27,596	67,186
Other assets.....	1,724,831	1,023,031	159,214	542,587	2,873,188	288,408	-	101,619	125,102
<b>Total liabilities.....</b>	<b>70,377,307</b>	<b>37,256,899</b>	<b>9,733,384</b>	<b>23,387,043</b>	<b>140,079,028</b>	<b>15,326,181</b>	-	<b>6,304,528</b>	<b>9,845,982</b>
Accounts payable.....	12,307,200	6,581,630	1,512,207	4,213,364	19,199,319	2,205,452	-	926,143	1,719,012
Mortgages, notes, and bonds payable in less than one year.....	10,582,569	7,405,974	824,576	2,352,018	15,891,792	1,645,618	-	645,599	1,531,259
Other current liabilities.....	8,356,961	4,230,445	877,834	3,248,683	10,658,987	923,890	-	357,174	818,458
Loans from stockholders.....	5,454,453	3,243,918	361,843	1,848,693	8,094,075	870,865	-	247,989	767,547
Mortgages, notes, and bonds payable in one year or more.....	9,654,508	5,681,594	1,254,763	2,718,152	23,630,596	2,814,022	-	1,094,493	1,112,574
Other liabilities.....	2,439,245	1,835,278	157,412	446,555	2,860,138	210,650	-	84,839	68,166
Capital stock.....	1,912,286	787,056	260,616	864,614	5,089,868	545,339	-	175,297	220,648
Paid-in or capital surplus.....	3,108,009	1,803,537	334,264	970,208	7,425,271	911,259	-	342,088	566,460
Retained earnings, unappropriated.....	17,530,173	5,979,715	4,311,237	7,239,221	50,325,297	5,546,373	-	2,537,448	3,315,605
Less: Cost of treasury stock.....	968,098	292,247	161,387	514,464	3,094,315	347,306	-	106,542	273,747
<b>Total receipts.....</b>	<b>165,539,264</b>	<b>74,375,110</b>	<b>18,857,450</b>	<b>72,306,705</b>	<b>300,579,225</b>	<b>45,179,071</b>	-	<b>13,377,450</b>	<b>25,371,516</b>
Business receipts.....	163,832,675	73,487,677	18,555,486	71,789,512	297,305,045	44,787,749	-	13,272,517	24,937,377
Interest on Government obligations:									
State and local.....	38,001	11,344	13,631	13,026	89,711	4,550	-	1,787	3,389
Net gain, noncapital assets.....	251,566	53,812	64,109	133,645	421,364	98,215	-	17,298	5,290
Other receipts.....	1,417,022	822,276	224,224	370,521	2,763,105	288,556	-	85,848	425,460
<b>Total deductions.....</b>	<b>161,797,692</b>	<b>73,300,354</b>	<b>18,324,152</b>	<b>70,173,186</b>	<b>289,769,902</b>	<b>43,546,159</b>	-	<b>12,949,310</b>	<b>24,516,642</b>
Cost of sales and operations.....	125,680,402	61,745,915	14,235,581	49,698,905	208,525,594	34,501,062	-	10,403,142	18,324,424
Compensation of officers.....	6,460,860	2,144,109	551,957	3,764,785	10,420,266	741,624	-	376,709	869,456
Repairs.....	672,220	141,682	158,822	370,716	1,145,462	201,283	-	42,760	47,995
Bad debts.....	399,236	174,614	59,910	164,712	1,127,277	81,029	-	46,476	78,669
Rent paid on business property.....	1,370,293	372,057	146,002	852,234	3,038,453	243,986	-	91,572	328,101
Taxes paid.....	3,414,007	971,235	443,747	1,999,025	6,395,045	719,147	-	217,235	499,694
Interest paid.....	1,588,843	806,797	213,827	568,220	4,082,382	446,846	-	197,064	338,223
Amortization.....	60,020	20,225	3,721	36,074	455,310	57,677	-	10,626	17,855
Depreciation.....	2,605,282	600,962	676,341	1,327,978	6,622,375	822,642	-	340,320	226,534
Depletion.....	10,078	1,675	8,403	-	33,127	982	-	-	4
Advertising.....	475,659	200,360	15,474	259,824	2,778,379	672,990	-	27,046	260,168
Pension, profit-sharing, stock bonus, and annuity plans.....	650,965	166,429	109,336	375,200	1,229,127	125,051	-	42,633	91,116
Employee benefit programs.....	1,200,691	289,897	125,429	785,365	3,608,935	397,932	-	149,950	218,985
Net loss, noncapital assets.....	19,995	12,220	3,948	3,827	50,827	3,531	-	2,744	422
Other deductions.....	17,189,143	5,652,178	1,570,656	9,966,310	40,257,343	4,530,378	-	1,001,034	3,214,994
<b>Total receipts less total deductions.....</b>	<b>3,741,573</b>	<b>1,074,756</b>	<b>533,298</b>	<b>2,133,518</b>	<b>10,809,323</b>	<b>1,632,911</b>	-	<b>428,140</b>	<b>854,874</b>
<b>Net income (less deficit), total.....</b>	<b>3,703,572</b>	<b>1,063,412</b>	<b>519,668</b>	<b>2,120,492</b>	<b>10,719,612</b>	<b>1,628,361</b>	-	<b>426,353</b>	<b>851,486</b>
Income subject to tax.....	30,012	8,168	3,384	18,459	37,276	763	-	338	1,189
<b>Income tax, total *.....</b>	<b>11,277</b>	<b>3,182</b>	<b>1,440</b>	<b>6,656</b>	<b>27,608</b>	<b>2,700</b>	-	<b>1,248</b>	<b>1,007</b>

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.....	7,920	3,012	1,503	20,568	3,033	104	4,823	730	3,513
<b>Total assets.....</b>	<b>6,057,829</b>	<b>3,538,287</b>	<b>4,943,535</b>	<b>14,399,916</b>	<b>6,233,573</b>	<b>770,213</b>	<b>8,780,514</b>	<b>1,253,442</b>	<b>4,207,165</b>
Cash.....	620,113	297,564	278,317	1,482,084	560,389	82,935	744,860	129,448	422,571
Notes and accounts receivable.....	1,040,220	1,039,159	1,124,311	3,556,888	1,675,864	147,967	2,117,917	393,271	856,408
Less: Allowance for bad debts.....	17,201	11,507	13,880	94,580	39,649	*2,583	28,980	8,311	14,288
Inventories.....	1,449,077	893,496	981,073	1,157,883	1,360,961	110,273	1,549,002	495,885	610,011
Investments in Government obligations.....	*50,667	*15,489	*72,918	142,976	*5,986	-	*13,578	-	*64,804
Tax-exempt securities.....	*3,821	*5,798	*133,176	*112,161	*2,785	-	*3,822	-	*3,016
Other current assets.....	262,099	180,205	173,223	776,353	166,197	19,145	328,095	17,585	138,385
Loans to stockholders.....	41,626	38,680	50,346	281,227	51,088	*78,610	79,997	*2,082	50,432
Mortgage and real estate loans.....	*9,480	*22,908	*14,832	33,371	*13,829	*5,393	*1,278	-	*25,750
Other investments.....	339,326	155,756	373,609	724,837	373,447	*46,059	874,372	84,337	230,529
Depreciable assets.....	4,360,955	1,918,186	3,323,241	10,626,225	3,795,460	531,843	5,972,555	252,533	3,773,463
Less: Accumulated depreciation.....	2,723,369	1,147,678	1,771,638	5,932,615	2,031,704	283,813	3,244,301	154,680	2,358,648
Depletable assets.....	295,556	*3,878	35,355	*16,908	2,270	-	*5,454	-	118,281
Less: Accumulated depletion.....	*17,464	*480	-	*13,788	901	-	*1,151	-	29,392
Land.....	214,869	60,169	60,569	237,756	116,149	*21,511	131,861	6,196	162,071
Intangible assets (amortizable).....	71,400	28,492	32,368	1,181,146	128,285	*3,259	149,230	*24,473	134,725
Less: Accumulated amortization.....	30,501	15,188	10,556	480,036	56,063	*1,034	*87,278	*15,220	71,624
Other assets.....	87,156	53,361	88,271	591,318	109,178	*10,649	170,183	25,846	90,691
<b>Total liabilities.....</b>	<b>6,057,829</b>	<b>3,538,287</b>	<b>4,943,535</b>	<b>14,399,916</b>	<b>6,233,573</b>	<b>770,213</b>	<b>8,780,514</b>	<b>1,253,442</b>	<b>4,207,165</b>
Accounts payable.....	568,920	568,920	612,378	1,565,961	934,945	89,520	1,182,855	192,514	477,032
Mortgages, notes, and bonds payable in less than one year.....	779,859	437,226	393,296	1,446,559	682,371	*34,867	935,925	146,456	573,633
Other current liabilities.....	483,004	290,526	305,366	1,717,838	385,193	63,052	572,064	62,754	209,107
Loans from stockholders.....	491,044	209,658	82,707	908,860	344,777	*25,974	328,319	*110,188	121,485
Mortgages, notes, and bonds payable in one year or more.....	879,870	491,254	739,084	3,574,086	934,367	209,531	1,969,108	77,767	730,577
Other liabilities.....	93,752	39,746	35,378	781,973	155,099	*5,962	103,884	*7,341	43,557
Capital stock.....	394,774	202,739	80,644	477,718	219,059	11,285	258,943	73,551	132,515
Paid-in or capital surplus.....	545,419	41,305	206,940	1,269,370	255,538	*62,345	342,409	*13,137	205,390
Retained earnings, unappropriated.....	1,818,155	1,305,937	2,612,855	3,040,498	2,442,888	287,501	3,206,017	639,257	1,768,253
Less: Cost of treasury stock.....	92,856	49,025	125,113	382,946	120,664	*19,823	119,009	*69,523	54,384
<b>Total receipts.....</b>	<b>13,041,618</b>	<b>8,575,540</b>	<b>9,685,284</b>	<b>28,076,886</b>	<b>12,955,726</b>	<b>1,362,446</b>	<b>15,516,791</b>	<b>2,611,463</b>	<b>7,024,243</b>
Business receipts.....	12,771,385	8,476,683	9,540,827	27,690,904	12,818,037	1,329,146	15,382,537	2,593,298	6,924,712
Interest on Government obligations:									
State and local.....	2,510	*2,238	11,476	14,141	*857	*30	8,186	*2,131	2,564
Net gain, noncapital assets.....	52,958	11,199	26,106	43,527	13,851	*249	7,593	*52	22,285
Other receipts.....	214,765	85,419	106,875	328,314	122,981	33,021	118,475	15,982	74,682
<b>Total deductions.....</b>	<b>12,826,655</b>	<b>8,358,487</b>	<b>9,212,941</b>	<b>27,400,454</b>	<b>12,261,142</b>	<b>1,325,690</b>	<b>14,660,367</b>	<b>2,478,494</b>	<b>6,751,299</b>
Cost of sales and operations.....	9,634,404	6,089,622	6,887,837	15,241,810	8,351,904	1,018,418	10,551,160	1,841,140	4,521,508
Compensation of officers.....	416,880	251,653	303,474	1,345,396	476,083	*23,174	585,633	160,738	244,312
Repairs.....	119,976	25,253	32,290	140,247	65,934	*3,186	56,713	4,730	49,175
Bad debts.....	50,128	33,372	25,235	227,331	45,521	*4,774	49,925	11,928	40,593
Rent paid on business property.....	109,300	112,819	69,799	528,131	131,904	*8,241	132,106	17,720	106,101
Taxes paid.....	300,492	224,747	179,730	791,932	229,874	16,078	362,993	46,802	185,621
Interest paid.....	168,669	105,135	116,486	482,438	166,855	37,460	256,689	22,554	122,421
Amortization.....	7,892	8,261	5,965	93,911	23,777	*1,939	23,774	*5,053	19,283
Depreciation.....	341,155	130,478	234,651	842,569	285,770	56,506	469,638	17,728	267,879
Depletion.....	*18,756	-	-	*335	3,474	-	-	-	9,425
Advertising.....	46,716	70,203	42,177	282,962	266,582	*6,757	103,868	36,160	43,883
Pension, profit-sharing, stock bonus, and annuity plans.....	28,143	32,771	53,048	163,670	50,627	*2,238	65,152	12,423	25,900
Employee benefit programs.....	129,874	146,910	107,357	404,871	127,772	*4,895	208,061	19,263	79,072
Net loss, noncapital assets.....	*759	*1,890	*234	15,440	*959	-	3,801	*571	*790
Other deductions.....	1,453,511	1,125,371	1,154,658	6,839,413	2,034,106	142,024	1,790,854	281,684	1,035,336
Total receipts less total deductions.....	214,963	217,053	472,342	676,432	694,584	36,755	856,424	132,970	272,944
Net income (less deficit), total.....	212,453	214,815	460,866	662,291	693,727	36,725	848,238	130,839	270,380
Income subject to tax.....	*3,333	*409	*441	*8,880	*6,539	-	*802	3,971	*1,876
Income tax, total *.....	*1,562	*139	*887	*3,290	4,223	-	2,498	1,350	*648

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

# Corporation Returns/1991

## 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.....	1,890	19,308	7,887	7,423	1,104	2,213	3,310	10,350
<b>Total assets.....</b>	<b>3,775,976</b>	<b>20,105,923</b>	<b>9,398,035</b>	<b>9,014,809</b>	<b>2,591,993</b>	<b>2,272,002</b>	<b>3,347,574</b>	<b>7,911,574</b>
Cash.....	250,733	1,962,044	1,016,487	1,016,725	160,434	222,249	393,786	702,240
Notes and accounts receivable.....	998,031	5,100,849	2,320,680	2,419,742	620,491	444,410	628,603	2,201,223
Less: Allowance for bad debts.....	14,507	77,892	28,961	47,062	5,544	5,584	21,774	53,735
Inventories.....	785,115	4,539,119	2,704,176	2,372,582	903,884	680,987	893,858	2,130,496
Investments in Government obligations.....	*39,384	187,212	*65,135	151,647	*54,700	*6,578	*17,974	*30,482
Tax-exempt securities.....	*10,103	76,007	*15,638	*66,292	*19,724	*16,863	*21,988	*5,239
Other current assets.....	99,392	576,090	397,583	251,328	111,775	89,059	120,027	275,425
Loans to stockholders.....	20,431	188,738	59,844	66,245	*11,460	*8,619	40,843	93,123
Mortgage and real estate loans.....	*5,825	47,892	*3,335	*24,810	*22,804	*14,304	*21,18	*12,601
Other investments.....	244,602	963,138	433,616	400,083	125,738	44,802	204,080	256,308
Depreciable assets.....	2,693,747	13,864,985	5,213,452	4,214,696	1,215,233	1,192,036	1,530,889	3,982,672
Less: Accumulated depreciation.....	1,522,584	8,217,191	3,173,903	2,353,324	740,470	672,721	859,056	2,150,569
Depletable assets.....	*530	*1,456	*503	*2,109		*546	*78	
Less: Accumulated depletion.....	*410	*466		*1,511		*512	*7	
Land.....	71,099	364,739	140,316	184,933	31,582	33,847	61,547	104,208
Intangible assets (amortizable).....	103,622	355,456	155,989	146,104	17,097	25,810	100,297	235,287
Less: Accumulated amortization.....	67,426	143,326	71,589	57,784	3,844	16,241	23,923	95,536
Other assets.....	58,289	317,071	145,734	158,094	46,930	186,949	36,243	182,097
<b>Total liabilities.....</b>	<b>3,775,976</b>	<b>20,105,923</b>	<b>9,398,035</b>	<b>9,014,809</b>	<b>2,591,993</b>	<b>2,272,002</b>	<b>3,347,574</b>	<b>7,911,574</b>
Accounts payable.....	584,425	2,699,041	1,261,955	1,221,870	431,914	362,583	396,092	1,101,700
Mortgages, notes, and bonds payable in less than one year.....	315,386	2,258,027	997,426	1,041,245	363,012	236,788	392,213	1,035,228
Other current liabilities.....	260,264	1,316,075	836,439	788,222	199,836	233,358	279,791	554,579
Loans from stockholders.....	94,532	1,081,366	641,210	692,001	109,669	66,433	188,159	711,291
Mortgages, notes, and bonds payable in one year or more.....	734,793	3,563,826	1,083,156	1,184,773	259,367	434,438	471,311	1,272,201
Other liabilities.....	94,418	342,390	140,678	290,069	30,739	117,925	54,277	159,296
Capital stock.....	151,094	668,148	334,054	464,135	28,722	63,879	174,494	412,830
Paid-in or capital surplus.....	164,822	668,340	448,886	342,817	178,966	261,343	165,380	433,059
Retained earnings, unappropriated.....	1,498,916	8,022,816	3,910,428	3,183,601	1,023,487	513,014	1,290,313	2,361,933
Less: Cost of treasury stock.....	122,674	514,105	256,197	193,924	*33,720	*17,760	64,456	130,542
<b>Total receipts.....</b>	<b>9,049,074</b>	<b>37,695,701</b>	<b>17,105,836</b>	<b>16,487,736</b>	<b>6,796,068</b>	<b>4,843,920</b>	<b>6,225,430</b>	<b>19,597,429</b>
Business receipts.....	8,983,453	37,288,131	16,952,630	16,295,178	6,772,943	4,802,909	6,175,077	19,509,550
Interest on Government obligations:								
State and local.....	2,456	8,929	6,598	8,209	*3,981	*1,121	3,299	*1,258
Net gain, noncapital assets.....	13,667	61,250	24,001	8,762	2,791	4,242	3,532	4,494
Other receipts.....	49,498	337,390	122,606	175,585	16,352	35,648	43,522	82,128
<b>Total deductions.....</b>	<b>8,721,594</b>	<b>38,438,503</b>	<b>16,359,423</b>	<b>15,840,967</b>	<b>6,609,041</b>	<b>4,798,408</b>	<b>5,860,909</b>	<b>18,853,416</b>
Cost of sales and operations.....	7,252,628	26,182,649	11,121,625	10,462,729	5,341,894	3,543,791	3,361,781	13,892,067
Compensation of officers.....	234,562	1,676,204	665,987	681,838	148,325	136,359	361,494	720,367
Repairs.....	22,313	137,975	57,373	43,139	16,954	22,403	17,263	38,135
Bad debts.....	11,755	122,646	116,373	52,702	13,710	20,663	19,403	75,043
Rent paid on business property.....	43,236	349,692	155,498	201,110	46,269	60,478	111,888	190,502
Taxes paid.....	128,442	927,145	430,395	377,372	123,815	136,028	155,320	342,187
Interest paid.....	95,053	590,103	235,578	222,404	65,084	60,791	84,361	268,167
Amortization.....	11,589	49,255	20,420	28,960	4,538	16,092	12,607	35,836
Depreciation.....	188,080	982,834	370,178	392,974	106,338	109,710	136,283	300,108
Depletion.....	*40	*86		*25				
Advertising.....	16,531	213,846	160,983	168,258	33,947	19,341	125,024	180,939
Pension, profit-sharing, stock bonus, and annuity plans.....	26,515	187,726	102,181	63,198	24,531	14,419	56,148	61,637
Employee benefit programs.....	86,184	597,215	324,362	224,343	72,760	64,444	83,206	161,479
Net loss, noncapital assets.....	*880	1,227	1,481	882	*11,443	145	*3,517	*111
Other deductions.....	603,784	4,419,903	2,596,626	2,921,033	599,434	593,745	1,332,615	2,586,838
Total receipts less total deductions.....	327,480	1,257,198	746,412	646,769	187,027	45,511	364,521	744,012
Net income (less deficit), total.....	325,024	1,248,269	739,814	638,560	183,046	44,390	361,222	742,755
Income subject to tax.....	*2,457	2,134	*127	*3,104	369		*26	*519
Income tax, total *.....	*1,135	3,188	*271	1,841	125	*706	*65	*727

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

# Corporation Returns/1991

## 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				Total	Wholesale and retail trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services		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.....	70,009	56,757	9,261	3,991	444,791	116,425	11,649	16,523	88,253
Total assets.....	35,012,540	23,269,027	8,365,341	3,378,172	236,686,705	106,156,442	7,767,104	13,168,179	85,221,159
Cash.....	3,023,613	2,160,265	449,909	413,439	21,657,163	10,082,424	817,157	1,156,028	8,109,240
Notes and accounts receivable.....	6,099,472	4,213,286	1,238,705	647,481	48,580,446	32,578,495	2,704,373	3,755,003	26,119,120
Less: Allowance for bad debts.....	81,967	44,070	29,845	8,052	783,941	545,796	31,288	66,529	447,980
Inventories.....	728,779	599,657	79,959	49,163	85,261,327	33,567,574	1,828,981	4,762,115	26,978,477
Investments in Government obligations.....	198,451	153,626	*20,667	*24,157	868,411	649,453	*3,959	*111,337	534,158
Tax-exempt securities.....	170,103	85,834	*38,530	*45,739	461,188	276,634	*35,669	*51,945	189,020
Other current assets.....	1,981,559	1,373,024	456,281	152,253	8,271,828	4,066,221	319,965	345,383	3,400,702
Loans to stockholders.....	662,487	485,443	118,342	58,702	3,381,487	1,337,282	116,570	116,069	1,104,643
Mortgage and real estate loans.....	114,758	82,541	*1,242	*30,975	742,411	305,813	*1,273	36,109	268,431
Other investments.....	2,069,495	1,016,468	825,236	227,791	9,219,270	5,336,602	253,702	681,579	4,401,320
Depreciable assets.....	31,785,206	23,802,329	4,921,992	3,060,885	95,203,151	32,662,897	2,842,600	4,140,881	25,679,416
Less: Accumulated depreciation.....	16,795,653	12,525,348	2,564,001	1,708,304	51,308,141	18,915,765	1,589,092	2,329,353	14,997,321
Depletable assets.....	*39,247	*38,964	-	*283	165,392	53,345	-	*1,883	51,463
Less: Accumulated depletion.....	*12,346	*12,333	-	13	94,344	25,843	-	*1,266	*24,578
Land.....	808,987	516,417	143,991	148,579	6,105,306	1,844,733	114,606	178,462	1,551,685
Intangible assets (amortizable).....	3,937,146	852,058	2,880,501	204,587	6,669,725	1,900,198	306,722	163,883	1,429,592
Less: Accumulated amortization.....	1,373,181	297,207	978,084	97,889	2,748,396	785,410	87,690	79,112	618,608
Other assets.....	1,656,384	768,073	761,914	126,396	5,034,424	1,767,586	129,596	143,762	1,494,228
Total liabilities.....	35,012,540	23,269,027	8,365,341	3,378,172	236,686,705	106,156,442	7,767,104	13,168,179	85,221,159
Accounts payable.....	4,003,377	2,968,084	652,958	382,335	43,609,390	25,348,924	2,237,895	2,937,212	20,173,817
Mortgages, notes, and bonds payable in less than one year.....	4,484,136	3,022,181	1,007,918	454,037	48,122,204	15,900,674	1,074,722	1,941,515	12,884,437
Other current liabilities.....	2,517,742	1,665,310	597,377	255,056	15,480,962	6,593,227	380,175	754,140	5,458,912
Loans from stockholders.....	4,857,721	2,971,660	1,596,099	289,963	22,750,084	6,665,798	695,881	795,135	5,174,782
Mortgages, notes, and bonds payable in one year or more.....	12,605,675	7,153,574	4,503,177	948,923	36,966,692	11,738,180	956,836	1,632,503	9,148,841
Other liabilities.....	1,962,217	621,459	987,575	353,182	2,917,177	1,323,519	53,438	119,588	1,150,494
Capital stock.....	1,463,922	915,667	430,337	117,917	10,931,825	3,271,603	251,554	359,426	2,660,623
Paid-in or capital surplus.....	4,537,971	3,351,658	957,944	228,368	13,371,365	3,557,002	202,365	545,854	2,808,783
Retained earnings, unappropriated.....	-645,189	1,176,519	-2,183,099	361,392	46,925,892	34,092,164	2,103,298	4,359,287	27,629,579
Less: Cost of treasury stock.....	775,031	577,088	184,945	*13,000	4,388,885	2,334,647	189,060	276,480	1,869,108
Total receipts.....	63,753,848	51,799,242	6,932,508	5,022,098	821,865,946	359,272,606	43,223,989	30,992,372	285,056,245
Business receipts.....	62,767,480	51,096,538	6,762,860	4,908,082	812,479,940	356,034,273	42,928,217	30,394,902	282,711,153
Interest on Government obligations: State and local.....	17,865	10,273	*4,007	*3,585	68,060	45,951	1,501	9,290	35,160
Net gain, noncapital assets.....	355,531	257,451	53,412	44,667	569,506	237,625	11,941	52,868	172,816
Other receipts.....	612,972	434,980	112,229	65,764	8,748,440	2,954,758	282,330	535,312	2,137,116
Total deductions.....	63,701,077	51,437,308	7,449,567	4,814,202	813,317,428	353,081,913	42,698,702	30,359,681	280,023,530
Cost of sales and operations.....	33,490,915	28,177,940	2,616,846	2,696,128	625,179,104	285,817,434	36,614,786	22,233,613	226,969,035
Compensation of officers.....	1,909,858	1,353,088	277,806	278,964	17,770,890	8,844,156	866,654	1,210,299	6,767,203
Repairs.....	1,120,342	973,437	61,986	84,919	3,348,336	1,004,028	120,647	94,603	788,779
Bad debts.....	316,507	136,486	152,319	27,702	2,004,349	1,038,737	98,564	120,920	819,253
Rent paid on business property.....	2,490,667	2,276,341	134,832	79,495	15,193,529	3,511,300	282,331	353,339	2,875,631
Taxes paid.....	2,077,141	1,710,347	229,508	137,286	12,428,866	4,634,324	339,293	409,866	3,885,166
Interest paid.....	1,621,004	903,169	591,220	126,615	8,083,785	3,018,521	215,673	371,383	2,431,465
Amortization.....	402,672	107,399	272,711	22,562	955,109	281,181	29,391	26,372	225,418
Depreciation.....	3,072,111	2,355,092	456,407	260,613	7,637,300	2,659,783	252,618	396,946	2,010,220
Depletion.....	*2,629	*2,627	-	2	3,584	*2,182	-	*7	*2,175
Advertising.....	331,062	192,147	124,049	14,867	9,317,174	1,761,338	120,178	151,037	1,490,123
Pension, profit-sharing, stock bonus, and annuity plans.....	188,858	148,639	12,989	27,230	1,291,216	794,855	64,945	104,060	625,850
Employee benefit programs.....	755,114	641,029	48,873	65,211	3,694,268	1,464,451	128,735	207,514	1,128,202
Net loss, noncapital assets.....	30,551	19,648	*10,409	*493	223,045	51,596	*577	*521	50,498
Other deductions.....	15,891,647	12,439,919	2,459,612	992,116	106,186,873	38,198,027	3,564,312	4,679,201	29,954,514
Total receipts less total deductions.....	52,771	361,933	-517,059	207,897	8,548,518	6,190,693	525,287	632,691	5,032,715
Net income (less deficit), total.....	34,906	351,660	-521,066	204,312	8,480,458	6,144,742	523,786	623,401	4,997,555
Income subject to tax.....	16,647	14,314	*2,081	*252	22,934	14,780	*94	11,715	2,970
Income tax, total *.....	6,031	4,600	*708	*723	28,162	17,774	*230	4,871	12,673

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.....	328,188	15,204	2,713	30,287	43,184	19,158	15,632	89,931	110,120	2,178
Total assets.....	129,970,427	8,293,756	2,869,884	11,756,798	48,859,031	5,041,828	6,033,799	18,149,889	27,965,445	559,837
Cash.....	11,469,980	850,106	279,354	1,116,213	3,186,515	497,122	607,467	2,060,107	3,073,097	104,759
Notes and accounts receivable.....	15,876,236	1,743,969	391,483	797,023	5,829,162	477,007	1,382,278	658,861	4,596,453	125,715
Less: Allowance for bad debts.....	237,266	33,264	*3,770	4,134	76,580	6,054	33,392	1,085	78,987	*880
Inventories.....	51,572,269	3,041,585	1,244,359	3,088,458	27,339,936	2,528,881	2,354,688	869,624	11,104,739	121,484
Investments in Government obligations.....	218,958	*48,794	*15,837	*3,784	*15,855	*9,396	*13,258	*22,042	89,993	
Tax-exempt securities.....	184,554	*18,912	571	*24	*12,754	*8,843	*22,195	*14,958	*108,297	
Other current assets.....	4,189,085	199,131	83,217	564,748	1,164,542	242,240	206,619	707,141	1,021,448	16,523
Loans to stockholders.....	2,029,601	152,218	*15,009	133,241	657,912	64,873	109,414	540,140	356,794	*14,604
Mortgage and real estate loans.....	431,593	88,468	*3,303	67,373	81,815	3,096	3,649	133,486	50,403	*5,005
Other investments.....	3,873,667	403,001	157,782	514,583	971,568	125,080	120,999	793,957	786,698	*9,001
Depreciable assets.....	62,227,289	3,417,995	1,135,273	8,834,155	13,732,208	1,891,581	2,108,377	19,571,732	11,535,968	312,965
Less: Accumulated depreciation.....	32,214,071	1,918,667	626,767	4,515,718	6,824,505	968,589	1,139,507	9,760,726	6,459,592	178,305
Depletable assets.....	112,046	*4,776	*76		*13,881	*132		*56,203	*36,978	
Less: Accumulated depletion.....	68,501	*2,752	*76		*4,822	*59		*37,071	*23,720	
Land.....	4,257,838	319,026	85,541	563,556	1,440,865	32,203	122,313	1,137,838	556,496	*2,735
Intangible assets (amortizable).....	4,731,822	94,016	93,146	489,602	776,190	58,880	70,693	2,146,384	954,130	*37,705
Less: Accumulated amortization.....	1,950,031	29,887	36,325	223,324	327,474	27,054	16,792	845,508	443,666	*12,956
Other assets.....	3,265,356	96,330	31,870	327,214	869,211	106,249	101,541	1,033,024	699,918	*1,482
Total liabilities.....	129,970,427	8,293,756	2,869,884	11,756,798	48,859,031	5,041,828	6,033,799	18,149,889	27,965,445	559,837
Accounts payable.....	18,169,045	1,271,146	525,084	2,335,278	3,806,018	894,459	1,279,001	1,869,038	6,189,020	91,421
Mortgages, notes, and bonds payable in less than one year.....	32,121,392	928,510	188,793	886,147	23,917,023	617,369	619,511	1,762,836	3,203,204	100,139
Other current liabilities.....	8,836,818	453,522	180,077	815,133	2,773,559	371,421	579,263	1,745,384	1,918,460	50,917
Loans from stockholders.....	15,966,086	677,939	135,153	1,257,896	4,222,241	912,531	512,656	4,294,449	3,953,220	*118,200
Mortgages, notes, and bonds payable in one year or more.....	25,129,652	1,510,213	494,306	3,152,588	6,481,756	721,933	887,986	7,498,518	4,382,371	98,860
Other liabilities.....	1,567,402	70,934	97,552	99,405	468,114	85,579	105,111	278,672	362,035	*26,256
Capital stock.....	7,639,920	451,808	159,029	579,870	2,566,296	272,123	295,375	1,612,055	1,703,365	20,302
Paid-in or capital surplus.....	9,778,294	445,503	270,023	429,086	2,993,188	501,037	590,085	2,292,589	2,256,782	*36,069
Retained earnings, unappropriated.....	12,816,055	2,663,886	854,704	2,404,326	2,225,048	693,397	1,351,932	1,852,333	4,475,096	17,672
Less: Cost of treasury stock.....	2,054,238	179,704	*32,636	202,913	594,213	28,022	187,122	351,319	478,109	
Total receipts.....	461,037,485	21,705,852	6,644,751	64,538,454	206,783,851	12,189,657	15,642,696	53,337,782	80,194,441	1,555,855
Business receipts.....	454,939,593	21,526,960	6,465,202	63,953,145	203,873,001	11,980,298	15,233,626	52,710,301	79,197,060	1,506,074
Interest on Government obligations:										
State and local.....	21,502	2,288	*337	4,328	3,216	*373	*2,268	1,203	7,489	*607
Net gain, noncapital assets.....	331,543	10,371	*8,004	23,325	97,515	*1,293	2,371	119,658	69,008	*339
Other receipts.....	5,744,847	166,234	171,208	557,656	2,810,119	207,693	404,432	506,620	920,884	48,835
Total deductions.....	458,675,309	21,444,435	6,415,434	63,986,856	207,145,789	12,207,105	15,454,112	53,100,240	78,921,338	1,560,208
Cost of sales and operations.....	338,506,529	15,242,529	4,285,773	49,811,918	177,394,230	7,426,307	9,782,117	21,863,358	52,700,296	855,141
Compensation of officers.....	8,788,838	695,981	149,179	676,988	1,962,621	372,565	471,144	1,783,918	2,676,443	137,896
Repairs.....	2,337,215	123,291	34,685	359,590	467,495	50,736	84,158	867,209	350,052	7,092
Bad debts.....	957,809	87,310	15,825	55,145	368,508	44,163	93,394	43,830	249,634	7,803
Rent paid on business property.....	11,640,206	428,298	243,609	1,141,731	2,349,005	760,917	640,433	3,468,495	2,607,719	42,022
Taxes paid.....	7,766,291	419,734	147,344	917,795	1,910,184	272,275	311,587	2,307,851	1,479,522	28,250
Interest paid.....	5,047,208	281,656	83,891	392,892	2,060,122	153,015	179,113	1,015,622	861,096	18,056
Amortization.....	670,812	17,014	3,969	94,729	139,119	17,663	9,287	238,529	150,302	*3,316
Depreciation.....	4,949,563	231,664	76,441	676,136	1,128,986	154,671	170,229	1,432,676	1,078,761	27,955
Depletion.....	*1,401	1,196			*2			*98	*105	
Advertising.....	7,535,823	331,376	154,359	573,863	2,033,897	333,318	614,452	1,622,989	1,871,567	20,014
Pension, profit-sharing, stock bonus, and annuity plans.....	479,408	59,837	11,221	95,166	93,492	17,057	21,350	35,157	146,128	*16,953
Employee benefit programs.....	2,224,551	134,652	38,911	375,053	838,923	46,460	86,961	338,625	364,966	*5,266
Net loss, noncapital assets.....	171,449	1,535	20	15,697	94,416	6,821	*1,942	36,742	14,275	
Other deductions.....	67,598,404	3,388,361	1,170,408	8,800,152	16,304,787	2,551,137	2,987,947	18,045,141	14,350,472	390,442
Total receipts less total deductions.....	2,362,176	261,418	229,316	551,599	-361,938	-17,448	188,584	237,542	1,273,103	-4,351
Net income (less deficit), total.....	2,340,674	259,130	228,979	547,271	-365,154	-17,821	186,316	236,338	1,265,614	-4,958
Income subject to tax.....	8,155	*47		*1,723	3,537		*227	*1,151	1,470	
Income tax, total.....	10,389	*1,338	(*)	2,792	3,470	*1	*565	*436	1,788	

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.....	254,937	*45	7,822	7,847	1,273	32,628	190,868	14,454
Total assets.....	144,758,056	*230,348	10,300,517	7,709,958	250,826	7,249,213	104,598,720	14,418,474
Cash.....	9,203,232	*68,705	588,480	870,442	110,879	2,001,989	4,918,157	644,770
Notes and accounts receivable.....	13,844,697	-	4,133,749	1,110,379	*28,872	2,122,515	5,534,172	715,011
Less: Allowance for bad debts.....	344,480	-	125,259	*2,218	*351	7,681	171,631	*37,340
Inventories.....	10,018,624	-	-	-	-	-	10,005,932	*12,692
Investments in Government obligations.....	2,552,782	-	*23,232	1,190,809	-	*9,380	379,781	949,781
Tax-exempt securities.....	720,197	-	*5,725	*40,190	-	*14,581	95,539	564,163
Other current assets.....	13,061,555	*84,509	1,490,453	1,577,446	*8,153	533,941	8,298,252	1,090,802
Loans to stockholders.....	3,090,877	-	85,475	104,262	*12,883	369,607	2,299,084	219,564
Mortgage and real estate loans.....	6,790,979	-	2,520,832	*7,851	-	*41,223	3,702,866	518,206
Other investments.....	21,978,409	*78,363	1,090,080	2,195,374	*11,483	465,125	9,989,145	8,148,839
Depreciable assets.....	53,177,211	*33,486	387,870	534,192	*110,359	2,035,111	49,234,806	841,388
Less: Accumulated depreciation.....	14,844,467	*17,539	159,720	242,106	*72,108	1,230,273	12,884,195	238,525
Depletable assets.....	165,235	-	*478	*53,876	-	*35,724	74,569	*588
Less: Accumulated depletion.....	54,889	-	*407	*32,785	-	*8,828	12,802	*67
Land.....	18,703,487	*6	44,494	*35,770	*3,442	49,758	18,034,723	535,294
Intangible assets (amortizable).....	2,815,052	*242	109,691	14,306	*5,722	972,339	1,476,510	36,242
Less: Accumulated amortization.....	1,067,085	*70	48,835	6,472	*1,406	475,803	521,904	12,595
Other assets.....	5,348,641	*2,647	154,170	258,842	*35,098	320,505	4,145,716	429,661
Total liabilities.....	144,758,056	*230,348	10,300,517	7,709,958	250,826	7,249,213	104,598,720	14,418,474
Accounts payable.....	8,090,361	*18,292	400,209	1,921,373	*31,079	2,842,002	2,744,543	132,864
Mortgages, notes, and bonds payable in less than one year.....	19,253,466	*62,427	4,442,021	693,445	*9,948	517,980	12,972,055	555,590
Other current liabilities.....	10,173,800	*18,481	524,744	2,104,081	*74,222	925,482	4,577,757	1,851,034
Loans from stockholders.....	20,593,961	*27,931	666,016	401,187	*11,684	538,227	16,834,146	2,114,790
Mortgages, notes, and bonds payable in one year or more.....	58,320,848	*18,977	2,288,840	324,203	*40,846	1,134,316	49,833,381	2,680,282
Other liabilities.....	8,406,625	*7,818	769,661	440,620	*942	111,490	5,922,103	1,153,980
Capital stock.....	8,236,347	*8,486	220,272	375,368	39,943	275,532	6,136,405	1,180,340
Paid-in or capital surplus.....	18,882,902	*72,756	419,402	783,115	*12,067	286,218	13,018,772	4,290,570
Retained earnings, unappropriated.....	-3,986,202	*2,821	596,136	776,781	31,928	726,096	-6,571,660	457,339
Less: Cost of treasury stock.....	1,213,848	-	26,585	110,214	*1,812	108,131	868,781	98,325
Total receipts.....	54,816,499	*85,965	2,638,083	4,063,268	345,109	12,715,945	32,479,627	2,488,501
Business receipts.....	50,206,602	*65,848	1,960,186	3,531,174	343,578	12,529,680	29,958,785	1,817,354
Interest on Government obligations:								
State and local.....	101,899	-	*1,914	13,606	-	4,304	25,581	58,494
Net gain, noncapital assets.....	375,495	-	46,402	158,017	*38	22,995	146,265	1,778
Other receipts.....	4,132,503	*119	629,582	380,472	*1,493	158,966	2,348,997	612,875
Total deductions.....	55,617,800	*62,331	2,529,388	3,932,372	317,851	11,786,636	34,074,411	2,814,810
Cost of sales and operations.....	17,683,080	-	136,561	228,980	*12,345	2,510,944	14,004,864	789,387
Compensation of officers.....	5,069,919	*974	219,958	965,581	*38,660	1,764,427	1,698,461	383,858
Repairs.....	252,268	*113	10,220	9,263	*3,795	56,682	169,874	2,322
Bad debts.....	688,630	*643	233,505	29,164	*550	72,295	311,937	40,535
Rent paid on business property.....	1,705,114	*4,734	88,191	151,626	*22,144	461,837	934,451	42,031
Taxes paid.....	1,484,322	*2,656	76,805	130,186	*22,150	342,389	854,730	55,606
Interest paid.....	2,854,890	*6,555	483,289	133,334	*3,500	166,861	1,864,437	196,913
Amortization.....	242,339	*5	24,182	5,834	*377	110,186	97,138	4,818
Depreciation.....	813,013	*2,845	30,874	56,363	*5,888	169,288	502,343	45,411
Depletion.....	*4,410	-	-	-	-	-	*4,410	-
Advertising.....	804,047	*160	31,725	24,279	*1,542	136,154	597,247	12,940
Pension, profit-sharing, stock bonus, and annuity plans.....	307,267	*131	10,574	43,536	*338	141,410	93,134	18,145
Employee benefit programs.....	439,067	*44	25,646	52,480	*6,468	144,472	194,627	15,329
Net loss, noncapital assets.....	68,089	-	*1,185	-	*3	1,584	48,218	*15,099
Other deductions.....	23,103,345	*43,472	1,156,875	2,101,746	202,091	5,708,005	12,698,541	1,192,615
Total receipts less total deductions.....	-701,301	*3,634	108,695	150,896	27,258	929,309	-1,594,784	-326,309
Net income (less deficit), total.....	-803,199	*3,634	106,781	137,290	27,258	925,005	-1,620,365	-382,803
Income subject to tax.....	19,291	-	*491	396	-	*414	12,487	*5,504
Income tax, total <sup>2</sup> .....	13,403	-	*167	135	-	*141	7,221	*5,739

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



# Corporation Returns/1991

## 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							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	547,414	14,137	42,180	184,996	56,151	48,110	201,839	13,913
<b>Total assets.....</b>	<b>108,433,973</b>	<b>14,378,951</b>	<b>5,060,353</b>	<b>34,288,822</b>	<b>9,218,168</b>	<b>15,060,818</b>	<b>30,430,860</b>	<b>1,469,960</b>
Cash.....	13,799,646	866,950	521,318	5,144,173	934,958	1,500,878	4,831,369	172,798
Notes and accounts receivable.....	16,439,951	492,413	670,667	7,757,586	1,135,962	907,539	5,475,783	117,328
Less: Allowance for bad debts.....	373,373	12,271	10,334	112,705	12,460	28,889	196,714	*160
Inventories.....	4,108,575	101,142	237,453	1,472,022	961,822	621,252	714,784	182,722
Investments in Government obligations.....	329,015	*6,072	*5,879	124,714	*689	*27,366	164,294	*17,994
Tax-exempt securities.....	204,463	*14,635	*30,319	137,750		*1,467	*20,291	
Other current assets.....	5,612,067	209,905	221,277	2,321,864	352,630	848,805	1,657,585	67,321
Loans to stockholders.....	3,466,706	361,280	70,577	1,152,196	218,861	360,241	1,303,551	118,531
Mortgage and real estate loans.....	897,222	270,198	*25,589	332,471	*54,380	80,331	134,254	*45,206
Other investments.....	7,131,944	547,226	261,578	3,085,398	189,224	735,563	2,312,954	172,573
Depreciable assets.....	85,722,678	14,854,826	4,761,289	21,177,864	7,996,284	15,113,002	21,819,435	556,424
Less: Accumulated depreciation.....	42,358,445	5,536,354	2,653,543	11,709,407	3,688,714	7,628,403	11,142,024	239,179
Depletable assets.....	160,415	*15,007	*12,957	*14,711	*40,909	*36,955	39,876	*718
Less: Accumulated depletion.....	58,479	*347	*5,296	*3,600	*31,292	*2,536	15,408	
Land.....	5,298,033	1,689,685	189,726	691,192	651,909	1,287,796	787,725	121,770
Intangible assets (amortizable).....	5,304,038	226,870	506,373	1,805,877	298,605	895,513	1,570,801	126,032
Less: Accumulated amortization.....	2,165,046	103,632	219,264	764,919	106,430	403,334	567,266	21,220
Other assets.....	4,914,564	375,547	433,788	1,659,636	218,751	707,272	1,519,569	31,101
<b>Total liabilities.....</b>	<b>108,433,973</b>	<b>14,378,951</b>	<b>5,060,353</b>	<b>34,288,822</b>	<b>9,218,168</b>	<b>15,060,818</b>	<b>30,430,860</b>	<b>1,469,960</b>
Accounts payable.....	9,267,413	390,431	321,813	4,898,200	711,375	876,789	2,068,805	176,355
Mortgages, notes, and bonds payable in less than one year.....	12,290,520	1,310,524	543,310	4,066,542	1,491,375	1,077,963	3,800,806	185,466
Other current liabilities.....	10,441,784	715,608	461,915	3,611,312	623,007	1,412,357	3,617,584	91,119
Loans from stockholders.....	19,444,946	2,978,265	1,207,920	5,164,741	1,317,133	4,439,771	4,337,115	209,961
Mortgages, notes, and bonds payable in one year or more.....	33,874,349	8,534,959	1,298,019	7,082,543	3,148,140	4,828,110	8,984,578	419,792
Other liabilities.....	5,315,340	602,992	216,574	1,929,001	187,269	1,009,121	1,370,383	160,389
Capital stock.....	6,412,650	812,582	437,494	1,708,649	509,767	1,168,073	1,776,085	179,149
Paid-in or capital surplus.....	13,478,372	2,518,092	399,785	4,233,868	521,553	3,061,753	2,743,321	349,103
Retained earnings, unappropriated.....	-190,661	-3,266,238	345,779	2,141,961	868,113	-2,574,905	2,294,630	-256,518
Less: Cost of treasury stock.....	1,900,741	218,264	172,257	549,996	161,564	236,215	562,446	*44,855
<b>Total receipts.....</b>	<b>235,890,633</b>	<b>12,003,281</b>	<b>12,225,200</b>	<b>84,667,379</b>	<b>20,092,438</b>	<b>21,443,390</b>	<b>85,458,945</b>	<b>2,000,186</b>
Business receipts.....	230,126,511	11,702,485	12,079,751	82,636,788	19,749,504	20,707,269	83,250,713	1,910,689
Interest on Government obligations:								
State and local.....	40,042	*1,421	*1,303	24,034	*2,473	3,445	7,366	
Net gain, noncapital assets.....	468,941	31,944	33,500	110,759	128,809	51,766	112,163	*10
Other receipts.....	5,255,140	267,431	110,646	1,895,798	211,653	680,909	2,088,703	89,486
<b>Total deductions.....</b>	<b>229,003,488</b>	<b>12,492,087</b>	<b>12,033,205</b>	<b>82,277,942</b>	<b>19,799,373</b>	<b>21,493,179</b>	<b>80,907,702</b>	<b>2,038,280</b>
Cost of sales and operations.....	82,058,994	2,539,900	4,310,706	36,035,930	9,846,487	6,936,988	22,388,983	1,076,024
Compensation of officers.....	22,248,981	208,089	786,599	6,677,619	1,256,613	1,200,382	12,119,680	77,486
Repairs.....	2,113,595	349,965	143,388	489,314	175,434	346,531	608,963	17,240
Bad debts.....	803,393	33,319	55,235	318,100	32,765	79,486	284,488	*9,973
Rent paid on business property.....	10,385,843	694,479	957,587	2,692,926	1,054,498	1,125,403	3,860,950	77,774
Taxes paid.....	8,913,198	817,041	524,359	2,736,730	769,017	955,418	3,110,632	53,494
Interest paid.....	4,611,228	957,960	231,988	1,067,752	432,109	675,504	1,245,918	64,550
Amortization.....	960,390	47,873	59,793	239,271	47,020	338,582	227,852	5,825
Depreciation.....	8,895,556	781,689	406,757	1,964,706	915,158	1,185,540	1,641,705	67,466
Depletion.....	9,343		*40	*1,562		*33	*7,708	
Advertising.....	3,266,503	383,375	274,318	1,008,677	286,766	475,046	858,321	43,995
Pension, profit-sharing, stock bonus, and annuity plans.....	1,436,882	15,263	47,364	468,673	50,707	76,630	778,245	*3,865
Employee benefit programs.....	2,648,961	129,125	92,560	941,071	191,363	152,831	1,142,013	5,423
Net loss, noncapital assets.....	142,689	*48,750	*5,419	25,750	*7,418	36,234	19,117	*16,871
Other deductions.....	82,487,931	5,485,259	4,137,096	27,609,862	4,734,018	7,808,570	32,613,127	518,294
Total receipts less total deductions.....	6,887,145	-488,806	191,995	2,389,438	293,066	-49,788	4,551,242	-38,094
Net income (less deficit), total.....	6,847,103	-490,227	190,692	2,365,402	290,593	-53,234	4,543,877	-38,094
Income subject to tax.....	37,391	*153	*231	18,748	*1,054	*470	*18,735	
Income tax, total <sup>2</sup> .....	14,134	*883	*86	6,712	*365	*160	5,929	

<sup>2</sup> Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Less than \$500 per return.

<sup>2</sup> 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."

# Corporation Returns/1991

## 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	Agriculture, forestry, and fishing	Major industry				
			Total	Metal mining	Mining Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	849,424	28,041	8,044	*23	333	5,216	473
<b>Total assets.....</b>	<b>443,989,441</b>	<b>9,349,431</b>	<b>6,570,235</b>	<b>*73,003</b>	<b>896,612</b>	<b>4,057,119</b>	<b>1,543,502</b>
Cash.....	52,441,608	1,169,307	897,819	*1,379	161,669	475,246	259,525
Notes and accounts receivable.....	99,538,199	1,060,159	788,056	*19,456	167,036	401,810	199,754
Less: Allowance for bad debts.....	1,485,467	*1,093	5,579	-	-	*1,441	4,139
Inventories.....	92,479,937	827,252	175,101	*41	*23,260	40,224	111,577
Investments in Government obligations.....	4,043,924	*2,799	*158,406	-	*57,772	*100,634	-
Tax-exempt securities.....	1,495,035	*75,153	*18,575	-	-	*18,575	-
Other current assets.....	23,809,772	303,448	225,009	*4,776	16,282	141,364	62,587
Loans to stockholders.....	8,153,357	252,398	176,888	-	*8,236	152,719	*15,933
Mortgage and real estate loans.....	5,005,676	108,687	*132	-	-	*132	-
Other investments.....	28,512,504	510,018	1,378,743	*13,634	86,733	1,179,533	96,843
Depreciable assets.....	225,993,727	8,034,485	4,026,286	*96,257	681,642	1,675,360	1,573,008
Less: Accumulated depreciation.....	128,032,623	5,359,242	2,540,560	*68,085	370,124	1,071,881	1,032,471
Depletable assets.....	2,013,671	*20,787	1,298,340	1,393	*17,261	1,157,590	122,095
Less: Accumulated depletion.....	707,628	*13,552	443,510	-	*1,502	394,146	47,860
Land.....	14,403,548	2,125,508	193,990	767	12,241	40,922	140,060
Intangible assets (amortizable).....	8,160,224	30,123	60,384	*247	*4,098	48,422	*7,618
Less: Accumulated amortization.....	3,975,720	18,855	19,002	*127	*835	15,299	*2,740
Other assets.....	11,139,697	222,039	183,158	1,266	32,845	107,338	41,710
<b>Total liabilities.....</b>	<b>443,989,441</b>	<b>9,349,431</b>	<b>6,570,235</b>	<b>*73,003</b>	<b>896,612</b>	<b>4,057,119</b>	<b>1,543,502</b>
Accounts payable.....	64,594,425	645,278	474,271	*7,565	99,519	292,862	74,325
Mortgages, notes, and bonds payable in less than one year.....	56,965,373	1,354,499	442,054	*10,806	130,274	216,010	84,964
Other current liabilities.....	36,584,669	411,187	265,960	*1,850	42,863	179,987	41,261
Loans from stockholders.....	24,314,373	829,912	320,244	*344	*69,252	216,564	*34,084
Mortgages, notes, and bonds payable in one year or more.....	70,792,210	2,021,491	1,172,467	*10,906	164,801	749,760	246,999
Other liabilities.....	10,771,533	191,133	116,187	-	77,334	35,388	*3,465
Capital stock.....	15,602,218	1,346,464	257,746	*1,891	7,345	195,539	52,971
Paid-in or capital surplus.....	19,878,221	815,886	821,692	109	*17,373	761,587	42,623
Retained earnings, unappropriated.....	152,775,949	1,981,883	2,937,825	*40,128	287,945	1,553,946	1,055,806
Less: Cost of treasury stock.....	8,289,530	248,302	238,211	595	*94	*144,527	*92,995
<b>Total receipts.....</b>	<b>1,189,916,470</b>	<b>17,763,480</b>	<b>6,922,508</b>	<b>*137,951</b>	<b>2,342,541</b>	<b>2,789,460</b>	<b>1,652,557</b>
Business receipts.....	1,170,258,277	17,154,077	6,509,180	*117,912	2,315,880	2,470,059	1,605,338
Interest on Government obligations:							
State and local.....	237,927	4,022	1,779	*7	-	*1,772	-
Net gain, noncapital assets.....	2,035,436	99,379	64,049	899	*18,410	30,590	14,149
Other receipts.....	17,384,830	506,001	347,491	*19,133	8,251	287,038	33,069
<b>Total deductions.....</b>	<b>1,123,632,158</b>	<b>16,388,667</b>	<b>5,896,718</b>	<b>*114,028</b>	<b>2,209,322</b>	<b>2,124,185</b>	<b>1,449,183</b>
Cost of sales and operations.....	774,226,079	10,368,184	3,080,147	*30,792	1,254,245	888,278	886,833
Compensation of officers.....	45,462,188	559,406	179,158	*2,374	17,469	96,839	62,476
Repairs.....	8,207,658	373,557	128,825	*10,111	63,155	29,347	26,211
Bad debts.....	2,699,479	71,838	17,372	*465	*455	6,629	9,823
Rent paid on business property.....	22,056,778	446,984	73,942	*2,046	28,693	36,539	6,664
Taxes paid.....	24,173,084	354,583	266,972	*4,371	108,249	105,282	49,070
Interest paid.....	12,008,657	349,123	165,521	*2,268	60,385	68,869	33,999
Amortization.....	1,276,316	8,128	8,505	68	*1,364	6,668	*405
Depreciation.....	17,861,904	559,057	393,655	*9,763	109,784	158,467	115,641
Depletion.....	167,357	*256	119,204	-	75,788	*362	43,054
Advertising.....	11,502,941	82,232	8,861	*61	1,954	4,520	2,326
Pension, profit-sharing, stock bonus, and annuity plans.....	4,079,284	39,275	32,082	1,330	12,583	7,553	10,816
Employee benefit programs.....	8,863,603	72,915	174,011	*5,569	128,860	18,125	21,458
Net loss, noncapital assets.....	116,704	1,308	*503	-	*403	-	*100
Total receipts less total deductions.....	192,929,915	3,101,841	1,267,961	*44,809	345,937	696,708	180,507
Net income.....	66,284,312	1,374,813	1,025,790	*23,923	133,219	665,275	203,374
Income subject to tax.....	66,046,385	1,370,790	1,024,011	*23,916	133,219	663,502	203,374
Income tax, total *.....	151,743	*2,517	*445	-	*86	-	*359
	82,764	*856	*326	-	*29	-	*297

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

# Corporation Returns/1991

## 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.....	108,277	37,838	5,121	65,321	59,217	3,713	-	1,049	3,106
<b>Total assets.....</b>	<b>45,339,564</b>	<b>22,006,639</b>	<b>6,797,745</b>	<b>16,535,180</b>	<b>103,903,265</b>	<b>11,917,195</b>	-	<b>5,024,497</b>	<b>7,445,513</b>
Cash.....	7,196,696	3,058,984	1,178,523	2,959,189	10,387,481	1,068,798	-	454,780	554,388
Notes and accounts receivable.....	12,936,500	5,272,129	1,903,727	5,760,644	26,034,397	2,522,155	-	1,311,996	2,117,198
Less: Allowance for bad debts.....	58,380	9,768	11,614	36,978	482,759	48,516	-	16,670	47,418
Inventories.....	6,654,225	5,157,732	128,403	1,368,090	24,110,866	2,626,515	-	1,309,812	2,788,927
Investments in Government obligations.....	350,469	113,792	94,489	142,188	1,021,221	109,370	-	110,727	60,204
Tax-exempt securities.....	257,058	23,708	124,070	109,280	527,478	51,190	-	18,222	21,137
Other current assets.....	4,645,951	2,733,717	625,041	1,287,193	3,971,098	368,595	-	110,486	473,266
Loans to stockholders.....	904,319	367,940	117,105	419,274	902,248	82,484	-	25,172	46,074
Mortgage and real estate loans.....	505,092	371,335	49,617	84,140	185,970	19,881	-	3,369	8,041
Other investments.....	2,623,656	1,361,287	473,849	788,520	5,602,811	666,596	-	177,144	249,124
Depreciable assets.....	18,924,903	4,774,332	5,237,874	8,912,697	62,267,546	8,545,528	-	2,929,025	2,193,209
Less: Accumulated depreciation.....	11,888,007	2,413,508	3,463,648	6,010,851	35,824,245	4,784,147	-	1,570,679	1,228,345
Depletable assets.....	80,051	14,219	59,990	5,843	298,513	-	-	11,479	-
Less: Accumulated depletion.....	19,517	2,515	12,441	4,561	55,988	-	-	5,909	-
Land.....	1,250,126	728,773	166,944	354,409	1,837,284	286,425	-	53,917	54,080
Intangible assets (amortizable).....	174,523	48,210	26,829	99,485	2,063,587	273,847	-	36,079	78,417
Less: Accumulated amortization.....	80,195	19,103	10,740	50,352	879,111	113,306	-	19,844	26,541
Other assets.....	882,075	425,376	109,730	346,969	1,934,869	243,781	-	85,390	103,752
<b>Total liabilities.....</b>	<b>45,339,564</b>	<b>22,006,639</b>	<b>6,797,745</b>	<b>16,535,180</b>	<b>103,903,265</b>	<b>11,917,195</b>	-	<b>5,024,497</b>	<b>7,445,513</b>
Accounts payable.....	8,243,083	4,438,259	970,530	2,834,294	13,089,151	1,658,202	-	698,236	1,311,086
Mortgages, notes, and bonds payable in less than one year.....	5,219,735	3,520,699	450,329	1,248,707	9,207,080	1,068,498	-	407,359	848,960
Other current liabilities.....	5,782,074	2,708,295	692,681	2,381,098	7,625,525	740,792	-	263,904	623,016
Loans from stockholders.....	1,963,649	1,016,609	214,538	732,502	3,298,043	340,389	-	54,136	397,389
Mortgages, notes, and bonds payable in one year or more.....	4,570,708	2,389,268	711,607	1,469,834	14,648,844	1,653,138	-	667,323	712,749
Other liabilities.....	1,480,491	1,087,766	86,740	305,984	1,711,890	99,704	-	77,540	50,567
Capital stock.....	1,019,843	294,308	190,218	535,316	2,654,243	210,670	-	137,544	126,463
Paid-in or capital surplus.....	1,369,933	684,246	191,984	493,704	3,390,668	295,278	-	196,999	368,577
Retained earnings, unappropriated.....	16,276,013	5,986,740	3,397,134	6,892,139	50,707,466	6,089,708	-	2,624,703	3,211,478
Less: Cost of treasury stock.....	585,964	119,551	108,014	358,399	2,429,645	239,185	-	103,248	204,771
<b>Total receipts.....</b>	<b>121,065,398</b>	<b>54,291,057</b>	<b>13,585,182</b>	<b>53,189,159</b>	<b>232,209,381</b>	<b>37,602,435</b>	-	<b>10,475,211</b>	<b>19,834,832</b>
Business receipts.....	119,853,295	53,699,417	13,339,492	52,814,386	229,582,730	37,285,170	-	10,385,098	19,451,808
Interest on Government obligations:									
State and local.....	30,397	8,009	10,635	11,752	78,320	4,550	-	1,717	1,242
Net gain, noncapital assets.....	172,864	34,604	45,711	92,549	342,251	95,381	-	14,095	2,708
Other receipts.....	1,008,842	549,026	189,343	270,473	2,206,080	217,334	-	74,301	379,074
<b>Total deductions.....</b>	<b>114,399,845</b>	<b>51,723,037</b>	<b>12,769,233</b>	<b>49,907,575</b>	<b>216,577,483</b>	<b>35,529,135</b>	-	<b>9,877,792</b>	<b>18,640,483</b>
Cost of sales and operations.....	90,161,076	44,301,894	10,128,577	35,730,605	158,501,650	28,250,084	-	8,011,715	14,032,863
Compensation of officers.....	4,365,163	1,327,862	407,547	2,629,754	7,778,724	573,932	-	270,746	669,706
Repairs.....	437,269	91,124	83,955	262,190	808,647	182,785	-	30,751	36,486
Bad debts.....	158,452	48,022	14,204	96,228	660,408	52,371	-	27,074	56,746
Rent paid on business property.....	904,386	243,800	79,989	580,598	2,004,626	181,547	-	69,052	218,881
Taxes paid.....	2,372,005	642,850	306,220	1,422,934	4,731,479	621,049	-	171,520	406,586
Interest paid.....	855,135	410,094	118,717	326,324	2,433,571	270,362	-	114,140	210,784
Amortization.....	39,658	14,162	3,342	22,155	220,171	28,533	-	6,691	7,913
Depreciation.....	1,669,911	370,434	440,644	858,833	4,585,665	604,219	-	255,075	179,109
Depletion.....	9,456	1,296	8,160	24,011	24,011	982	-	-	-
Advertising.....	326,696	125,072	11,952	189,672	2,193,352	637,563	-	23,826	198,399
Pension, profit-sharing, stock bonus, and annuity plans.....	517,499	132,834	90,268	294,397	1,026,812	115,468	-	30,251	83,455
Employee benefit programs.....	828,654	191,471	74,704	562,479	2,647,172	335,554	-	116,352	158,792
Net loss, noncapital assets.....	5,746	1,837	1,371	2,538	15,300	302	-	6	422
Other deductions.....	11,748,739	3,820,285	999,584	6,928,870	28,945,894	3,694,386	-	750,593	2,380,341
<b>Total receipts less total deductions.....</b>	<b>6,665,553</b>	<b>2,568,021</b>	<b>815,949</b>	<b>3,281,583</b>	<b>15,631,898</b>	<b>2,073,300</b>	-	<b>597,418</b>	<b>1,194,348</b>
Net income.....	6,635,156	2,560,011	805,314	3,269,831	15,553,578	2,068,750	-	595,701	1,193,107
Income subject to tax.....	28,305	7,559	2,527	18,219	33,937	763	-	338	1,189
Income tax, total.....	10,412	2,716	1,148	6,547	23,369	1,994	-	202	1,007

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

# Corporation Returns/1991

## 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)
<b>Number of returns, total.....</b>	<b>3,727</b>	<b>1,693</b>	<b>764</b>	<b>9,870</b>	<b>2,155</b>	<b>*74</b>	<b>2,668</b>	<b>354</b>	<b>1,874</b>
<b>Total assets.....</b>	<b>3,889,086</b>	<b>2,354,954</b>	<b>4,140,223</b>	<b>10,573,052</b>	<b>5,173,255</b>	<b>*470,548</b>	<b>6,896,446</b>	<b>1,079,793</b>	<b>3,022,987</b>
Cash.....	435,417	265,593	246,659	1,152,319	533,565	*67,973	614,740	108,594	338,397
Notes and accounts receivable.....	694,008	704,428	947,190	2,697,617	1,352,436	*120,551	1,640,079	337,483	574,219
Less: Allowance for bad debts.....	13,491	8,133	11,594	78,827	37,074	*1,584	22,930	8,311	7,837
Inventories.....	1,002,291	568,639	836,291	939,274	1,075,938	*85,968	1,216,435	411,153	451,122
Investments in Government obligations.....	*49,260	*15,489	*30,207	*106,658	*5,887	-	*13,508	-	*64,319
Tax-exempt securities.....	*3,780	*5,798	*133,176	*82,427	1,075	-	*3,822	-	*2,353
Other current assets.....	186,285	76,117	160,357	638,883	142,517	*8,674	262,788	14,063	115,092
Loans to stockholders.....	36,538	*21,048	34,001	195,807	44,976	-	65,413	*2,082	37,829
Mortgage and real estate loans.....	*9,304	*9,946	*14,832	*31,646	*9,778	-	*1,278	-	*22,561
Other investments.....	212,716	98,994	275,101	538,633	361,613	*30,386	836,964	84,151	188,575
Depreciable assets.....	2,406,694	1,227,256	2,843,650	7,675,459	3,154,437	*336,754	4,548,097	233,792	2,841,983
Less: Accumulated depreciation.....	1,513,631	722,357	1,551,975	4,416,627	1,700,613	*204,249	2,573,601	141,071	1,653,071
Depletable assets.....	151,552	*443	35,355	*16,908	2,270	-	*5,454	-	*72,179
Less: Accumulated depletion.....	*5,984	-	-	*13,788	901	-	*1,151	-	*26,903
Land.....	143,006	41,719	51,929	158,708	104,639	*19,719	106,986	6,196	95,244
Intangible assets (amortizable).....	42,181	22,193	27,690	697,119	98,196	*1,800	94,554	*17,558	77,752
Less: Accumulated amortization.....	14,300	11,903	8,389	274,860	45,944	*813	58,087	*10,569	51,632
Other assets.....	63,460	39,686	75,742	425,696	70,461	*5,368	142,099	24,663	80,624
<b>Total liabilities.....</b>	<b>3,889,086</b>	<b>2,354,954</b>	<b>4,140,223</b>	<b>10,573,052</b>	<b>5,173,255</b>	<b>*470,548</b>	<b>6,896,446</b>	<b>1,079,793</b>	<b>3,022,987</b>
Accounts payable.....	368,583	290,053	475,796	1,086,412	709,118	*67,380	846,326	116,964	301,249
Mortgages, notes, and bonds payable in less than one year.....	394,520	145,370	266,069	933,655	477,815	*25,729	579,479	111,259	269,834
Other current liabilities.....	293,311	168,502	274,969	1,143,558	295,711	*55,457	436,164	60,668	142,671
Loans from stockholders.....	205,845	97,700	39,049	337,126	188,629	*13,943	135,103	*72,407	64,169
Mortgages, notes, and bonds payable in one year or more.....	488,421	231,461	546,200	2,235,441	723,527	*33,679	1,372,334	*74,615	425,825
Other liabilities.....	58,228	19,780	32,213	567,609	73,744	*3,924	95,154	*3,608	40,834
Capital stock.....	120,145	78,581	53,804	197,819	155,555	*11,206	147,820	52,059	69,571
Paid-in or capital surplus.....	143,152	35,372	142,923	402,072	168,900	*13,782	284,383	*3,745	102,200
Retained earnings, unappropriated.....	1,875,106	1,317,404	2,429,030	4,011,222	2,477,492	*245,447	3,104,705	653,990	1,630,441
Less: Cost of treasury stock.....	58,025	*29,270	119,831	341,864	97,237	-	105,022	*69,523	*23,808
<b>Total receipts.....</b>	<b>8,795,206</b>	<b>5,796,498</b>	<b>8,062,784</b>	<b>20,287,552</b>	<b>10,648,301</b>	<b>*1,042,179</b>	<b>12,105,032</b>	<b>2,142,503</b>	<b>5,189,334</b>
Business receipts.....	8,581,539	5,726,134	7,959,948	19,978,763	10,525,609	*1,025,394	12,006,545	2,125,702	5,119,382
Interest on Government obligations:									
State and local.....	2,308	*1,688	11,476	11,192	*857	*16	8,121	*2,131	*2,480
Net gain, noncapital assets.....	39,495	9,722	22,930	34,991	12,586	*248	4,902	*52	16,225
Other receipts.....	171,864	58,954	68,430	262,606	109,249	*16,522	85,463	14,618	51,247
<b>Total deductions.....</b>	<b>8,278,920</b>	<b>5,408,024</b>	<b>7,515,872</b>	<b>18,915,610</b>	<b>9,801,022</b>	<b>*968,889</b>	<b>11,058,941</b>	<b>1,997,286</b>	<b>4,794,618</b>
Cost of sales and operations.....	6,355,104	3,935,321	5,714,216	10,803,559	6,756,908	*790,039	8,137,647	1,480,470	3,367,386
Compensation of officers.....	258,702	174,937	244,346	904,847	401,970	*9,528	420,313	135,819	168,679
Repairs.....	65,288	16,453	21,224	100,123	57,122	*2,769	46,660	2,151	28,756
Bad debts.....	19,783	17,945	22,626	123,317	34,809	*4,275	34,691	6,380	16,490
Rent paid on business property.....	64,602	67,594	53,508	338,081	95,280	*7,102	85,886	11,516	59,237
Taxes paid.....	177,676	152,811	146,604	545,227	186,684	*13,346	265,467	42,332	124,106
Interest paid.....	94,516	49,320	72,205	288,799	122,916	*7,593	160,357	17,069	70,803
Amortization.....	1,975	7,362	4,859	38,850	13,806	*546	13,139	*3,687	11,271
Depreciation.....	177,638	81,630	184,741	570,387	229,521	*22,979	329,703	16,994	183,868
Depletion.....	*10,926	-	-	*335	3,474	-	-	-	8,229
Advertising.....	35,757	47,373	28,460	217,186	185,778	*3,550	69,128	35,056	26,790
Pension, profit-sharing, stock bonus, and annuity plans.....	22,690	25,770	51,737	141,194	48,244	*1,389	56,357	5,106	21,918
Employee benefit programs.....	83,298	107,495	87,204	281,327	105,775	*3,979	162,566	15,969	58,413
Net loss, noncapital assets.....	*183	*181	*170	*5,204	*831	-	*813	*571	*780
Other deductions.....	910,773	724,051	883,970	4,557,172	1,557,903	*101,784	1,276,416	224,168	647,891
Total receipts less total deductions.....	516,286	388,474	548,912	1,371,942	847,279	*73,291	1,046,091	145,217	394,716
Net income.....	513,978	386,786	535,436	1,360,750	846,423	*73,275	1,037,970	143,088	392,236
Income subject to tax.....	*301	*409	*441	*8,880	*6,539	-	*802	3,971	*1,876
Income tax, total.....	*531	*139	*799	*3,290	4,223	-	2,496	1,350	*648

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

# Corporation Returns/1991

## 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.....	543	10,989	3,894	3,535	985	1,128	1,700	5,395
<b>Total assets.....</b>	<b>2,749,557</b>	<b>14,578,388</b>	<b>6,859,102</b>	<b>6,291,535</b>	<b>1,989,650</b>	<b>1,014,087</b>	<b>2,547,868</b>	<b>5,885,528</b>
Cash.....	213,003	1,585,980	822,268	756,447	119,368	102,574	325,063	623,556
Notes and accounts receivable.....	772,623	3,696,040	1,675,754	1,830,173	484,421	265,930	642,018	1,648,081
Less: Allowance for bad debts.....	10,744	57,277	20,825	30,699	4,344	*3,114	18,614	36,755
Inventories.....	562,906	3,340,055	1,983,087	1,657,855	640,434	349,227	856,737	1,608,199
Investments in Government obligations.....	*31,246	143,250	*65,135	*117,777	*54,700	-	*17,067	*26,417
Tax-exempt securities.....	*4,622	60,021	*15,541	*61,304	*19,724	*16,863	*21,184	*5,239
Other current assets.....	78,695	424,351	329,141	171,562	87,341	24,264	95,501	203,120
Loans to stockholders.....	16,892	101,631	42,497	49,176	*10,632	*65	27,247	62,684
Mortgage and real estate loans.....	*5,825	*21,425	*3,335	*9,878	*3,341	-	*2,118	*9,413
Other investments.....	145,155	742,265	256,778	243,556	119,548	*7,543	170,143	197,623
Depreciable assets.....	1,925,093	9,825,446	3,509,262	2,791,894	940,058	521,086	1,190,561	2,829,284
Less: Accumulated depreciation.....	1,097,798	5,934,971	2,051,185	1,593,500	562,729	302,336	672,999	1,548,362
Depletable assets.....	*530	*1,119	*503	*97	-	*546	78	-
Less: Accumulated depletion.....	*410	*326	-	*97	-	*512	7	-
Land.....	56,355	288,993	107,169	116,803	26,288	*13,613	42,389	63,107
Intangible assets (amortizable).....	52,870	236,933	88,371	45,580	14,067	*2,597	46,632	109,141
Less: Accumulated amortization.....	34,940	88,252	39,212	3,826	3,826	*885	18,646	31,733
Other assets.....	27,635	191,704	71,482	88,160	40,627	16,627	20,398	117,314
<b>Total liabilities.....</b>	<b>2,749,557</b>	<b>14,578,388</b>	<b>6,859,102</b>	<b>6,291,535</b>	<b>1,989,650</b>	<b>1,014,087</b>	<b>2,547,868</b>	<b>5,885,528</b>
Accounts payable.....	381,333	1,657,481	851,732	794,546	291,289	145,421	279,774	758,168
Mortgages, notes, and bonds payable in less than one year.....	227,088	1,298,882	511,832	530,699	202,329	114,196	223,509	569,997
Other current liabilities.....	221,954	927,685	625,590	541,517	167,197	72,788	181,785	388,285
Loans from stockholders.....	55,825	561,209	145,554	139,961	*61,076	*19,670	71,882	297,180
Mortgages, notes, and bonds payable in one year or more.....	424,660	2,299,556	671,926	625,319	196,784	103,046	344,828	818,012
Other liabilities.....	35,241	147,405	80,828	91,138	30,531	*86,479	24,061	93,303
Capital stock.....	102,123	435,122	160,011	199,394	22,413	38,074	98,446	237,430
Paid-in or capital surplus.....	57,937	400,283	215,446	125,767	117,718	*2,230	125,628	192,734
Retained earnings, unappropriated.....	1,343,476	7,278,476	3,801,178	3,388,946	930,653	443,331	1,236,725	2,613,953
Less: Cost of treasury stock.....	100,080	427,712	204,994	145,743	*30,342	*6,689	38,770	83,533
<b>Total receipts.....</b>	<b>7,375,459</b>	<b>28,448,361</b>	<b>12,867,520</b>	<b>12,471,893</b>	<b>5,107,354</b>	<b>2,701,662</b>	<b>4,967,167</b>	<b>16,188,098</b>
Business receipts.....	7,315,220	28,099,826	12,857,862	12,317,434	5,089,998	2,676,002	4,933,790	16,121,506
Interest on Government obligations:								
State and local.....	1,734	7,525	5,767	7,131	*3,563	*758	2,821	*1,245
Net gain, noncapital assets.....	13,237	43,108	18,952	7,079	1,906	*723	1,147	2,764
Other receipts.....	45,268	297,902	84,938	140,249	11,887	24,180	29,410	62,583
<b>Total deductions.....</b>	<b>6,968,318</b>	<b>26,507,757</b>	<b>11,865,829</b>	<b>11,384,930</b>	<b>4,856,134</b>	<b>2,531,398</b>	<b>4,467,954</b>	<b>15,188,572</b>
Cost of sales and operations.....	5,910,544	19,318,921	8,162,330	7,469,057	3,908,539	1,869,201	2,597,053	11,630,693
Compensation of officers.....	177,536	1,320,155	467,598	544,602	120,381	89,598	282,040	543,289
Repairs.....	14,484	78,516	46,769	31,820	15,202	11,342	12,497	27,447
Bad debts.....	8,170	77,638	40,282	38,378	5,113	4,876	10,076	59,367
Rent paid on business property.....	23,755	224,559	101,980	133,112	38,880	34,648	67,675	127,733
Taxes paid.....	99,760	658,944	304,402	271,133	94,300	74,723	116,892	258,118
Interest paid.....	63,404	355,864	141,693	119,632	39,009	28,151	55,835	151,120
Amortization.....	4,191	28,559	13,337	6,806	3,740	940	8,431	15,535
Depreciation.....	134,874	652,830	256,014	258,792	86,509	42,324	109,351	209,104
Depletion.....	*40	-	-	*25	-	-	-	-
Advertising.....	13,524	161,518	124,588	121,204	25,467	5,391	108,014	124,781
Pension, profit-sharing, stock bonus, and annuity plans.....	23,629	140,684	83,032	52,385	23,210	11,455	33,486	55,351
Employee benefit programs.....	66,853	403,029	217,822	167,771	55,514	37,156	63,702	118,601
Net loss, noncapital assets.....	*592	706	*883	*264	-	-	*3,504	*96
Other deductions.....	426,958	3,085,834	1,905,099	2,169,949	440,271	321,592	1,019,397	1,867,335
<b>Total receipts less total deductions.....</b>	<b>407,141</b>	<b>1,940,604</b>	<b>1,101,691</b>	<b>1,086,963</b>	<b>251,220</b>	<b>170,264</b>	<b>479,214</b>	<b>999,527</b>
Net income.....	405,407	1,933,079	1,095,923	1,079,832	247,656	169,507	476,393	998,281
Income subject to tax.....	*2,456	2,096	*127	*2,837	369	-	*26	*519
Income tax, total <sup>2</sup> .....	*1,040	3,044	*222	*1,744	125	*21	*65	*430

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

# Corporation Returns/1991

## 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				Total	Wholesale and retail trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services		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.....	37,380	31,189	3,934	2,256	223,247	66,986	6,732	11,237	49,018
<b>Total assets.....</b>	<b>17,865,961</b>	<b>13,115,979</b>	<b>2,817,382</b>	<b>1,932,599</b>	<b>155,795,595</b>	<b>80,162,596</b>	<b>6,199,293</b>	<b>8,920,206</b>	<b>65,043,097</b>
Cash.....	2,142,998	1,598,869	261,850	282,179	16,098,767	7,903,017	638,701	822,852	6,441,464
Notes and accounts receivable.....	3,960,467	2,953,330	594,328	412,610	35,656,052	25,275,423	2,216,347	2,571,172	20,487,905
Less: Allowance for bad debts.....	43,104	24,441	11,813	*6,850	563,767	407,750	28,733	44,667	334,350
Inventories.....	332,729	265,652	54,316	12,762	54,304,223	25,604,664	1,591,761	3,309,232	20,703,672
Investments in Government obligations.....	*134,150	*97,205	*12,788	*24,157	625,728	455,419	*1,794	*72,214	381,412
Tax-exempt securities.....	70,100	*33,959	32,196	*3,945	315,222	161,737	*5,154	*13,047	143,536
Other current assets.....	1,047,522	785,920	188,476	73,126	5,702,933	3,070,897	177,993	212,185	2,680,720
Loans to stockholders.....	399,490	329,862	51,733	17,895	2,169,892	950,241	111,482	78,679	760,080
Mortgage and real estate loans.....	29,824	*25,322	*1,242	*3,259	475,533	223,645	*1,273	*32,264	190,108
Other investments.....	833,657	629,015	115,473	89,169	6,215,702	3,908,578	170,820	478,643	3,259,115
Depreciable assets.....	16,919,466	12,795,366	2,103,174	2,020,927	60,313,542	23,596,101	2,383,476	2,671,105	18,541,520
Less: Accumulated depreciation.....	9,690,645	7,181,985	1,303,252	1,205,408	33,968,748	13,739,932	1,353,255	1,534,055	10,852,623
Depletable assets.....	*36,432	*36,150	-	*283	104,923	14,487	-	*1,749	*12,738
Less: Accumulated depletion.....	*12,223	*12,210	-	13	69,424	*7,869	-	*1,216	*6,654
Land.....	341,645	212,579	68,229	60,837	3,610,999	1,214,616	69,868	87,900	1,056,848
Intangible assets (amortizable).....	710,556	183,632	363,945	162,979	3,143,620	1,180,511	143,309	117,783	919,420
Less: Accumulated amortization.....	311,231	78,175	149,440	83,616	1,345,535	484,599	42,242	56,091	386,266
Other assets.....	964,126	465,929	434,039	64,158	3,005,934	1,243,410	111,546	87,411	1,044,453
<b>Total liabilities.....</b>	<b>17,865,961</b>	<b>13,115,979</b>	<b>2,817,382</b>	<b>1,932,599</b>	<b>155,795,595</b>	<b>80,162,596</b>	<b>6,199,293</b>	<b>8,920,206</b>	<b>65,043,097</b>
Accounts payable.....	2,455,647	2,025,356	177,718	252,573	29,760,009	18,686,041	1,764,612	1,963,313	14,958,117
Mortgages, notes, and bonds payable in less than one year.....	1,966,785	1,309,748	458,681	198,356	25,370,788	10,865,315	791,234	1,126,842	8,947,239
Other current liabilities.....	1,384,813	974,931	226,922	162,960	10,065,704	4,886,074	330,592	460,522	4,094,961
Loans from stockholders.....	933,370	580,465	297,225	55,680	8,182,547	3,277,168	343,934	376,372	2,556,862
Mortgages, notes, and bonds payable in one year or more.....	4,239,763	3,117,824	608,700	513,239	19,860,517	7,705,174	677,169	1,077,703	5,950,303
Other liabilities.....	648,018	238,426	258,630	148,962	1,786,627	933,262	21,437	89,776	822,049
Capital stock.....	729,407	416,953	236,908	75,546	5,202,461	1,972,107	146,601	222,981	1,602,525
Paid-in or capital surplus.....	1,124,770	900,962	156,634	67,173	5,116,901	1,976,829	177,281	292,463	1,507,084
Retained earnings, unappropriated.....	4,713,204	3,795,190	447,571	470,443	53,325,907	31,486,072	2,087,413	3,496,209	25,902,451
Less: Cost of treasury stock.....	307,816	243,875	*51,607	*12,335	2,875,866	1,625,448	140,979	185,974	1,298,495
<b>Total receipts.....</b>	<b>43,156,822</b>	<b>34,988,199</b>	<b>4,372,344</b>	<b>3,796,279</b>	<b>564,713,194</b>	<b>281,041,522</b>	<b>35,298,303</b>	<b>21,971,714</b>	<b>223,771,505</b>
Business receipts.....	42,434,284	34,437,652	4,275,373	3,721,259	558,291,213	278,535,958	35,027,942	21,563,034	221,944,981
Interest on Government obligations:									
State and local.....	12,113	8,285	*3,247	*582	53,638	35,095	*769	8,786	25,540
Net gain, noncapital assets.....	278,257	208,276	39,826	32,154	400,809	170,348	11,339	22,008	137,001
Other receipts.....	432,168	335,986	53,898	42,284	5,967,535	2,300,122	258,252	377,886	1,663,984
<b>Total deductions.....</b>	<b>40,583,128</b>	<b>33,182,996</b>	<b>3,934,359</b>	<b>3,465,773</b>	<b>546,338,061</b>	<b>271,784,652</b>	<b>34,559,252</b>	<b>20,965,334</b>	<b>216,260,067</b>
Cost of sales and operations.....	22,203,973	18,230,902	1,986,871	1,986,199	423,357,405	221,924,548	29,699,221	15,562,023	176,663,305
Compensation of officers.....	1,181,777	862,921	139,865	178,991	12,599,492	6,757,990	692,062	805,604	5,260,324
Repairs.....	721,928	625,880	34,121	61,927	2,212,997	725,765	99,729	58,961	587,074
Bad debts.....	170,609	77,681	77,620	15,308	1,078,880	620,332	52,203	54,193	513,937
Rent paid on business property.....	1,808,140	1,678,113	64,171	65,856	9,166,309	2,455,987	213,929	236,837	2,005,222
Taxes paid.....	1,342,065	1,127,854	115,249	98,962	8,240,557	3,492,029	266,626	282,972	2,942,431
Interest paid.....	604,503	440,915	98,411	65,177	4,390,049	1,968,685	147,410	217,670	1,603,605
Amortization.....	107,340	41,204	46,545	19,591	450,362	171,715	17,758	12,953	141,004
Depreciation.....	1,645,927	1,317,831	160,901	167,195	4,753,081	1,876,320	208,112	225,459	1,442,749
Depletion.....	*2,629	*2,627	-	2	*2,213	*2,112	-	1	*2,112
Advertising.....	198,230	119,501	68,472	10,258	6,178,004	1,319,330	109,406	92,987	1,116,938
Pension, profit-sharing, stock bonus, and annuity plans.....	147,482	114,249	9,449	23,785	1,073,146	678,445	58,356	83,135	538,954
Employee benefit programs.....	485,620	411,881	22,044	51,694	2,475,224	1,109,571	112,795	144,852	851,824
Net loss, noncapital assets.....	13,097	2,895	*9,782	*420	18,381	10,801	*169	*200	10,432
Other deductions.....	9,949,810	8,128,544	1,100,857	720,409	70,341,962	28,671,020	2,881,476	3,187,488	22,802,056
<b>Total receipts less total deductions.....</b>	<b>2,573,694</b>	<b>1,805,203</b>	<b>437,985</b>	<b>330,506</b>	<b>18,375,133</b>	<b>9,256,870</b>	<b>739,051</b>	<b>1,006,381</b>	<b>7,511,438</b>
Net income.....	2,561,581	1,796,917	434,739	329,925	18,321,495	9,221,775	738,282	997,595	7,485,899
Income subject to tax.....	16,647	14,314	*2,081	*252	16,947	10,921	*94	*7,910	2,916
Income tax, total *.....	5,393	4,600	*708	*86	20,858	14,089	*162	3,473	10,454

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

# Corporation Returns/1991

## 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									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 furnishings stores	Eating and drinking places	Miscellaneous retail stores	
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total.....	155,137	7,700	1,052	14,811	20,815	6,867	6,979	40,484	56,649	1,125
Total assets.....	75,229,860	5,162,282	2,165,224	8,202,649	23,322,547	3,319,650	4,158,719	10,280,990	18,617,798	403,139
Cash.....	8,103,003	485,671	249,319	912,226	1,882,811	378,206	425,061	1,486,393	2,303,515	92,747
Notes and accounts receivable.....	10,288,694	1,100,939	306,390	575,827	2,977,884	300,821	1,158,531	431,375	3,436,928	*91,934
Less: Allowance for bad debts.....	155,438	18,187	*2,793	1,871	46,918	4,530	26,812	*830	53,498	*579
Inventories.....	28,626,342	1,902,839	950,922	2,226,179	12,734,032	1,816,218	1,491,020	520,693	7,184,439	73,216
Investments in Government obligations.....	170,308	*48,577	*15,837	*3,784	*5,060	*9,396	*13,258	*8,142	*66,254	
Tax-exempt securities.....	153,485	*18,074	571		*2,559	*8,843	*22,195	*14,909	*88,333	
Other current assets.....	2,623,229	121,814	62,224	438,467	618,463	191,078	131,965	395,380	667,837	*8,807
Loans to stockholders.....	1,211,389	110,177	*12,358	94,365	334,551	50,833	64,188	317,263	227,254	*8,262
Mortgage and real estate loans.....	247,055	49,620	*3,303	*28,392	32,259	3,096	*3,849	78,765	49,971	*4,833
Other investments.....	2,298,123	237,291	115,471	361,241	469,325	113,719	93,057	413,462	494,557	*9,001
Depreciable assets.....	36,476,465	2,016,896	732,341	6,219,626	6,579,147	1,204,297	1,362,119	10,849,705	7,512,334	240,977
Less: Accumulated depreciation.....	20,089,400	1,209,417	379,725	3,314,311	3,453,975	643,211	732,713	5,913,384	4,442,663	139,416
Depletable assets.....	90,436	*3,916	78		*6,290			*43,200	*36,954	
Less: Accumulated depletion.....	61,555	*2,432	*78		*2,159			*33,172	*23,716	
Land.....	2,395,793	222,638	46,172	363,521	663,856	20,349	75,305	627,217	376,735	*590
Intangible assets (amortizable).....	1,942,207	26,844	*32,398	242,033	233,672	15,213	26,948	886,502	478,798	*20,902
Less: Accumulated amortization.....	851,870	11,916	*8,633	121,672	108,953	5,959	10,965	357,943	225,829	*9,066
Other assets.....	1,761,592	59,139	28,469	178,842	416,842	63,482	61,912	513,312	439,595	*932
Total liabilities.....	75,229,860	5,162,282	2,165,224	8,202,649	23,322,547	3,319,650	4,158,719	10,280,990	18,617,798	403,139
Accounts payable.....	10,994,357	728,872	405,871	1,530,186	1,978,517	533,896	767,714	1,032,737	4,016,565	79,610
Mortgages, notes, and bonds payable in less than one year.....	14,445,383	470,977	135,438	513,703	9,936,771	345,836	446,175	784,663	1,811,820	*60,090
Other current liabilities.....	5,130,334	283,472	136,247	574,889	1,340,011	222,968	406,894	918,387	1,247,465	49,296
Loans from stockholders.....	4,873,499	313,720	36,605	601,393	1,212,172	248,804	229,074	1,028,548	1,203,183	*31,881
Mortgages, notes, and bonds payable in one year or more.....	12,115,281	715,488	261,052	1,754,518	2,599,383	395,684	582,161	3,333,784	2,473,211	*40,061
Other liabilities.....	849,598	32,812	77,484	59,266	220,262	28,201	36,603	117,082	277,879	*3,777
Capital stock.....	3,227,465	243,073	61,189	263,350	875,771	138,283	155,042	659,358	831,400	2,888
Paid-in or capital surplus.....	3,121,358	171,727	61,691	193,292	733,704	171,973	180,811	738,570	869,589	*18,715
Retained earnings, unappropriated.....	21,723,013	2,323,198	1,013,263	2,870,743	4,715,314	1,241,416	1,522,484	1,884,986	6,151,608	116,821
Less: Cost of treasury stock.....	1,250,418	121,059	*23,616	158,692	289,357	*7,409	168,239	217,124	264,922	
Total receipts.....	282,365,701	14,839,469	5,274,854	46,901,526	103,767,059	8,813,098	10,611,858	34,938,258	57,419,779	1,305,971
Business receipts.....	278,498,956	14,522,137	5,134,711	46,416,997	102,382,460	8,675,988	10,275,968	34,431,887	56,658,809	1,256,299
Interest on Government obligations:										
State and local.....	17,937	2,230	*337	4,328	2,117	*371	*2,141	*1,160	5,253	*607
Net gain, noncapital assets.....	230,122	6,302	*495	15,550	56,418	*1,266	1,597	114,380	34,113	*339
Other receipts.....	3,618,687	108,800	139,312	464,650	1,326,064	135,473	331,952	390,831	721,604	*48,726
Total deductions.....	273,300,860	14,063,243	4,965,158	45,817,276	102,289,089	8,400,830	10,117,003	33,085,059	54,563,203	1,252,549
Cost of sales and operations.....	200,721,574	10,213,284	3,379,901	36,091,856	87,776,809	5,283,839	6,565,053	14,091,662	37,319,170	711,283
Compensation of officers.....	5,728,802	409,933	121,646	457,337	1,176,669	281,224	297,476	1,134,831	1,849,685	*112,700
Repairs.....	1,481,251	81,337	27,391	256,977	251,861	34,062	48,559	534,309	236,754	5,981
Bad debts.....	456,539	46,140	10,230	27,505	98,833	20,188	74,844	21,755	157,045	*2,009
Rent paid on business property.....	6,677,538	229,233	181,822	717,582	1,104,399	451,559	393,140	2,074,235	1,525,567	32,784
Taxes paid.....	4,725,807	261,097	114,495	647,003	947,528	180,008	205,119	1,402,966	967,591	22,721
Interest paid.....	2,409,391	146,481	49,695	221,686	822,070	90,537	105,904	487,586	485,433	11,972
Amortization.....	275,331	9,575	2,753	55,008	44,531	7,152	6,195	93,737	59,380	*3,316
Depreciation.....	2,851,200	139,583	56,983	459,939	573,406	103,179	111,828	749,622	656,659	25,561
Depletion.....	*101				*2			*98		
Advertising.....	4,848,080	236,814	111,976	414,050	972,426	236,291	382,412	1,145,529	1,348,584	10,594
Pension, profit-sharing, stock bonus, and annuity plans.....	377,747	49,080	8,002	75,972	56,690	16,253	20,078	26,860	124,812	*16,953
Employee benefit programs.....	1,361,531	84,162	28,555	275,723	399,067	30,854	65,989	229,248	247,913	*4,122
Net loss, noncapital assets.....	7,580	*699	20	*121	895	*1,856	*349	2,277	1,363	
Other deductions.....	41,378,388	2,148,825	871,687	6,116,517	8,063,883	1,663,628	1,840,057	11,090,344	9,583,248	292,554
Total receipts less total deductions.....	9,064,841	576,226	309,697	1,084,250	1,477,871	412,268	494,855	1,853,199	2,856,575	53,422
Net income.....	9,046,904	573,996	309,359	1,079,923	1,475,853	411,897	492,514	1,852,039	2,851,323	52,815
Income subject to tax.....	6,026	*47		*1,158	*2,355		*227	*770	1,470	
Income tax, total.....	6,769	*646	(1)	2,555	1,754		*425	*262	1,127	

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

# Corporation Returns/1991

## 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.....	81,758	*23	3,887	4,625	*607	21,460	47,945	3,209
<b>Total assets.....</b>	<b>43,915,524</b>	<b>*114,647</b>	<b>8,288,841</b>	<b>3,943,792</b>	<b>*196,437</b>	<b>4,939,264</b>	<b>22,112,295</b>	<b>4,320,248</b>
Cash.....	4,478,371	*32,649	453,664	432,659	*76,569	1,450,426	1,863,247	169,155
Notes and accounts receivable.....	7,848,734	-	3,378,692	804,428	*9,903	1,619,570	1,823,875	212,265
Less: Allowance for bad debts.....	88,000	-	41,207	*1,870	*351	4,456	40,116	-
Inventories.....	3,508,319	-	-	-	-	-	3,508,319	-
Investments in Government obligations.....	1,496,862	-	*6,378	503,615	-	*3,096	*211,916	*771,860
Tax-exempt securities.....	104,325	-	*5,725	*32,312	-	-	47,016	*19,272
Other current assets.....	4,726,418	*64,509	1,293,123	699,533	*6,078	259,311	2,140,805	263,056
Loans to stockholders.....	1,041,508	-	81,919	68,208	*12,883	228,417	574,911	75,169
Mortgage and real estate loans.....	3,290,753	-	1,918,639	-	-	*33,130	1,227,868	*111,116
Other investments.....	7,568,342	-	849,790	1,155,733	*11,483	352,681	2,658,227	2,540,427
Depreciable assets.....	8,847,044	*26,857	292,541	326,457	*109,124	1,316,983	6,636,972	138,111
Less: Accumulated depreciation.....	3,574,785	*11,918	140,816	172,577	*71,850	776,147	2,373,780	27,896
Depletable assets.....	82,448	-	-	*53,876	-	*15,354	*13,084	*132
Less: Accumulated depletion.....	*44,517	-	-	*32,785	-	*7,463	*4,269	-
Land.....	2,812,779	*6	32,517	*4,244	*3,442	40,088	2,699,797	*32,686
Intangible assets (amortizable).....	741,030	*200	97,226	8,377	*5,722	355,823	265,751	7,930
Less: Accumulated amortization.....	274,410	*27	45,491	3,863	*1,406	134,915	85,889	2,817
Other assets.....	1,350,305	*2,372	105,942	65,444	*34,840	187,365	944,561	9,781
<b>Total liabilities.....</b>	<b>43,915,524</b>	<b>*114,647</b>	<b>8,288,841</b>	<b>3,943,792</b>	<b>*196,437</b>	<b>4,939,264</b>	<b>22,112,295</b>	<b>4,320,248</b>
Accounts payable.....	4,613,602	*1,232	322,221	1,286,052	*11,193	1,912,403	980,062	100,440
Mortgages, notes, and bonds payable in less than one year.....	7,272,977	*62,427	3,596,000	353,319	*9,948	330,435	2,821,030	99,818
Other current liabilities.....	4,730,810	*16,348	447,854	949,863	*45,171	506,104	1,107,394	1,658,077
Loans from stockholders.....	3,137,312	*12,094	245,563	71,597	*8,423	327,516	2,213,170	258,949
Mortgages, notes, and bonds payable in one year or more.....	9,697,589	*4,110	1,785,653	240,518	*40,846	584,350	6,478,653	563,458
Other liabilities.....	2,367,818	*7,818	653,297	*30,220	*942	68,834	1,495,280	*111,428
Capital stock.....	1,630,806	*2,239	98,771	113,823	*35,602	140,527	1,135,165	104,680
Paid-in or capital surplus.....	3,369,990	-	184,554	385,750	*11,976	191,173	2,014,414	582,124
Retained earnings, unappropriated.....	7,301,167	*8,379	975,204	560,082	*34,149	951,538	3,915,992	855,824
Less: Cost of treasury stock.....	206,548	-	*20,275	47,433	*1,812	73,615	48,864	*14,549
<b>Total receipts.....</b>	<b>35,065,499</b>	<b>*52,353</b>	<b>2,299,536</b>	<b>3,348,102</b>	<b>*332,818</b>	<b>8,637,968</b>	<b>18,752,214</b>	<b>1,641,508</b>
Business receipts.....	31,642,938	*52,234	1,734,448	2,889,624	*331,617	8,511,471	16,956,733	1,166,813
Interest on Government obligations:								
State and local.....	34,701	-	*1,914	9,955	-	*2,742	16,129	*3,961
Net gain, noncapital assets.....	324,693	-	38,663	*157,493	*38	21,855	106,544	*300
Other receipts.....	3,063,167	*119	524,511	292,031	*1,163	102,100	1,672,808	470,434
<b>Total deductions.....</b>	<b>29,493,502</b>	<b>*48,097</b>	<b>1,897,060</b>	<b>2,785,513</b>	<b>*300,185</b>	<b>7,372,350</b>	<b>15,871,548</b>	<b>1,218,750</b>
Cost of sales and operations.....	9,104,671	-	97,719	*160,911	*12,204	1,763,506	6,395,537	*674,795
Compensation of officers.....	3,273,222	*974	211,129	736,758	*32,521	1,078,944	1,026,118	186,778
Repairs.....	135,439	*113	9,140	7,292	*3,795	37,348	77,362	*388
Bad debts.....	147,620	*643	68,121	15,315	*534	36,548	24,567	*1,891
Rent paid on business property.....	937,490	*3,414	69,015	108,645	*21,906	287,426	435,082	12,002
Taxes paid.....	815,750	*1,878	68,397	95,822	*21,864	221,444	390,668	15,677
Interest paid.....	1,046,575	*6,374	365,942	50,464	*3,499	98,479	477,723	44,094
Amortization.....	85,547	*5	15,408	2,842	*325	37,040	28,842	1,085
Depreciation.....	377,577	*2,488	26,499	39,952	*5,752	99,257	197,061	6,569
Depletion.....	*1,885	-	-	-	-	-	*1,885	-
Advertising.....	441,300	*132	27,820	13,137	*1,292	88,450	309,808	*662
Pension, profit-sharing, stock bonus, and annuity plans.....	203,411	*131	8,101	38,857	*338	81,037	69,877	*5,071
Employee benefit programs.....	258,938	*44	20,994	39,300	*6,468	79,721	107,342	5,069
Net loss, noncapital assets.....	1,451	-	*427	-	-	*673	*150	-
Other deductions.....	12,662,626	*31,902	908,347	1,476,219	*189,687	3,462,277	6,329,525	264,669
Total receipts less total deductions.....	5,571,997	*4,256	402,476	563,589	*32,633	1,265,617	2,880,667	422,758
Net income.....	5,537,296	*4,256	400,562	553,634	*32,633	1,262,875	2,864,538	418,797
Income subject to tax.....	16,670	-	*491	396	-	*414	*10,081	5,289
Income tax, total.....	8,329	-	*167	135	-	*141	5,571	*2,316

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



# Corporation Returns/1991

## 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							Nature of business not allocable
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total	299,718	7,247	20,223	95,511	30,572	21,123	125,043	5,743
Total assets	60,737,747	4,841,648	2,683,890	20,865,944	4,883,290	7,240,976	20,222,000	512,119
Cash	9,996,290	447,598	336,284	3,487,292	705,809	1,113,499	3,905,809	73,879
Notes and accounts receivable	11,216,967	191,842	400,740	5,286,937	766,244	588,326	3,982,879	36,869
Less: Allowance for bad debts	242,654	*430	*7,549	60,180	9,731	25,585	139,179	*150
Inventories	2,475,580	44,880	139,520	931,930	587,105	312,958	459,188	91,641
Investments in Government obligations	236,295	*5,815	*5,879	85,370		*7,602	131,628	*17,994
Tax-exempt securities	127,126	*956	*26,945	91,765		*1,453	*6,007	
Other current assets	3,155,741	58,299	125,640	1,319,012	203,995	305,867	1,142,929	31,654
Loans to stockholders	2,239,366	129,380	35,998	779,599	178,946	226,241	889,202	*67,248
Mortgage and real estate loans	408,504	*42,532	*12,469	181,474	*44,134	*89,456	58,440	*1,170
Other investments	3,765,064	201,031	133,178	1,832,008	120,379	298,587	1,179,880	*16,511
Depreciable assets	46,465,884	5,876,190	2,485,455	12,490,658	3,753,377	7,076,033	14,784,170	194,570
Less: Accumulated depreciation	25,091,888	2,808,061	1,464,594	7,326,459	1,945,265	3,632,961	7,914,549	94,503
Depletable assets	92,178		*7,544	*14,380	*37,336	*1,577	*31,341	
Less: Accumulated depletion	*46,899		*5,296	*3,379	*30,147		*10,076	
Land	2,204,189	502,897	82,003	365,508	328,768	432,703	492,310	*27,028
Intangible assets (amortizable)	2,191,816	86,050	263,075	708,175	80,080	338,174	716,063	*44,785
Less: Accumulated amortization	1,041,865	46,732	122,929	328,412	33,617	187,403	322,771	*5,517
Other assets	2,586,251	109,399	229,528	1,010,267	95,877	314,448	828,731	8,940
Total liabilities	60,737,747	4,841,648	2,683,890	20,865,944	4,883,290	7,240,976	20,222,000	512,119
Accounts payable	5,276,007	136,585	153,643	2,781,019	466,973	422,858	1,314,929	37,377
Mortgages, notes, and bonds payable in less than one year	6,064,288	198,806	227,846	2,100,777	641,451	467,172	2,428,235	*67,167
Other current liabilities	6,288,673	192,816	297,862	2,310,068	274,653	737,662	2,475,812	49,723
Loans from stockholders	5,596,238	881,377	302,461	1,656,784	401,379	666,665	1,687,572	53,057
Mortgages, notes, and bonds payable in one year or more	14,464,803	2,715,036	515,370	3,550,783	1,084,917	1,842,630	4,756,066	116,029
Other liabilities	2,436,316	30,185	125,251	1,172,202	86,684	354,088	667,907	*35,054
Capital stock	2,710,615	314,998	157,115	758,660	238,910	421,480	819,451	50,633
Paid-in or capital surplus	3,852,277	310,237	201,260	1,057,675	165,988	764,481	1,352,636	*16,104
Retained earnings, unappropriated	15,442,137	185,280	835,814	5,897,318	1,584,279	1,756,819	5,182,627	90,346
Less: Cost of treasury stock	1,393,807	123,672	132,733	419,343	61,943	192,880	463,235	*3,370
Total receipts	167,929,392	5,222,820	7,914,975	60,938,456	14,473,815	13,540,968	65,838,357	1,090,798
Business receipts	163,774,120	5,020,829	7,818,867	59,490,169	14,250,070	13,149,551	64,044,835	1,016,429
Interest on Government obligations:								
State and local	22,956	*758	*1,195	11,474	*1,590	1,453	6,487	
Net gain, noncapital assets	353,124	18,215	31,420	86,667	86,449	31,927	98,446	*10
Other receipts	3,779,191	183,019	63,494	1,350,146	135,706	358,036	1,688,790	74,357
Total deductions	152,987,767	4,764,585	7,364,998	55,861,507	13,633,098	12,164,159	59,199,420	966,985
Cost of sales and operations	56,967,910	1,008,383	2,736,479	24,891,806	7,148,919	3,909,890	17,272,433	501,064
Compensation of officers	15,479,382	143,819	486,386	4,522,221	945,757	784,914	8,596,486	45,863
Repairs	1,378,111	159,147	89,859	345,739	105,940	218,823	458,603	10,886
Bad debts	393,636	5,311	44,754	114,088	22,027	30,614	176,843	*664
Rent paid on business property	6,684,642	270,056	520,651	1,775,813	677,424	720,651	2,720,047	30,260
Taxes paid	6,026,168	331,097	345,395	1,894,754	520,399	601,035	2,333,488	23,535
Interest paid	2,126,370	296,270	87,706	534,171	201,242	252,552	754,428	38,010
Amortization	355,188	8,671	34,362	77,708	13,378	95,627	125,442	*1,418
Depreciation	3,837,773	290,512	193,198	1,241,414	435,300	550,488	1,126,861	39,258
Depletion	*7,704		*40				*7,664	
Advertising	2,048,897	104,418	166,789	702,778	177,867	271,589	625,456	25,368
Pension, profit-sharing, stock bonus, and annuity plans	1,037,120	11,092	34,114	383,333	40,739	54,451	513,392	*2,458
Employee benefit programs	1,919,422	52,921	76,862	629,254	154,339	111,503	894,543	*1,646
Net loss, noncapital assets	60,919	*43,923	*197	2,832	*2,887	2,736	8,344	
Other deductions	54,664,525	2,039,164	2,548,206	18,745,598	3,186,882	4,559,285	23,585,390	246,557
Total receipts less total deductions	14,941,624	458,236	549,977	5,076,949	840,717	1,376,809	6,638,937	123,810
Net income	14,918,668	457,478	548,782	5,065,475	839,129	1,375,356	6,632,450	123,810
Income subject to tax	36,275	*153	*130	18,748	*39	*470	*16,735	
Income tax, total	13,220	*883	*51	6,468	*16	*160	*5,641	

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

<sup>1</sup> Less than \$500 per return.

<sup>2</sup> 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."

# Corporation Returns/1991

## 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	Agriculture, forestry, and fishing	Major industry				
			Total	Metal mining	Mining		
					Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	1,821,503	62,130	18,722	***	1,883	13,866	***
Total assets.....	15,164,553,048	45,474,938	201,335,294	***	23,180,379	137,696,682	***
Cash.....	674,097,441	3,106,911	5,746,881	***	433,853	4,023,796	***
Notes and accounts receivable.....	3,900,942,158	3,877,449	18,990,161	***	3,511,835	11,325,467	***
Less: Allowance for bad debts.....	111,783,267	51,162	221,924	***	18,835	162,352	***
Inventories.....	734,486,687	5,506,207	5,760,947	***	902,789	2,775,585	***
Investments in Government obligations.....	718,222,824	189,426	1,120,060	***	*128,652	909,752	***
Tax-exempt securities.....	195,263,510	33,445	162,017	***	*89,043	87,160	***
Other current assets.....	914,109,286	1,622,260	6,331,919	***	1,125,869	3,676,852	***
Loans to stockholders.....	69,179,818	1,213,920	848,276	***	28,743	733,228	***
Mortgage and real estate loans.....	1,273,596,621	405,283	138,469	***	*43	128,310	***
Other investments.....	2,919,195,789	4,139,071	80,030,940	***	7,024,143	60,601,978	***
Depreciable assets.....	4,100,169,633	31,815,849	90,327,169	***	10,125,040	59,530,043	***
Less: Accumulated depreciation.....	1,781,062,288	19,520,960	44,651,530	***	5,327,626	29,569,002	***
Depletable assets.....	137,875,831	740,179	40,773,158	***	3,400,380	32,519,058	***
Less: Accumulated depletion.....	59,573,522	139,003	18,592,128	***	1,631,032	16,077,268	***
Land.....	168,440,470	9,866,402	3,001,895	***	346,387	1,624,349	***
Intangible assets (amortizable).....	465,014,943	318,260	5,708,763	***	768,991	3,422,882	***
Less: Accumulated amortization.....	100,484,610	96,211	2,164,192	***	235,664	1,571,999	***
Other assets.....	946,761,524	2,425,511	7,993,415	***	2,509,668	3,718,763	***
Total liabilities.....	15,164,553,048	45,474,938	201,335,294	***	23,180,379	137,696,682	***
Accounts payable.....	1,535,368,912	2,603,956	12,558,755	***	2,189,686	8,061,064	***
Mortgages, notes, and bonds payable in less than one year.....	1,352,401,431	6,790,078	10,180,308	***	826,932	5,734,676	***
Other current liabilities.....	4,579,574,777	2,413,458	8,955,840	***	1,107,759	6,051,328	***
Loans from stockholders.....	215,321,268	2,637,577	5,346,038	***	2,112,359	1,977,577	***
Mortgages, notes, and bonds payable in one year or more.....	2,471,694,173	11,134,696	47,583,093	***	2,950,112	35,883,798	***
Other liabilities.....	1,599,948,359	2,349,113	14,441,359	***	2,271,939	9,272,628	***
Capital stock.....	615,288,152	5,497,824	8,648,377	***	871,567	5,693,211	***
Paid-in or capital surplus.....	1,758,003,786	4,688,023	100,902,372	***	10,058,109	77,382,057	***
Retained earnings, appropriated.....	33,170,872	169,874	258,545	***	*20,055	98,892	***
Retained earnings, unappropriated.....	1,193,824,753	8,280,188	-3,237,408	***	1,016,123	-9,184,167	***
Less: Cost of treasury stock.....	190,043,433	1,069,949	4,301,984	***	344,264	3,274,380	***
Total receipts.....	9,049,004,667	57,418,219	91,805,853	***	17,329,781	55,424,767	***
Business receipts.....	7,906,801,543	53,551,274	79,748,268	***	16,184,104	46,104,209	***
Interest.....	680,674,734	521,530	3,253,226	***	379,485	2,357,618	***
Interest on Government obligations: State and local.....	17,191,025	17,363	24,872	***	4,243	16,297	***
Rents.....	90,676,585	510,181	348,724	***	63,104	205,995	***
Royalties.....	34,764,525	82,456	369,596	***	90,849	247,802	***
Net short-term capital gain reduced by net long-term capital loss.....	4,453,806	20,296	74,857	***	*8,061	53,448	***
Net long-term capital gain reduced by net short-term capital loss.....	35,518,291	432,077	2,144,390	***	69,382	1,778,014	***
Net gain, noncapital assets.....	28,090,681	246,406	1,362,638	***	41,014	1,284,355	***
Dividends received from domestic corporations.....	10,515,746	72,785	271,035	***	17,411	188,223	***
Dividends received from foreign corporations.....	28,705,444	84,390	272,814	***	10,658	221,942	***
Other receipts.....	211,612,287	1,897,462	3,915,433	***	461,470	2,966,866	***
Total deductions.....	8,833,168,440	56,844,434	88,423,368	***	17,452,547	52,356,267	***
Cost of sales and operations.....	5,232,271,950	35,117,130	50,884,495	***	12,290,078	27,723,094	***
Compensation of officers.....	131,923,629	1,552,542	1,131,041	***	100,207	793,121	***
Repairs.....	84,442,336	1,067,315	707,954	***	146,656	266,978	***
Bad debts.....	91,902,097	117,156	284,718	***	55,401	194,356	***
Rent paid on business property.....	152,478,538	1,497,765	1,123,043	***	195,891	767,336	***
Taxes paid.....	212,755,743	1,332,813	2,773,123	***	712,904	1,530,789	***
Interest paid.....	657,056,973	1,764,294	5,924,608	***	527,392	4,309,098	***
Contributions or gifts.....	4,647,421	28,519	28,485	***	2,702	15,772	***
Amortization.....	31,918,057	47,294	538,893	***	91,025	265,712	***
Depreciation.....	298,624,720	2,193,903	5,051,027	***	568,177	3,063,098	***
Depletion.....	8,163,954	41,395	2,716,528	***	438,723	1,479,983	***
Advertising.....	110,911,225	205,456	98,750	***	13,939	63,246	***
Pension, profit-sharing, stock bonus, and annuity plans.....	39,358,212	110,824	416,351	***	38,409	299,010	***
Employee benefit programs.....	117,315,458	414,094	1,254,953	***	382,689	611,576	***
Net loss, noncapital assets.....	17,109,188	74,065	348,034	***	45,778	232,792	***
Other deductions.....	1,642,288,942	10,979,870	15,141,365	***	1,844,575	10,720,309	***
Total receipts less total deductions.....	215,836,226	871,784	3,382,485	***	-122,766	3,068,500	***
Constructive taxable income from related foreign corporations.....	31,788,486	*34,614	282,156	***	7,077	258,253	***
Net income (less deficit), total.....	230,433,688	689,036	3,639,769	***	-119,931	3,310,456	***
Income subject to tax.....	331,830,084	1,775,978	4,485,105	***	292,815	3,177,660	***
Income tax, total.....	114,579,915	493,983	1,811,066	***	108,723	1,299,685	***
Regular tax.....	110,250,953	473,600	1,502,290	***	97,444	1,063,828	***
Personal holding company tax.....	12,836	*692	*283	***	-	*283	***
Recapture of investment credit.....	71,616	*4	3,346	***	5	*3,334	***
Alternative minimum tax.....	4,926,863	19,299	298,437	***	11,385	226,128	***
Environmental tax.....	450,220	787	8,635	***	489	6,234	***
Foreign tax credit.....	20,986,241	30,951	639,076	***	279	541,950	***
U.S. possessions tax credit.....	3,472,208	2,167	-	***	-	-	***
Orphan drug credit.....	18,475	-	-	***	-	-	***
Nonconventional source fuel credit.....	244,573	-	51,054	***	7	49,887	***
General business credit.....	2,186,305	10,657	38,800	***	928	31,142	***
Prior year minimum tax credit.....	1,366,865	2,276	44,356	***	*2,575	34,445	***
Total income tax after credits.....	86,305,248	447,931	1,037,780	***	104,935	642,260	***

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

# Corporation Returns/1991

## 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.....	218,623	88,884	13,517	116,222	168,111	8,532	68	2,836	...
<b>Total assets</b> .....	<b>171,906,688</b>	<b>82,687,422</b>	<b>40,689,330</b>	<b>48,529,938</b>	<b>3,887,465,011</b>	<b>309,085,992</b>	<b>220,638,822</b>	<b>37,322,882</b>	...
Cash.....	17,444,305	7,475,499	3,828,638	6,140,168	94,342,763	7,513,930	547,273	774,685	...
Notes and accounts receivable.....	47,135,916	18,685,413	9,794,572	18,655,931	775,060,590	72,126,580	40,352,064	8,199,908	...
Less: Allowance for bad debts.....	434,318	122,012	156,793	155,512	18,754,588	789,588	*218,171	184,384	...
Inventories.....	18,090,502	12,168,108	1,550,597	4,373,797	341,202,377	28,383,756	8,601,722	8,507,040	...
Investments in Government obligations.....	2,058,392	1,584,756	365,974	107,663	26,387,801	2,074,754	172,731	619,787	...
Tax-exempt securities.....	838,904	74,489	677,561	88,854	19,852,890	489,325	388,679	*261,441	...
Other current assets.....	16,201,970	9,142,571	2,853,371	4,106,028	209,340,791	13,064,597	2,460,088	778,807	...
Loans to stockholders.....	3,252,293	1,193,378	837,440	1,221,475	17,431,007	1,308,833	70,946	294,888	...
Mortgage and real estate loans.....	7,004,792	6,731,851	49,355	223,586	30,823,770	222,999	374,868	*7,569	...
Other investments.....	20,785,888	10,148,820	8,600,908	2,036,159	982,581,697	70,359,120	100,039,500	4,406,083	...
Depreciable assets.....	70,099,751	18,790,274	24,798,882	26,510,595	1,648,171,908	114,170,191	19,358,300	22,341,137	...
Less: Accumulated depreciation.....	42,748,853	8,823,675	15,766,949	17,158,230	817,762,898	49,050,479	7,002,171	11,084,962	...
Depletable assets.....	397,779	143,798	205,955	48,026	82,148,672	*57,976	797	*2,818	...
Less: Accumulated depletion.....	131,882	45,785	57,161	28,916	34,774,078	*6,181		*594	...
Land.....	4,855,477	3,003,552	974,689	877,238	44,802,244	4,940,860	717,751	287,615	...
Intangible assets (amortizable).....	1,417,009	537,048	190,352	689,609	271,447,212	30,934,744	39,371,284	1,592,492	...
Less: Accumulated amortization.....	370,752	141,120	55,000	174,831	59,288,031	3,071,054	2,337,276	194,161	...
Other assets.....	6,009,495	3,142,457	1,896,939	970,099	274,449,282	16,355,629	17,940,237	2,714,515	...
<b>Total liabilities</b> .....	<b>171,906,688</b>	<b>82,687,422</b>	<b>40,689,330</b>	<b>48,529,938</b>	<b>3,887,465,011</b>	<b>309,085,992</b>	<b>220,638,822</b>	<b>37,322,882</b>	...
Accounts payable.....	32,906,969	17,064,563	5,526,199	10,316,207	398,110,240	61,193,590	25,503,938	3,999,253	...
Mortgages, notes, and bonds payable in less than one year.....	18,852,665	11,423,440	2,508,219	4,921,006	351,093,210	23,229,671	6,738,812	4,862,573	...
Other current liabilities.....	21,947,753	11,078,973	4,233,880	6,634,899	377,475,376	21,729,209	10,155,498	4,862,615	...
Loans from stockholders.....	5,915,252	3,446,708	495,403	1,973,141	69,240,446	4,628,991	14,834,905	278,680	...
Mortgages, notes, and bonds payable in one year or more.....	33,121,276	20,844,680	6,226,586	6,050,011	802,015,753	70,564,971	42,038,076	11,498,572	...
Other liabilities.....	10,334,912	4,710,132	3,800,817	1,823,962	468,201,436	21,344,080	15,896,385	2,185,168	...
Capital stock.....	7,251,238	3,148,014	1,987,889	2,115,335	175,759,842	13,481,674	5,659,896	2,150,654	...
Paid-in or capital surplus.....	14,178,398	4,794,554	6,731,490	2,652,355	727,482,023	47,723,055	86,287,266	4,935,342	...
Retained earnings, appropriated.....	389,070	202,526	40,160	148,384	6,609,832	620,479	144,596	*10,250	...
Retained earnings, unappropriated.....	29,924,118	6,861,895	10,007,979	13,054,245	618,157,327	58,452,377	15,300,121	4,484,243	...
Less: Cost of treasury stock.....	2,914,962	888,064	869,291	1,157,608	108,680,275	13,882,104	1,520,871	534,887	...
<b>Total receipts</b> .....	<b>347,119,907</b>	<b>149,975,971</b>	<b>63,184,041</b>	<b>133,959,895</b>	<b>3,353,288,291</b>	<b>349,028,343</b>	<b>77,022,899</b>	<b>46,836,528</b>	...
Business receipts.....	336,439,222	144,723,769	59,552,764	132,182,688	3,107,582,912	333,750,794	68,947,237	45,450,672	...
Interest.....	3,293,890	1,996,297	835,289	462,305	60,180,641	4,155,276	5,375,486	445,293	...
Interest on Government obligations:									...
State and local.....	71,293	27,617	25,983	17,793	1,665,462	42,612	7,497	10,474	...
Rents.....	1,254,588	761,081	309,130	184,378	36,811,192	1,303,153	873,402	90,210	...
Royalties.....	72,656	27,907	31,605	13,143	26,966,611	2,312,002	570,879	74,287	...
Net short-term capital gain reduced by net long-term capital loss.....	47,402	16,213	27,188	4,001	943,057	28,034		3,379	...
Net long-term capital gain reduced by net short-term capital loss.....	1,170,992	365,350	686,389	119,254	11,239,115	876,887	60,278	61,425	...
Net gain, noncapital assets.....	737,747	187,845	360,354	189,548	8,797,840	580,350	14,649	49,942	...
Dividends received from domestic corporations.....	96,675	23,594	59,736	13,345	3,866,979	548,656	58,423	13,188	...
Dividends received from foreign corporations.....	189,495	55,871	128,213	*5410	24,526,343	1,871,758	748,522	65,366	...
Other receipts.....	3,745,948	1,790,429	1,167,489	788,030	50,708,141	3,558,821	566,528	372,291	...
<b>Total deductions</b> .....	<b>344,956,478</b>	<b>150,093,268</b>	<b>61,336,406</b>	<b>133,526,803</b>	<b>3,254,118,760</b>	<b>334,980,250</b>	<b>70,603,433</b>	<b>46,012,434</b>	...
Cost of sales and operations.....	262,808,641	122,103,409	48,484,504	94,218,728	2,143,331,525	225,409,632	34,188,440	34,317,083	...
Compensation of officers.....	11,982,974	4,085,023	1,122,444	6,775,507	26,551,175	2,157,783	267,379	423,871	...
Repairs.....	1,545,236	397,937	448,975	698,325	30,675,157	2,747,831	167,007	193,221	...
Bad debts.....	892,754	337,213	106,457	449,084	13,395,935	392,699	84,574	126,963	...
Rent paid on business property.....	3,553,470	1,080,446	777,565	1,695,459	34,485,618	3,093,293	454,961	377,448	...
Taxes paid.....	7,358,645	2,148,594	1,064,211	4,145,840	80,969,162	8,122,751	4,204,465	998,144	...
Interest paid.....	5,369,985	2,939,510	1,157,049	1,273,426	141,448,172	10,471,178	9,035,105	1,998,013	...
Contributions or gifts.....	108,329	39,180	31,923	37,226	2,222,285	321,546	*91,957	25,207	...
Amortization.....	163,748	65,355	29,376	69,017	12,926,228	1,239,513	909,782	94,666	...
Depreciation.....	5,785,145	1,413,267	1,784,970	2,568,909	114,401,114	8,073,949	2,253,415	1,500,063	...
Depletion.....	40,029	7,772	27,031	5,225	4,227,375	14,042	33	306	...
Advertising.....	994,931	377,656	69,771	547,504	*57,230,392	15,694,210	5,364,828	373,957	...
Pension, profit-sharing, stock bonus, and annuity plans.....	1,508,230	366,959	315,233	826,038	17,986,567	1,342,982	427,307	215,310	...
Employee benefit programs.....	2,969,578	934,423	456,124	1,579,031	55,168,881	4,406,437	1,036,440	673,921	...
Net loss, noncapital assets.....	227,953	103,154	36,393	88,406	2,717,684	167,344	5,251	23,592	...
Other deductions.....	39,868,829	13,693,369	7,424,381	18,551,078	518,381,489	51,325,059	12,112,478	4,670,669	...
<b>Total receipts less total deductions</b> .....	<b>2,163,429</b>	<b>-117,298</b>	<b>1,847,635</b>	<b>433,092</b>	<b>99,169,531</b>	<b>14,048,093</b>	<b>6,419,467</b>	<b>624,094</b>	...
Constructive taxable income from related foreign corporations.....	332,094	49,840	271,932	*10,523	24,269,883	1,822,762	1,179,625	18,615	...
Net income (less deficit), total.....	2,424,231	-95,275	2,093,685	425,821	121,773,953	15,828,243	7,591,594	632,435	...
Income subject to tax.....	6,555,671	1,985,884	2,332,771	2,237,017	152,558,051	16,672,524	7,320,812	1,353,678	...
Income tax, total.....	1,984,163	587,497	797,575	599,090	53,853,656	5,841,543	2,512,507	468,257	...
Regular tax.....	1,887,338	557,541	769,317	560,480	51,750,807	5,646,011	2,489,076	446,339	...
Personal holding company tax.....	*58	*58		488					...
Recapture of investment credit.....	296	*49	213	*34	15,838	737	277	*11	...
Alternative minimum tax.....	83,339	25,370	22,313	35,656	1,890,688	172,715	12,754	20,278	...
Environmental tax.....	3,499	644	2,515	339	203,573	22,192	*10,399	1,765	...
Foreign tax credit.....	181,412	29,727	146,956	*4,728	16,905,943	1,268,473	479,919	15,820	...
U.S. possessions tax credit.....	2,295		2,260	35	3,351,884	501,344	18,353	2,217	...
Orphan drug credit.....					17,991				...
Nonconventional source fuel credit.....	*484	*185	*289	*10	151,675	*78			...
General business credit.....	43,806	4,519	33,005	6,283	892,746	64,618	*23,625	8,260	...
Prior year minimum tax credit.....	57,807	23,720	15,464	18,623	466,196	38,108		9,718	...
<b>Total income tax after credits</b> .....	<b>1,698,379</b>	<b>529,366</b>	<b>599,600</b>	<b>569,413</b>	<b>32,067,221</b>	<b>3,968,923</b>	<b>1,990,610</b>	<b>432,242</b>	...

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

# Corporation Returns/1991

## 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	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
<b>Number of returns, total.....</b>	9,755	7,163	***	25,441	6,973	1,147	5,814	1,123	5,153
<b>Total assets.....</b>	58,520,595	19,325,433	***	188,258,615	510,749,745	606,055,690	48,572,663	14,945,882	81,320,536
Cash.....	1,757,291	1,064,411	***	5,321,822	13,170,821	3,932,463	1,374,415	272,141	1,718,961
Notes and accounts receivable.....	5,081,459	3,925,988	***	24,803,072	85,719,539	75,015,772	8,868,051	3,918,791	8,382,791
Less: Allowance for bad debts.....	133,801	149,781	***	2,392,436	1,707,276	658,859	311,335	49,981	387,172
Inventories.....	5,868,307	3,576,233	***	9,856,596	40,532,694	22,009,674	7,235,072	2,376,465	6,148,228
Investments in Government obligations.....	*123,420	*26,402	***	706,001	1,117,844	279,622	*31,841	*41,838	79,303
Tax-exempt securities.....	*13,769	*1,017	***	365,764	2,378,881	422,278	*2,548	12,509	55,077
Other current assets.....	2,861,512	842,210	***	9,547,363	21,016,815	24,314,307	1,203,884	451,724	2,074,006
Loans to stockholders.....	116,068	135,955	***	1,109,975	3,528,477	3,580,748	221,140	*13,832	227,694
Mortgage and real estate loans.....	1,300,247	*13,980	***	106,454	3,990,494	67,439	53,028	574	59,746
Other investments.....	6,636,089	2,922,648	***	63,982,143	150,577,142	249,057,484	8,168,037	527,282	25,270,437
Depreciable assets.....	38,751,842	9,260,890	***	63,553,158	212,992,326	312,546,986	32,188,505	4,380,506	39,321,852
Less: Accumulated depreciation.....	19,403,458	4,872,153	***	31,145,384	101,338,651	161,962,943	14,614,010	2,431,179	19,577,096
Depletable assets.....	5,766,887	1,488	***	133,973	8,398,780	53,730,952	*42,062	-	3,716,866
Less: Accumulated depletion.....	233,037	635	***	78,910	4,585,364	27,801,898	*17,276	-	262,283
Land.....	907,548	227,169	***	2,110,133	5,682,308	7,839,134	505,563	4,990,246	2,189,022
Intangible assets (amortizable).....	866,830	1,779,986	***	30,700,111	31,057,671	44,639,163	2,500,113	321,254	4,333,805
Less: Accumulated amortization.....	82,614	180,514	***	5,987,983	7,659,618	23,850,677	568,727	120,591	614,989
Other assets.....	8,322,636	750,499	***	15,566,663	45,876,861	22,894,044	1,689,752	240,472	8,584,290
<b>Total liabilities.....</b>	58,520,595	19,325,433	***	188,258,615	510,749,745	606,055,690	48,572,663	14,945,882	81,320,536
Accounts payable.....	5,676,326	2,318,731	***	11,661,935	48,058,164	54,680,314	4,994,990	802,584	4,500,071
Mortgages, notes, and bonds payable in less than one year.....	3,394,271	2,114,873	***	11,314,730	32,433,895	21,472,602	4,750,532	361,090	5,607,389
Other current liabilities.....	3,585,975	1,812,804	***	18,312,909	52,566,834	32,892,967	4,220,529	1,694,110	4,751,918
Loans from stockholders.....	416,683	206,836	***	3,252,743	7,753,789	7,749,611	887,692	*50,820	12,370,059
Mortgages, notes, and bonds payable in one year or more.....	17,820,770	6,053,328	***	52,966,307	100,788,663	96,729,236	11,814,270	4,271,850	18,257,197
Other liabilities.....	4,296,673	863,031	***	19,204,944	53,835,085	90,595,223	4,824,057	5,204,742	8,394,281
Capital stock.....	2,958,253	869,459	***	10,279,334	25,171,672	17,242,426	2,433,767	876,726	4,016,538
Paid-in or capital surplus.....	8,773,215	2,585,695	***	42,602,096	111,508,450	158,990,689	9,768,720	764,816	20,296,064
Retained earnings, appropriated.....	64,376	*30,192	***	112,467	988,137	1,049,327	36,640	8,232	835,591
Retained earnings, unappropriated.....	12,196,053	2,765,391	***	23,441,386	96,315,745	149,680,141	5,349,743	1,101,480	4,310,947
Less: Cost of treasury stock.....	661,996	294,908	***	4,890,235	18,670,689	25,026,846	508,277	190,568	2,019,519
<b>Total receipts.....</b>	61,758,732	28,629,630	***	147,049,494	390,202,591	502,321,200	62,375,587	16,016,260	54,186,972
Business receipts.....	58,395,892	27,841,022	***	137,373,339	358,085,145	474,193,833	59,813,528	15,349,959	50,180,823
Interest.....	834,842	97,954	***	3,208,597	8,338,406	9,333,300	668,133	316,886	2,320,461
Interest on Government obligations:			***						
State and local.....	16,555	8,531	***	55,805	137,240	41,842	4,838	2,399	6,806
Rents.....	91,161	34,105	***	645,573	1,166,598	2,510,213	145,627	35,228	137,280
Royalties.....	68,071	44,396	***	1,966,504	4,604,041	1,437,054	264,166	38,248	281,010
Net short-term capital gain reduced by net long-term capital loss.....	5,211	*385	***	63,732	79,158	21,034	19,406	*7,514	5,418
Net long-term capital gain reduced by net short-term capital loss.....	913,189	21,518	***	368,178	3,793,890	512,361	125,617	46,083	172,573
Net gain, noncapital assets.....	366,071	24,135	***	308,085	764,359	1,561,707	90,983	8,378	146,531
Dividends received from domestic corporations.....	25,801	6,553	***	171,275	688,682	880,406	12,502	4,943	67,495
Dividends received from foreign corporations.....	73,945	38,513	***	375,011	4,482,513	3,499,438	461,021	*22,801	229,313
Other receipts.....	967,993	514,519	***	2,513,396	8,062,559	8,330,012	769,767	163,821	639,263
<b>Total deductions.....</b>	60,918,577	28,286,309	***	141,898,926	364,963,229	484,034,763	61,379,577	15,580,886	54,501,599
Cost of sales and operations.....	44,070,746	19,501,866	***	67,019,090	214,152,336	371,048,639	41,417,971	10,320,726	33,524,469
Compensation of officers.....	703,884	508,554	***	3,109,342	2,393,544	604,924	893,015	192,028	665,550
Repairs.....	1,310,608	99,044	***	857,935	4,824,611	6,235,661	498,189	51,574	1,061,805
Bad debts.....	212,104	163,395	***	1,407,176	1,704,992	460,814	189,676	70,938	231,967
Rent paid on business property.....	594,986	428,827	***	2,521,577	4,064,770	4,002,275	764,275	300,161	652,599
Taxes paid.....	1,447,131	713,925	***	3,937,579	7,489,277	17,903,430	1,221,659	683,742	1,364,855
Interest paid.....	2,218,630	748,346	***	7,894,089	15,206,199	15,925,223	2,172,142	618,207	4,533,532
Contributions or gifts.....	20,398	17,591	***	165,895	487,896	193,087	28,122	10,731	17,543
Amortization.....	68,541	60,734	***	3,031,876	1,555,277	1,158,294	181,311	18,386	153,644
Depreciation.....	2,288,552	608,618	***	5,422,681	13,963,627	11,484,309	2,280,505	268,119	2,181,231
Depletion.....	421,447	*750	***	1,216	551,289	2,186,190	*2,151	112,198	137,203
Advertising.....	264,921	466,190	***	3,788,203	11,136,231	1,077,757	717,213	310,498	329,694
Pension, profit-sharing, stock bonus, and annuity plans.....	381,612	133,478	***	1,014,527	2,216,264	1,523,709	433,321	47,665	353,782
Employee benefit programs.....	758,075	470,256	***	2,743,122	6,338,294	2,724,657	1,375,975	187,322	1,203,193
Net loss, noncapital assets.....	31,481	36,632	***	143,842	240,272	585,952	64,289	9,724	46,105
Other deductions.....	6,125,463	4,326,104	***	38,840,776	78,638,548	46,919,812	9,139,763	2,378,869	8,044,427
<b>Total receipts less total deductions.....</b>	840,155	343,321	***	5,150,568	25,239,362	18,286,438	996,010	435,374	-314,627
Constructive taxable income from related foreign corporations.....	*48,239	17,737	***	159,073	5,333,954	4,508,595	250,923	*4,573	254,411
Net income (less deficit), total.....	871,839	352,528	***	5,253,836	30,436,075	22,753,191	1,242,095	437,547	-67,021
Income subject to tax.....	1,598,865	823,571	***	6,559,458	32,122,677	22,605,091	2,339,163	483,340	1,525,945
Income tax, total <sup>2</sup> .....	561,506	277,163	***	2,267,429	11,182,619	7,927,594	833,830	166,365	530,639
Regular tax.....	525,135	273,833	***	2,187,721	10,904,884	7,682,720	783,874	161,283	506,229
Personal holding company tax.....	-	-	***	-	865	-	-	-	21
Recapture of investment credit.....	*6,243	46	***	491	865	1,153	321	2,889	22,812
Alternative minimum tax.....	27,931	2,948	***	71,339	237,431	232,984	47,327	550	1,885
Environmental tax.....	2,119	913	***	8,876	42,014	31,282	2,625	3,330	121,471
Foreign tax credit.....	28,087	4,344	***	201,780	3,421,831	4,806,497	252,584	17,336	8,076
U.S. possessions tax credit.....	-	-	***	5,781	1,981,797	1,848	-	-	-
Orphan drug credit.....	-	-	***	-	17,710	-	-	-	69
Nonconventional source fuel credit.....	*5,510	-	***	*4	*26,947	118,521	22	-	11,246
General business credit.....	3,591	3,142	***	21,556	61,532	8,190	8,190	15,663	1,930
Prior year minimum tax credit.....	9,783	*444	***	11,311	91,117	112,747	6,778	*1,812	387,647
<b>Total income tax after credits.....</b>	514,536	269,232	***	2,026,997	5,430,932	2,826,449	554,912	128,224	-

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

# Corporation Returns/1991

## 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.....	2,857	28,028	17,834	14,123	1,412	2,135	4,848	11,556
Total assets.....	126,738,951	124,344,351	285,503,198	398,891,968	388,859,731	123,303,299	101,670,439	75,549,856
Cash.....	3,956,924	4,225,737	8,595,633	14,718,554	7,897,078	6,665,197	5,229,739	3,137,863
Notes and accounts receivable.....	17,640,072	26,669,421	67,543,788	95,684,278	151,751,611	21,625,081	23,940,373	12,334,471
Less: Allowance for bad debts.....	488,213	603,840	1,890,240	4,915,949	1,791,355	418,265	438,407	671,907
Inventories.....	17,403,303	18,152,687	36,188,068	38,717,194	17,769,227	30,923,026	13,791,608	8,285,829
Investments in Government obligations.....	382,324	523,322	5,514,546	7,268,181	4,951,712	45,302	315,303	1,491,452
Tax-exempt securities.....	30,129	773,538	4,018,988	7,090,611	2,365,991	6,872	319,793	712,452
Other current assets.....	4,400,256	7,407,326	16,785,565	61,019,751	18,309,785	6,431,183	4,811,105	3,566,566
Loans to stockholders.....	882,909	438,574	2,091,177	557,083	1,356,590	647,272	162,199	374,856
Mortgage and real estate loans.....	391,258	343,856	119,738	1,360,381	20,089,382	59,850	103,468	267,063
Other investments.....	22,510,040	22,440,766	47,296,184	65,184,684	66,315,094	13,561,433	15,004,638	18,028,035
Depreciable assets.....	86,501,485	58,908,948	124,630,057	147,577,504	133,052,441	62,558,793	45,312,474	23,026,584
Less: Accumulated depreciation.....	41,374,392	30,412,892	68,158,968	79,078,260	68,643,268	32,105,744	22,413,214	11,042,809
Depletable assets.....	2,731,752	114,767	3,329,819	59,333	632	201,432	8,235	92,875
Less: Accumulated depletion.....	959,784	77,872	15,878	11,339	455	31,218	1,533	4,081
Land.....	1,369,517	1,496,435	2,576,998	2,468,510	1,568,343	1,496,108	1,078,212	599,756
Intangible assets (amortizable).....	5,838,843	7,330,910	17,630,792	18,167,776	8,704,960	4,165,479	7,359,333	6,884,425
Less: Accumulated amortization.....	738,123	833,675	3,468,893	3,534,078	1,223,763	512,255	1,948,446	1,365,437
Other assets.....	6,260,633	9,446,544	22,716,025	26,559,754	26,385,732	7,983,973	9,237,558	9,831,962
Total liabilities.....	126,738,951	124,344,351	285,503,198	398,891,968	388,859,731	123,303,299	101,670,439	75,549,856
Accounts payable.....	12,216,249	11,127,816	27,830,380	40,912,452	32,320,043	13,109,178	11,348,787	5,735,297
Mortgages, notes, and bonds payable in less than one year.....	5,890,565	13,168,100	27,864,359	75,641,754	81,996,084	4,850,214	6,811,464	6,226,718
Other current liabilities.....	13,668,269	9,587,948	40,342,050	41,996,432	44,560,572	33,589,109	12,418,772	11,876,004
Loans from stockholders.....	2,399,190	1,770,247	2,131,970	2,231,558	1,509,206	558,170	2,361,126	1,853,263
Mortgages, notes, and bonds payable in one year or more.....	27,443,306	27,880,360	58,572,683	57,731,511	91,292,439	22,570,220	19,432,046	18,957,264
Other liabilities.....	25,959,693	13,669,839	26,688,788	78,374,225	58,705,193	8,536,095	8,200,106	7,476,596
Capital stock.....	7,222,604	6,932,916	23,050,677	15,916,950	10,179,527	7,605,857	6,783,093	4,467,345
Paid-in or capital surplus.....	29,506,708	20,143,360	40,149,132	44,082,620	34,088,156	10,123,533	20,233,765	12,412,647
Retained earnings, appropriated.....	644,106	257,271	629,040	770,982	613,544	98,413	1,115,047	279,732
Retained earnings, unappropriated.....	3,906,716	24,193,580	46,304,343	51,375,124	35,116,079	26,137,765	18,775,142	7,959,655
Less: Cost of treasury stock.....	2,118,454	4,367,086	8,060,224	10,141,640	1,521,111	3,875,074	5,808,908	1,694,565
Total receipts.....	127,467,255	142,640,430	274,593,495	299,834,840	273,177,491	173,033,504	102,980,269	64,873,115
Business receipts.....	121,992,180	136,433,310	235,140,647	272,788,728	239,510,506	164,208,737	94,528,286	60,677,774
Interest.....	1,743,321	2,392,480	6,501,840	8,357,729	20,285,845	1,381,440	1,655,677	1,153,733
Interest on Government obligations:								
State and local.....	10,214	47,600	308,963	521,983	236,158	20,222	68,572	81,231
Rents.....	548,937	638,883	11,219,527	6,795,104	7,541,712	1,562,328	1,093,778	315,786
Royalties.....	322,984	400,051	9,338,403	2,008,464	237,561	309,226	1,166,317	433,645
Net short-term capital gain reduced by net long-term capital loss.....	10,189	15,436	147,345	91,042	84,602	69,881	29,220	204,781
Net long-term capital gain reduced by net short-term capital loss.....	191,570	235,534	722,391	742,928	578,160	433,932	182,755	383,467
Net gain, noncapital assets.....	161,726	298,770	397,625	1,337,411	1,526,922	633,497	58,551	191,345
Dividends received from domestic corporations.....	119,368	111,596	237,914	224,520	118,784	114,870	46,028	295,096
Dividends received from foreign corporations.....	383,597	458,664	5,790,140	1,756,775	389,891	1,066,231	1,774,798	240,124
Other receipts.....	1,983,168	1,808,106	4,788,701	5,210,156	2,667,352	3,233,140	2,376,287	896,133
Total deductions.....	128,991,726	139,645,843	269,451,954	292,204,485	279,437,349	184,472,363	97,878,886	62,925,832
Cost of sales and operations.....	97,807,999	96,950,912	153,136,675	178,808,010	195,409,492	127,416,425	54,931,800	38,674,708
Compensation of officers.....	743,488	3,309,115	2,827,913	2,855,529	434,412	462,645	1,250,911	1,093,518
Repairs.....	2,416,885	695,300	1,669,923	1,810,477	1,972,855	1,083,430	372,504	321,984
Bad debts.....	681,123	581,826	1,068,061	2,199,787	2,113,036	196,529	274,506	310,624
Rent paid on business property.....	1,128,358	1,324,252	3,932,587	3,609,076	2,303,282	1,283,587	1,088,979	777,725
Taxes paid.....	2,347,797	3,357,063	6,363,831	6,341,366	5,021,856	2,779,401	2,068,373	1,322,137
Interest paid.....	3,577,135	4,564,416	10,512,329	17,082,665	19,575,352	3,184,259	3,221,349	2,831,534
Contributions or gifts.....	26,394	63,899	206,957	138,246	12,866	117,573	138,913	45,089
Amortization.....	264,514	358,295	1,038,039	973,869	434,735	277,100	433,849	339,053
Depreciation.....	4,796,540	4,009,112	9,528,264	14,967,656	15,744,730	3,214,801	2,852,388	1,784,963
Depletion.....	498,685	5,187	25,714	2,223	2,121	23,926	8	3,821
Advertising.....	224,680	1,156,206	2,791,737	3,285,013	2,946,017	355,841	2,802,395	1,741,406
Pension, profit-sharing, stock bonus, and annuity plans.....	1,263,788	836,373	1,527,040	2,082,785	1,369,163	1,029,215	750,892	247,487
Employee benefit programs.....	2,778,710	2,788,710	7,325,136	6,239,084	5,200,925	3,490,152	1,954,584	1,128,604
Net loss, noncapital assets.....	67,816	95,478	369,533	331,033	25,142	54,283	173,922	90,428
Other deductions.....	10,566,981	19,549,599	67,028,206	51,676,666	26,871,354	19,493,197	25,563,534	12,212,750
Total receipts less total deductions.....	-1,524,471	2,994,587	5,141,540	7,630,355	6,259,858	8,561,142	5,101,383	1,947,283
Constructive taxable income from related foreign corporations.....	304,417	647,172	3,631,410	1,588,968	875,596	907,197	1,652,640	200,340
Net income (less deficit), total.....	-1,230,268	3,594,159	8,463,988	8,697,340	-5,620,420	9,448,117	6,885,451	2,066,393
Income subject to tax.....	1,910,356	5,303,629	12,428,489	12,497,826	692,031	9,347,478	7,271,328	2,690,308
Income tax, total.....	724,236	1,775,973	4,479,121	4,463,591	277,684	3,245,171	2,723,066	965,909
Regular tax.....	645,122	1,731,457	4,239,887	4,227,571	242,512	3,173,639	2,614,287	898,113
Personal holding company tax.....	-	-	-	487	-	-	-	-
Recapture of investment credit.....	138	151	2,533	924	851	507	308	10
Alternative minimum tax.....	76,040	39,427	222,131	212,945	30,430	47,034	98,656	64,725
Environmental tax.....	3,142	5,372	16,223	17,048	1,012	12,368	9,801	3,498
Foreign tax credit.....	189,004	391,128	2,719,218	948,128	55,044	322,012	980,962	113,614
U.S. possessions tax credit.....	-	3,759	14,582	320,265	9,648	547	371,394	37,248
Orphan drug credit.....	-	-	-	-	-	-	280	-
Nonconventional source fuel credit.....	-	-	104	-	(1)	-	-	(1)
General business credit.....	8,163	50,774	74,702	165,274	9,322	19,267	80,972	16,825
Prior year minimum tax credit.....	6,155	24,109	31,550	10,140	2,474	71,254	20,198	6,146
Total income tax after credits.....	520,915	1,306,203	1,639,257	3,018,783	201,195	2,632,091	1,269,260	782,078

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								
	Transportation and public utilities				Total	Wholesale and retail trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services		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.....	82,677	67,884	7,461	7,351	542,592	194,231	13,640	32,646	147,945
Total assets.....	1,538,312,367	272,529,217	537,962,909	727,820,241	1,244,363,202	578,500,844	43,744,474	60,149,288	474,607,082
Cash.....	24,572,752	8,835,653	8,741,826	6,995,274	57,741,970	27,133,344	1,931,211	3,581,994	21,620,139
Notes and accounts receivable.....	155,279,313	35,135,007	76,091,589	44,052,717	278,804,636	169,169,133	11,772,236	17,039,863	140,357,034
Less: Allowance for bad debts.....	4,762,277	925,913	2,690,455	1,145,910	6,138,995	3,488,900	282,586	425,470	2,778,844
Inventories.....	29,115,051	4,460,975	5,919,010	18,735,065	297,951,963	140,631,310	10,191,186	18,115,765	112,324,358
Investments in Government obligations.....	8,180,776	2,800,938	1,576,117	3,803,721	18,584,007	16,827,170	40,740	16,689,417	630,533
Tax-exempt securities.....	1,779,399	360,171	952,378	466,851	17,915,995	810,073	43,341	136,200	39,487,262
Other current assets.....	50,684,404	10,745,665	18,085,015	21,853,724	76,565,295	44,230,529	1,599,188	591,429	2,389,733
Loans to stockholders.....	2,698,088	1,031,471	581,488	1,085,130	10,211,367	3,635,505	654,342	103,610	1,758,663
Mortgage and real estate loans.....	3,197,184	576,295	212,034	2,408,855	12,551,870	2,050,638	188,364	554,594	51,703,914
Other investments.....	230,271,773	25,579,452	133,117,585	71,574,735	142,839,291	61,864,822	3,815,594	15,491,438	106,278,364
Depreciable assets.....	1,321,299,907	240,669,139	373,974,426	706,656,343	391,943,295	138,424,966	16,655,166	7,999,893	49,319,698
Less: Accumulated depreciation.....	469,002,975	94,978,916	148,047,881	225,978,179	173,947,642	65,469,892	8,150,301	147,082	1,387,233
Depletable assets.....	9,978,202	587,748	*19,936	9,370,517	1,947,510	1,535,249	157	65,616	543,704
Less: Accumulated depletion.....	4,669,242	176,492	*7,003	4,485,747	760,474	609,477	830,104	901,361	7,027,290
Land.....	12,897,495	4,480,060	3,242,088	5,175,349	30,824,070	8,758,758	2,919,891	1,295,006	17,455,051
Intangible assets (amortizable).....	59,452,181	8,038,330	41,388,168	10,025,682	45,295,313	21,669,848	495,140	308,868	3,053,935
Less: Accumulated amortization.....	10,053,995	1,076,475	5,990,731	2,988,788	8,978,917	3,657,949	2,230,348	1,758,993	11,194,272
Other assets.....	117,394,331	26,386,107	30,797,321	60,210,902	51,012,648	15,163,613			
Total liabilities.....	1,538,312,367	272,529,217	537,962,909	727,820,241	1,244,363,202	578,500,844	43,744,474	60,149,288	474,607,082
Accounts payable.....	83,965,504	26,254,292	25,029,499	32,701,713	207,799,941	112,573,881	9,541,439	12,447,960	90,584,483
Mortgages, notes, and bonds payable in less than one year.....	78,612,196	19,522,147	31,276,773	27,813,277	197,625,882	123,181,723	3,586,124	10,888,915	108,706,683
Other current liabilities.....	129,878,402	32,916,723	46,789,201	49,972,479	157,569,226	68,100,773	4,745,304	4,799,299	58,556,169
Loans from stockholders.....	7,706,425	3,369,181	1,271,321	3,065,924	34,417,322	16,894,178	741,693	1,533,426	14,619,059
Mortgages, notes, and bonds payable in one year or more.....	494,681,233	82,409,106	154,809,523	257,462,605	246,010,908	91,688,238	9,461,565	10,106,362	72,120,312
Other liabilities.....	219,137,529	47,630,599	65,280,139	106,228,791	93,138,881	23,956,790	2,303,960	2,721,764	18,931,066
Capital stock.....	172,804,403	15,712,023	51,814,197	105,278,184	72,561,622	42,361,359	2,270,723	4,729,845	35,360,791
Paid-in or capital surplus.....	226,061,075	34,670,664	119,614,672	71,775,739	126,710,360	49,755,341	4,115,189	5,747,677	39,888,878
Retained earnings, appropriated.....	5,255,156	332,032	3,077,019	1,846,106	1,385,720	457,150	48,550	57,647	350,953
Retained earnings, unappropriated.....	140,493,792	14,230,019	51,524,595	74,739,178	127,314,855	57,297,672	7,675,623	8,098,821	41,523,227
Less: Cost of treasury stock.....	20,193,349	4,517,569	12,524,028	3,061,753	20,171,515	7,766,260	745,697	986,025	6,034,538
Total receipts.....	889,492,711	304,120,680	258,963,804	326,408,227	2,516,625,542	1,234,989,425	191,917,161	104,680,127	938,392,137
Business receipts.....	832,695,566	286,075,717	237,719,794	308,900,055	2,436,901,799	1,198,232,029	188,632,684	101,170,783	908,426,569
Interest.....	17,594,326	3,650,528	6,928,985	7,014,813	29,717,575	15,736,521	513,511	799,440	14,423,570
Interest on Government obligations:									
State and local.....	302,262	31,344	123,410	147,509	1,465,648	148,899	18,195	17,842	112,861
Rents.....	10,281,981	3,268,011	4,710,272	2,303,697	9,340,287	4,398,002	333,068	911,875	3,153,059
Royalties.....	429,751	86,455	190,504	152,792	2,433,713	595,042	24,655	48,664	521,724
Net short-term capital gain reduced by net long-term capital loss.....	368,075	217,170	86,189	64,716	247,872	184,891	2,073	9,888	172,930
Net long-term capital gain reduced by net short-term capital loss.....	5,657,754	2,972,838	1,343,938	1,340,978	2,829,085	1,080,301	63,772	94,118	922,411
Net gain, noncapital assets.....	3,316,573	2,010,623	505,510	800,440	2,734,487	77,580	170,861	1,455,247	1,455,247
Dividends received from domestic corporations.....	853,567	85,167	384,696	383,704	648,381	327,909	17,230	23,058	287,621
Dividends received from foreign corporations.....	553,989	119,171	351,794	83,024	1,354,762	1,089,625	*7,792	35,038	1,046,795
Other receipts.....	17,438,866	5,603,655	6,618,712	5,216,500	28,951,933	11,492,520	2,226,601	1,398,562	7,867,357
Total deductions.....	852,332,919	304,244,321	242,569,848	305,518,749	2,495,342,452	1,227,814,233	190,348,577	104,031,707	933,433,949
Cost of sales and operations.....	379,312,097	123,371,449	98,888,840	157,051,809	1,863,083,947	1,001,179,327	163,881,336	77,076,904	760,221,088
Compensation of officers.....	5,990,602	3,600,571	1,106,516	1,283,516	32,041,528	16,078,388	1,351,689	2,840,392	11,886,307
Repairs.....	30,377,572	8,593,566	10,097,679	11,686,327	9,945,832	3,261,557	600,431	333,755	2,327,370
Bad debts.....	6,522,048	1,200,271	4,025,727	1,296,050	8,262,245	3,322,550	327,712	446,074	2,548,764
Rent paid on business property.....	26,268,917	17,354,954	4,919,925	3,994,038	46,308,683	10,327,617	1,328,540	1,199,282	7,799,795
Taxes paid.....	41,162,749	11,395,578	10,233,215	19,533,957	37,394,620	13,023,042	1,690,447	1,454,088	9,878,508
Interest paid.....	58,029,283	9,303,680	19,950,309	28,775,275	52,870,044	23,586,021	1,587,810	1,912,528	20,085,683
Contributions or gifts.....	554,644	82,465	264,314	207,865	636,093	258,027	52,919	29,110	173,998
Amortization.....	549,942	648,547	4,020,059	833,336	4,446,962	2,582,926	190,024	124,520	2,268,383
Depreciation.....	79,275,135	16,079,556	29,498,463	33,697,115	35,768,653	15,383,503	1,420,355	1,877,606	12,085,542
Depletion.....	848,919	107,302	*7,640	733,976	145,826	138,780	*77	16,366	122,338
Advertising.....	4,595,368	1,898,010	2,168,851	528,507	31,989,875	10,274,715	748,650	639,698	8,866,379
Pension, profit-sharing, stock bonus, and annuity plans.....	6,174,772	2,840,743	1,578,100	1,755,929	5,305,977	2,313,868	361,644	341,059	1,611,185
Employee benefit programs.....	19,512,657	8,008,851	7,732,107	3,771,698	16,555,050	5,635,766	1,045,806	805,538	3,784,422
Net loss, noncapital assets.....	1,796,066	328,245	920,329	547,492	1,940,607	548,321	23,020	70,812	454,489
Other deductions.....	188,412,170	99,432,534	47,157,775	39,821,860	348,646,509	119,901,825	15,738,119	14,863,987	89,299,719
Total receipts less total deductions.....	37,159,792	-123,641	16,393,956	20,889,478	21,283,090	7,175,192	1,568,584	648,420	4,958,180
Constructive taxable income from related foreign corporations.....	956,105	218,466	602,493	135,145	1,794,813	1,477,933	*5,402	30,517	1,442,014
Net income (less deficit), total.....	37,813,634	63,480	16,873,039	20,877,115	21,612,255	8,504,226	1,555,790	681,095	6,287,341
Income subject to tax.....	47,048,287	5,889,998	19,162,820	21,995,448	40,214,828	16,193,847	1,916,604	1,891,880	12,385,363
Income tax, total.....	17,128,405	2,183,861	6,818,059	8,146,484	13,174,021	5,304,761	641,939	578,441	4,084,361
Regular tax.....	15,873,708	1,904,122	6,494,047	7,475,537	12,758,362	5,135,951	627,999	562,184	3,945,768
Personal holding company tax.....	*167	*27	*141	-	*975	*767	*283	-	*484
Recapture of investment credit.....	44,774	270	13,353	31,151	1,231	891	*10	*23	858
Alternative minimum tax.....	1,153,968	252,531	276,576	624,862	375,616	152,223	11,701	15,185	125,338
Environmental tax.....	86,073	8,805	35,504	41,964	44,540	15,837	1,946	1,081	12,810
Foreign tax credit.....	390,601	44,415	292,174	54,013	876,460	610,971	*2,627	16,588	591,755
U.S. possessions tax credit.....	56,757	28	56,728	-	24,086	1,927	70	64	1,792
Orphan drug credit.....	-	563	9,132	27,469	173	171	-	*57	*115
Nonconventional source fuel credit.....	37,164	147,507	103,423	377,968	231,405	45,955	7,341	5,433	33,181
General business credit.....	628,897	18,007	89,735	128,546	79,145	31,056	3,776	2,066	25,215
Prior year minimum tax credit.....	236,287	-	-	-	-	-	-	-	-
Total income tax after credits.....	15,778,698	1,953,342	6,266,868	7,558,489	11,962,752	4,614,682	628,125	554,232	3,432,325

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

# Corporation Returns/1991

## 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 furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total.....	346,282	24,388	4,511	33,243	54,528	22,616	22,625	70,957	113,415	2,078
Total assets.....	663,306,489	28,436,584	273,179,428	87,305,077	59,123,081	43,948,719	19,279,367	65,928,595	86,105,637	2,555,869
Cash.....	30,353,919	2,001,881	7,461,684	5,164,319	3,889,080	1,649,148	1,454,810	2,984,265	5,768,751	254,707
Notes and accounts receivable.....	109,212,418	4,801,113	64,502,480	5,722,048	7,920,358	5,780,256	3,956,995	3,818,860	12,910,308	423,085
Less: Allowance for bad debts.....	2,641,646	80,801	1,202,850	84,756	167,023	200,022	116,924	186,357	592,914	10,450
Inventories.....	156,823,413	9,495,419	44,018,016	19,487,849	29,848,352	13,174,486	7,329,246	1,884,731	31,585,315	497,240
Investments in Government obligations.....	1,756,837	37,187	884,443	456,790	65,502	87,364	12,890	15,499	217,164	97,566
Tax-exempt securities.....	17,105,922	1,268	16,444,571	395,916	46,850	2,384	106,462	10,904	97,566	97,566
Other current assets.....	32,274,930	1,221,280	18,387,641	2,451,490	1,537,966	2,330,073	488,484	2,380,818	3,477,177	59,836
Loans to stockholders.....	6,535,942	262,784	2,022,189	363,933	676,289	489,951	167,050	888,700	1,665,046	39,920
Mortgage and real estate loans.....	10,501,188	185,171	9,803,916	227,278	120,802	15,269	40,268	208,387	100,075	64
Other investments.....	80,854,120	1,457,518	49,562,715	7,547,518	1,549,394	6,209,743	1,351,584	8,629,760	4,545,888	120,348
Depreciable assets.....	252,551,628	12,019,240	67,162,454	53,765,414	20,337,137	17,915,216	6,357,616	44,077,170	30,917,381	966,701
Less: Accumulated depreciation.....	108,152,868	5,712,876	23,961,198	23,836,182	10,532,665	7,384,849	3,038,510	18,321,029	15,365,556	324,885
Depletable assets.....	399,313	147,116	45,842	99,736	28,026	1,319	96,983	11,253	12,948	3,880
Less: Accumulated depletion.....	147,116	7,048	58,842	25,579	10,901	384	43,685	678	3,880	3,880
Land.....	22,001,020	1,530,261	5,410,209	4,518,779	2,033,256	548,469	306,810	5,874,672	1,780,564	64,294
Intangible assets (amortizable).....	23,301,932	571,379	3,204,875	3,017,942	820,023	1,804,105	484,784	6,197,808	7,200,916	323,433
Less: Accumulated amortization.....	5,090,919	108,858	691,255	503,105	393,111	396,349	119,531	1,261,032	1,617,677	30,055
Other assets.....	35,666,473	926,045	10,321,923	8,537,688	1,373,747	1,922,539	497,334	8,672,140	3,415,059	162,561
Total liabilities.....	663,306,489	28,436,584	273,179,428	87,305,077	59,123,081	43,948,719	19,279,367	65,928,595	86,105,637	2,555,869
Accounts payable.....	94,861,933	3,946,955	40,313,083	14,997,456	5,517,099	5,562,503	3,184,222	4,837,376	16,503,240	364,126
Mortgages, notes, and bonds payable in less than one year.....	74,175,343	2,956,809	24,328,726	4,934,781	24,938,254	3,345,033	2,060,589	4,215,533	7,395,619	268,817
Other current liabilities.....	89,235,817	2,201,089	51,871,852	10,410,251	3,637,644	4,849,181	1,963,505	6,341,221	7,961,075	232,636
Loans from stockholders.....	17,496,810	1,124,390	2,850,882	1,223,025	2,533,990	1,665,410	643,024	2,950,782	4,505,307	26,334
Mortgages, notes, and bonds payable in one year or more.....	153,078,046	6,840,731	50,305,316	33,625,327	9,327,879	7,754,699	3,937,063	23,887,428	17,399,604	1,244,624
Other liabilities.....	68,951,513	1,055,176	6,705,967	4,312,271	6,705,967	2,120,838	728,393	7,347,806	5,523,038	230,578
Capital stock.....	30,017,428	1,510,176	5,991,950	3,077,693	3,081,890	3,772,343	1,525,097	5,213,652	5,844,628	182,835
Paid-in or capital surplus.....	76,743,550	2,746,434	30,124,297	8,429,560	2,895,983	5,975,827	1,934,250	6,985,636	17,651,463	211,469
Retained earnings, appropriated.....	928,569	78,845	317,055	70,309	85,190	134,766	81,569	46,706	114,130	163,833
Retained earnings, unappropriated.....	70,181,016	6,744,118	24,946,444	5,243,652	6,909,210	9,677,768	4,418,587	6,505,627	5,735,611	163,833
Less: Cost of treasury stock.....	12,363,537	768,139	2,182,446	1,412,943	962,082	909,747	1,196,931	2,403,170	2,528,078	41,718
Total receipts.....	1,276,502,613	61,168,484	286,981,818	295,502,743	215,008,090	79,422,434	42,096,677	98,880,781	199,441,826	5,133,504
Business receipts.....	1,233,809,464	59,619,289	269,547,052	290,034,912	210,907,693	76,617,111	40,856,734	91,292,834	194,933,641	4,860,306
Interest.....	13,913,451	536,608	8,070,933	627,727	869,622	870,044	340,880	1,068,302	1,329,337	67,603
Interest on Government obligations:										
State and local.....	1,316,702	15,659	1,218,569	37,422	3,396	10,274	5,164	9,941	16,275	46
Rents.....	4,925,737	219,495	1,582,521	885,236	742,999	226,264	64,005	652,495	551,821	16,548
Royalties.....	1,832,943	152,671	126,554	47,136	5,722	419,085	1,765	801,726	278,285	5,728
Net short-term capital gain reduced by net long-term capital loss.....	62,912	5,032	17,570	8,224	2,594	1,929	1,068	19,943	6,552	69
Net long-term capital gain reduced by net short-term capital loss.....	1,645,452	93,384	666,129	286,655	146,420	36,771	29,181	227,708	159,205	103,332
Net gain, noncapital assets.....	980,056	47,093	175,756	116,291	247,092	9,871	57,768	241,478	106,748	50,744
Dividends received from domestic corporations.....	319,442	18,403	166,207	9,944	8,930	69,857	8,898	12,656	24,547	1,031
Dividends received from foreign corporations.....	265,137	451	46,380	7,769	1,632	100,182	7	51,776	56,940	202,721
Other receipts.....	17,431,316	460,379	5,385,087	3,241,428	2,071,990	1,061,047	731,208	2,501,902	1,978,275	28,097
Total deductions.....	1,262,477,167	60,455,280	280,432,527	292,379,963	215,193,973	77,777,418	42,230,814	95,584,536	198,422,677	5,051,052
Cost of sales and operations.....	858,195,691	42,283,631	175,755,246	220,135,507	177,657,842	46,450,426	26,142,808	38,398,853	131,371,627	3,708,928
Compensation of officers.....	15,826,714	1,490,397	696,190	1,390,928	2,867,887	901,801	1,129,705	2,174,732	5,175,075	136,427
Repairs.....	6,672,680	360,134	1,389,978	1,721,215	624,810	331,791	181,189	1,248,490	917,074	11,595
Bad debts.....	4,929,816	201,716	2,338,758	262,564	370,814	321,389	324,925	145,774	9,675	9,675
Rent paid on business property.....	35,927,544	1,027,299	7,576,473	5,445,932	2,677,741	5,366,175	1,685,139	5,365,324	6,803,482	53,522
Taxes paid.....	24,290,625	1,256,247	5,611,540	4,211,777	2,775,915	1,852,740	917,765	3,929,547	3,735,095	80,952
Interest paid.....	29,081,303	1,323,755	11,683,082	4,027,826	2,642,933	1,407,648	685,480	3,826,544	3,484,034	202,721
Contributions or gifts.....	378,957	17,299	116,469	76,474	21,545	35,848	16,052	30,698	64,570	1,110
Amortization.....	1,854,429	70,892	258,455	282,058	123,669	168,952	64,902	408,922	476,559	9,607
Depreciation.....	20,300,882	852,433	4,844,324	4,179,777	2,116,640	1,553,119	564,969	3,242,364	2,947,255	84,269
Depletion.....	7,046	2,812	2	87	3,135	452	349	207	207	37,238
Advertising.....	21,677,923	815,848	6,111,551	2,723,906	1,957,971	1,668,069	1,887,601	2,488,071	4,024,905	37,238
Pension, profit-sharing, stock bonus, and annuity plans.....	2,981,751	183,229	760,937	878,112	143,366	228,120	113,829	245,318	428,819	10,358
Employee benefit programs.....	10,875,507	468,708	2,677,498	3,484,113	1,021,219	568,771	257,786	1,130,747	1,266,664	43,778
Net loss, noncapital assets.....	1,391,944	29,155	212,186	229,808	79,813	152,118	139,002	209,380	340,502	342
Other deductions.....	228,084,357	10,071,955	60,399,838	43,329,879	20,108,633	16,769,998	8,139,661	32,741,443	36,522,950	660,327
Total receipts less total deductions.....	14,025,446	713,204	6,549,091	3,122,781	185,883	1,645,016	134,137	1,296,226	1,019,149	82,452
Constructive taxable income from related foreign corporations.....	316,880		72,659	1,452		61,836	140	161,880	118,913	
Net income (less deficit), total.....	13,025,624	697,545	5,403,181	3,086,811	189,279	1,696,578	139,161	1,448,164	1,021,787	82,405
Income subject to tax.....	23,943,984	1,296,760	7,267,961	4,032,210	1,244,878	2,760,544	713,020	2,553,521	4,075,088	76,998
Income tax, total.....	7,845,218	395,635	2,592,810	1,370,927	342,448	900,372	208,408	811,315	1,232,304	24,042
Regular tax.....	7,600,194	391,652	2,463,427	1,328,272	327,989	891,701	205,413	793,054	1,198,687	22,217
Personal holding company tax.....	207			190	17					
Recapture of investment credit.....	340	3	186	32	(1)	29	7	37	45	
Alternative minimum tax.....	221,714	3,708	117,235	39,154	16,858	5,243	2,614	15,257	21,844	1,879
Environmental tax.....	28,557	985	11,962	5,383	332	3,398	373	2,756	3,368	146
Foreign tax credit.....	265,484	32	20,263	2,174	63	73,482	150	142,022	27,278	5
U.S. possessions tax credit.....	20,249		15,891	3,121	1,014			223		1,911
Orphan drug credit.....										
Nonconventional source fuel credit.....	2		(1)					1	1	
General business credit.....	185,213	6,536	60,401	33,456	7,404	11,824	1,009	43,652	20,931	237
Prior year minimum tax credit.....	48,088	493	24,070	9,033	3,070	4,970	35	2,265	4,152	
Total income tax after credits.....	7,326,182	388,574	2,472,185	1,323,143	330,878	810,096	207,213	623,151	1,170,942	21,888

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



# Corporation Returns/1991

## 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.....	302,318	10,387	14,751	10,492	1,688	32,464	203,687	28,849
<b>Total assets.....</b>	<b>7,549,919,652</b>	<b>4,072,643,356</b>	<b>1,629,901,551</b>	<b>489,053,264</b>	<b>868,192,225</b>	<b>34,117,120</b>	<b>250,746,298</b>	<b>205,265,839</b>
Cash.....	436,205,930	309,057,792	66,396,892	21,016,589	12,832,847	5,265,184	15,388,016	6,248,610
Notes and accounts receivable.....	2,532,482,840	1,968,101,768	322,364,895	102,534,393	72,871,519	9,627,193	17,341,501	39,641,571
Less: Allowance for bad debts.....	76,272,160	55,528,564	17,838,903	510,838	1,268,207	119,950	662,138	343,760
Inventories.....	19,506,273	902,314	3,987,235	1,059,787	2,364,802	*12,482	9,557,261	1,622,392
Investments in Government obligations.....	659,134,742	492,585,332	52,208,191	35,818,327	73,126,010	475,520	1,069,114	3,852,249
Tax-exempt securities.....	153,225,290	65,042,031	10,140,151	489,463	75,052,589	390,749	714,326	1,395,981
Other current assets.....	521,152,122	121,756,955	86,908,030	162,637,050	119,854,374	1,744,922	13,341,148	14,909,643
Loans to stockholders.....	28,350,256	6,547,527	8,181,932	1,980,910	1,035,286	381,372	3,216,269	7,006,960
Mortgage and real estate loans.....	1,213,403,332	378,288,381	772,530,200	1,754,054	44,024,164	51,608	11,656,261	5,100,684
Other investments.....	1,345,586,648	433,438,171	233,903,845	135,387,976	407,662,183	10,009,167	46,284,705	78,900,622
Depreciable assets.....	301,973,104	96,076,644	30,468,619	8,162,934	23,002,432	5,775,706	124,357,681	14,129,109
Less: Accumulated depreciation.....	107,694,149	39,405,949	12,202,665	3,890,294	6,516,619	3,043,971	37,129,604	5,505,048
Depletable assets.....	1,831,917	17,850	119,804	*3,368	338,440	*60,435	665,627	626,393
Less: Accumulated depletion.....	432,441	8,109	*9,188	*904	94,421	*33,551	141,771	146,517
Land.....	47,383,481	7,438,082	3,446,787	180,530	1,533,100	188,486	32,319,291	2,279,206
Intangible assets (amortizable).....	39,781,519	15,400,058	10,810,747	1,917,671	3,045,348	2,920,392	2,749,576	2,937,727
Less: Accumulated amortization.....	8,549,834	2,796,705	1,628,880	509,298	820,208	952,180	890,451	890,451
Other assets.....	442,850,779	275,731,781	60,113,837	21,021,346	40,148,605	1,363,557	10,971,164	33,500,488
<b>Total liabilities.....</b>	<b>7,549,919,652</b>	<b>4,072,643,356</b>	<b>1,629,901,551</b>	<b>489,053,264</b>	<b>868,192,225</b>	<b>34,117,120</b>	<b>250,746,298</b>	<b>205,265,839</b>
Accounts payable.....	751,263,124	529,458,141	84,770,775	91,185,901	19,708,675	11,320,466	7,507,214	7,311,952
Mortgages, notes, and bonds payable in less than one year.....	646,939,225	242,773,804	265,543,562	33,026,637	22,188,268	1,376,528	23,081,805	58,948,622
Other current liabilities.....	3,815,942,914	2,556,037,188	716,977,570	286,227,466	226,931,884	4,032,963	13,475,772	12,260,072
Loans from stockholders.....	71,917,682	7,071,605	27,710,996	1,391,239	6,138,169	428,757	22,524,553	6,654,363
Mortgages, notes, and bonds payable in one year or more.....	693,379,124	180,023,047	290,105,578	22,322,446	48,158,080	3,519,824	101,852,783	47,397,368
Other liabilities.....	741,558,263	205,822,136	150,688,048	30,140,125	313,544,743	2,377,067	23,938,923	15,047,223
Capital stock.....	138,558,486	61,429,760	13,829,556	4,764,225	1,638,439	26,863,473	18,509,122	18,509,122
Paid-in or capital surplus.....	437,166,386	157,977,615	55,388,637	13,066,748	104,790,100	3,914,043	58,190,988	43,636,256
Retained earnings, appropriated.....	16,509,284	2,543,328	3,565,386	127,580	6,931,994	87,485	1,621,758	1,651,752
Retained earnings, unappropriated.....	259,970,695	133,364,328	24,922,273	9,150,241	112,795,271	6,550,626	-24,804,731	-2,007,514
Less: Cost of treasury stock.....	23,855,530	3,677,595	3,600,827	2,349,341	6,898,871	1,107,278	3,306,239	2,345,378
<b>Total receipts.....</b>	<b>1,227,147,942</b>	<b>430,733,556</b>	<b>289,334,674</b>	<b>75,715,362</b>	<b>296,295,922</b>	<b>26,418,060</b>	<b>76,576,329</b>	<b>32,074,038</b>
Business receipts.....	535,842,803	54,494,347	119,284,414	38,417,372	230,205,068	24,384,929	54,133,770	14,922,903
Interest.....	536,703,579	322,000,553	134,651,835	24,222,800	40,501,903	752,823	5,270,360	9,273,305
Interest on Government obligations:								
State and local.....	13,223,470	7,438,519	613,284	178,799	4,584,363	55,980	104,570	247,956
Rents.....	25,700,018	12,266,652	2,196,114	780,205	1,440,269	99,522	7,410,652	1,486,603
Royalties.....	789,823	21,499	82,931	7,601	59,577	*10,181	214,426	383,610
Net short-term capital gain reduced by net long-term capital loss.....	2,568,680	205,714	162,286	293,584	1,597,809	23,119	111,183	174,885
Net long-term capital gain reduced by net short-term capital loss.....	10,370,719	2,770,711	840,651	493,229	2,515,204	99,567	2,569,794	1,081,564
Net gain, noncapital assets.....	8,620,021	4,852,583	2,662,744	90,935	134,847	23,885	560,477	194,551
Dividends received from domestic corporations.....	4,228,527	602,303	598,538	262,904	1,749,269	50,304	234,599	730,611
Dividends received from foreign corporations.....	1,000,549	203,714	31,829	131,110	118,311	*202,457	39,095	273,933
Other receipts.....	88,099,752	25,726,963	28,199,948	10,836,825	13,389,302	715,294	5,927,404	3,304,017
<b>Total deductions.....</b>	<b>1,178,257,821</b>	<b>412,302,391</b>	<b>275,752,299</b>	<b>71,768,784</b>	<b>280,693,330</b>	<b>25,068,277</b>	<b>81,692,798</b>	<b>30,980,042</b>
Cost of sales and operations.....	279,345,354	854,225	82,714,346	5,509,840	159,372,147	2,866,929	20,661,285	7,566,581
Compensation of officers.....	25,840,213	12,020,332	2,567,805	2,679,630	1,324,688	3,085,555	3,331,856	830,347
Repairs.....	5,514,722	695,270	133,079	133,079	226,894	1,710,717	85,144	85,144
Bad debts.....	57,243,695	38,891,211	15,680,029	696,270	1,335,775	128,454	1,588,793	923,164
Rent paid on business property.....	18,759,750	7,521,809	2,378,945	2,062,969	2,899,748	1,134,648	2,284,262	477,369
Taxes paid.....	23,394,027	7,309,387	2,504,674	1,218,871	5,928,443	961,728	4,811,553	659,372
Interest paid.....	369,853,242	213,364,556	105,153,470	20,587,459	10,671,257	541,159	11,678,451	7,856,890
Contributions or gifts.....	773,814	416,632	71,770	74,214	92,682	28,659	65,254	24,603
Amortization.....	4,445,996	1,943,884	892,140	278,471	428,041	206,346	389,342	307,772
Depreciation.....	28,618,660	15,722,027	2,690,541	851,812	2,552,791	539,723	4,612,178	1,449,588
Depletion.....	130,268	9,633	19,620	700	*1,193	46,481	29,880	29,880
Advertising.....	7,270,397	2,804,532	1,933,565	639,732	812,959	222,680	674,783	182,146
Pension, profit-sharing, stock bonus, and annuity plans.....	4,476,286	1,783,989	588,969	359,834	1,010,623	396,505	242,054	114,313
Employee benefit programs.....	12,141,088	5,907,868	1,402,344	775,015	2,487,476	631,625	553,106	383,653
Net loss, noncapital assets.....	8,936,850	3,762,234	3,592,581	67,683	125,355	18,567	1,026,873	343,457
Other deductions.....	331,513,581	99,885,987	52,666,130	35,833,205	91,401,693	14,164,974	27,815,810	9,745,762
<b>Total receipts less total deductions.....</b>	<b>48,890,021</b>	<b>18,431,165</b>	<b>13,582,374</b>	<b>3,946,578</b>	<b>15,602,591</b>	<b>1,349,784</b>	<b>-5,116,469</b>	<b>1,093,997</b>
Constructive taxable income from related foreign corporations.....	3,446,861	1,563,400	271,339	401,250	821,954	124,604	*5,788	258,528
Net income (less deficit), total.....	39,113,412	12,556,047	13,240,430	4,169,030	11,840,182	1,418,408	-5,215,254	1,104,569
Income subject to tax.....	63,297,883	21,027,067	17,993,173	4,737,885	11,454,930	1,748,435	3,081,899	3,254,475
Income tax, total.....	20,948,866	7,435,666	5,140,644	1,611,593	4,218,073	555,599	894,879	1,092,412
Regular tax.....	21,025,992	7,123,232	5,978,238	1,593,035	3,895,883	551,223	840,976	1,043,405
Personal holding company tax.....	9,996	*121	-	-	11	-	4,632	5,232
Recapture of investment credit.....	5,763	4,517	15	248	533	-	*308	142
Alternative minimum tax.....	907,295	302,345	207,280	12,065	296,967	2,798	45,655	40,186
Environmental tax.....	87,353	28,767	24,182	6,211	21,756	1,561	1,378	3,497
Foreign tax credit.....	1,468,895	431,467	101,754	194,940	508,313	108,080	11,217	131,105
U.S. possessions tax credit.....	21,501	-	20,788	-	-	-	486	227
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	3,124	840	661	*14	801	193	*500	*115
General business credit.....	212,506	98,914	46,100	34,832	16,783	4,131	8,892	2,854
Prior year minimum tax credit.....	429,633	188,248	31,830	27,971	149,959	*317	9,637	11,571
<b>Total income tax after credits.....</b>	<b>18,793,207</b>	<b>6,706,176</b>	<b>4,939,411</b>	<b>1,353,836</b>	<b>3,540,216</b>	<b>442,879</b>	<b>864,148</b>	<b>946,541</b>

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



# Corporation Returns/1991

## 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							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	415,048	9,487	31,118	138,200	57,509	37,933	140,801	11,284
Total assets.....	524,614,438	47,826,938	15,603,558	183,518,368	42,220,756	111,388,118	124,056,702	1,161,460
Cash.....	34,797,991	1,898,780	1,350,435	12,755,083	1,896,589	4,850,725	11,846,379	137,938
Notes and accounts receivable.....	89,085,739	3,348,481	1,886,411	38,940,590	5,311,443	14,610,579	24,888,253	225,514
Less: Allowance for bad debts.....	5,147,063	313,853	43,671	1,250,387	153,725	696,039	2,689,388	780
Inventories.....	17,243,361	416,388	1,033,258	5,131,135	3,048,968	4,857,187	2,756,426	110,005
Investments in Government obligations.....	2,567,392	39,448	24,320	999,887	100,192	155,977	1,247,479	426
Tax-exempt securities.....	1,425,771	35,236	150,245	582,782	106,577	147,365	503,565	
Other current assets.....	32,153,885	2,192,760	638,768	12,299,516	2,125,431	7,310,036	7,587,373	56,639
Loans to stockholders.....	5,123,438	1,180,517	261,506	1,616,219	339,505	438,293	1,287,398	51,172
Mortgage and real estate loans.....	6,058,056	677,812	93,444	4,127,264	149,435	460,283	549,817	13,866
Other investments.....	112,913,387	9,370,330	1,602,714	42,489,273	2,821,911	34,597,144	21,932,015	47,095
Depreciable assets.....	244,078,877	27,038,970	10,120,785	74,998,108	35,237,842	39,341,954	57,341,119	459,872
Less: Accumulated depreciation.....	105,562,773	8,208,405	5,617,544	38,043,313	14,199,087	17,542,332	21,946,093	170,507
Depletable assets.....	153,563	1,813	148	56,565	4,087	28,318	62,632	4,851
Less: Accumulated depletion.....	72,008	385		19,647	984	20,612	30,381	2,286
Land.....	14,642,255	4,338,532	673,413	1,655,192	1,128,462	3,224,859	3,620,797	145,150
Intangible assets (amortizable).....	41,547,687	1,471,254	1,507,608	16,662,082	3,059,815	10,742,221	8,104,706	45,999
Less: Accumulated amortization.....	10,981,425	321,636	322,246	4,565,685	257,192	3,562,990	1,951,676	3,254
Other assets.....	44,586,306	4,560,914	2,143,963	15,086,600	1,301,397	12,545,150	8,946,282	39,758
Total liabilities.....	524,614,438	47,826,938	15,603,558	183,518,368	42,220,756	111,388,118	124,056,702	1,161,460
Accounts payable.....	46,048,251	2,207,981	818,484	21,007,776	3,491,165	8,227,416	10,295,430	92,170
Mortgages, notes, and bonds payable in less than one year.....	42,107,987	3,030,391	586,159	16,333,269	7,447,680	5,736,360	8,974,128	199,880
Other current liabilities.....	65,463,785	3,009,640	1,587,332	29,320,582	4,824,056	11,228,736	15,493,429	128,023
Loans from stockholders.....	17,928,678	4,268,039	551,491	6,827,503	1,215,771	2,021,718	3,044,156	211,848
Mortgages, notes, and bonds payable in one year or more.....	143,315,492	19,468,048	3,846,998	43,068,599	14,079,970	27,472,948	35,358,929	452,597
Other liabilities.....	50,718,722	3,458,185	1,654,135	17,670,502	1,888,742	16,599,523	9,347,633	68,143
Capital stock.....	34,028,819	5,229,879	1,083,210	10,801,749	2,139,292	6,633,781	8,140,828	177,640
Paid-in or capital surplus.....	120,663,433	11,941,083	1,977,942	39,807,040	2,542,148	30,382,797	34,012,425	171,715
Retained earnings, appropriated.....	593,392	4,919	37,715	208,359	46,671	68,109	229,621	1
Retained earnings, unappropriated.....	13,249,203	4,095,061	3,952,973	2,592,299	5,018,868	4,923,649	855,476	328,017
Less: Cost of treasury stock.....	9,503,326	696,285	492,881	4,137,322	574,605	1,908,899	1,695,353	12,541
Total receipts.....	564,237,171	28,392,824	22,080,788	210,213,014	54,525,464	63,453,068	185,571,895	1,871,031
Business receipts.....	522,260,159	25,385,898	20,825,811	193,322,649	50,437,557	56,064,863	176,223,381	1,779,541
Interest.....	9,388,910	772,392	346,483	3,440,735	733,433	2,125,048	1,970,820	21,056
Interest on Government obligations:								
State and local.....	420,111	6,157	24,402	243,951	9,851	30,191	105,559	544
Rents.....	6,411,372	486,663	57,444	2,993,618	1,293,205	677,603	922,838	18,243
Royalties.....	3,619,253	422,624	136,995	1,362,060	20,300	1,332,649	344,626	666
Net short-term capital gain reduced by net long-term capital loss.....	183,567	3,345	9,842	100,734	3,186	11,580	54,879	
Net long-term capital gain reduced by net short-term capital loss.....	1,672,201	300,431	83,800	487,646	59,448	202,655	538,221	1,957
Net gain, noncapital assets.....	2,274,571	68,122	39,960	708,996	983,314	109,731	364,448	399
Dividends received from domestic corporations.....	477,500	25,417	28,451	83,356	13,297	77,292	249,687	296
Dividends received from foreign corporations.....	723,102	140,562	31,189	286,831	5,757	221,273	37,490	
Other receipts.....	18,806,424	801,211	496,410	7,182,438	966,118	2,600,200	4,760,047	48,328
Total deductions.....	561,221,037	29,155,954	21,234,529	209,230,647	54,259,359	64,775,879	182,564,669	1,971,071
Cost of sales and operations.....	217,155,570	11,784,799	8,311,062	86,787,600	23,726,418	23,650,592	62,895,100	1,235,190
Compensation of officers.....	26,800,908	305,336	1,195,951	9,656,568	2,114,481	2,881,241	10,647,331	32,645
Repairs.....	4,595,284	400,757	256,884	1,201,433	853,009	604,974	1,278,227	13,263
Bad debts.....	5,181,724	304,352	96,150	1,349,155	201,206	776,965	2,453,896	1,823
Rent paid on business property.....	20,448,064	1,002,780	1,046,992	7,301,271	2,340,050	2,149,026	6,607,944	33,228
Taxes paid.....	18,317,040	1,350,034	931,106	6,457,496	1,913,794	1,668,235	5,996,375	53,564
Interest paid.....	21,757,618	2,261,061	587,974	7,097,148	2,580,650	4,336,068	4,894,716	39,746
Contributions or gifts.....	295,165	8,912	23,432	77,895	15,231	32,261	137,435	87
Amortization.....	3,848,419	143,637	171,252	1,196,001	123,779	1,576,492	637,258	575
Depreciation.....	27,513,152	1,440,119	763,245	10,529,799	5,918,871	4,240,132	4,620,985	37,932
Depletion.....	13,487	148	8	5,827	2	1,254	6,251	130
Advertising.....	8,511,785	588,321	477,244	3,713,053	715,761	1,641,682	1,375,725	14,270
Pension, profit-sharing, stock bonus, and annuity plans.....	3,378,275	36,938	120,829	1,276,555	296,178	198,873	1,448,901	931
Employee benefit programs.....	9,293,272	465,008	237,852	3,301,156	700,039	503,022	4,086,195	5,885
Net loss, noncapital assets.....	1,037,729	65,372	35,596	386,845	28,971	183,247	337,699	30,199
Other deductions.....	193,073,545	8,998,380	6,978,952	68,892,844	12,730,921	20,331,815	75,140,634	471,605
Total receipts less total deductions.....	3,016,135	-763,130	846,259	982,368	266,105	-1,322,793	3,007,325	-100,040
Constructive taxable income from related foreign corporations.....	671,960	36,400	26,046	277,933	10,266	208,684	112,631	
Net income (less deficit), total.....	3,267,983	-732,887	847,903	1,016,350	266,520	-1,144,308	3,014,398	-100,584
Income subject to tax.....	15,863,003	785,130	993,501	5,492,547	959,122	1,771,309	5,861,395	31,297
Income tax, total.....	5,183,013	273,657	301,210	1,814,370	277,158	597,176	1,919,441	4,743
Regular tax.....	4,970,762	255,723	297,232	1,716,351	252,004	573,500	1,875,952	8,096
Personal holding company tax.....	158			90		50	19	19
Recapture of investment credit.....	363	29	16	86	23		209	
Alternative minimum tax.....	198,021	16,857	3,139	94,328	24,705	21,426	37,565	
Environmental tax.....	15,759	1,083	842	5,052	715	2,220	5,848	2
Foreign tax credit.....	474,901	40,687	23,399	265,863	778	96,159	48,015	1
U.S. possessions tax credit.....	13,518	5,510		3,798		199	4,011	
Orphan drug credit.....	484						484	
Nonconventional source fuel credit.....	919						919	
General business credit.....	127,486	7,350	5,373	56,827	19,801	6,370	31,767	
Prior year minimum tax credit.....	51,166	323	3,123	15,046	8,354	1,296	23,023	
Total income tax after credits.....	4,514,538	219,786	269,316	1,472,837	248,225	493,152	1,811,222	4,742

\* 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.

<sup>1</sup> Less than \$500 per return.

<sup>2</sup> 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."

# Corporation Returns/1991

## 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	Major industry						
	All Industries	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.....	975,534	36,883	9,719	***	979	7,722	***
<b>Total assets.....</b>	<b>11,094,157,127</b>	<b>30,048,244</b>	<b>140,173,803</b>	<b>***</b>	<b>5,082,129</b>	<b>112,687,799</b>	<b>***</b>
Cash.....	482,862,374	2,193,931	3,295,297	***	282,359	2,266,504	***
Notes and accounts receivable.....	2,821,899,126	2,620,484	11,412,485	***	880,760	8,249,660	***
Less: Allowance for bad debts.....	74,485,410	21,163	134,372	***	3,865	106,873	***
Inventories.....	520,153,799	3,877,229	3,691,194	***	146,714	2,440,918	***
Investments in Government obligations.....	588,866,031	169,774	1,033,702	***	*81,641	882,418	***
Tax-exempt securities.....	179,963,593	33,444	124,389	***	*56,422	*59,301	***
Other current assets.....	670,183,129	990,091	4,626,906	***	554,949	2,800,600	***
Loans to stockholders.....	43,531,508	784,609	615,785	***	17,717	554,657	***
Mortgage and real estate loans.....	960,652,202	298,927	117,408	***	*43	*107,249	***
Other investments.....	2,250,040,236	2,852,411	65,094,396	***	600,065	56,846,955	***
Depreciable assets.....	3,000,195,348	20,401,688	62,625,914	***	3,054,352	47,181,995	***
Less: Accumulated depreciation.....	1,320,517,238	12,981,970	30,987,779	***	1,695,347	22,754,192	***
Depletable assets.....	91,128,962	362,276	20,270,111	***	516,581	18,145,728	***
Less: Accumulated depletion.....	40,343,894	127,547	8,998,336	***	102,943	8,658,024	***
Land.....	104,692,934	6,931,201	1,698,851	***	126,056	1,046,082	***
Intangible assets (amortizable).....	295,486,619	176,012	3,841,188	***	349,323	2,842,334	***
Less: Accumulated amortization.....	68,388,762	39,565	1,452,924	***	123,580	1,212,245	***
Other assets.....	588,236,569	1,526,411	3,299,589	***	340,883	2,194,732	***
<b>Total liabilities.....</b>	<b>11,094,157,127</b>	<b>30,048,244</b>	<b>140,173,803</b>	<b>***</b>	<b>5,082,129</b>	<b>112,687,799</b>	<b>***</b>
Accounts payable.....	1,132,315,218	1,613,216	7,485,621	***	485,026	5,497,669	***
Mortgages, notes, and bonds payable in less than one year.....	911,598,197	3,546,858	3,824,131	***	261,637	1,922,187	***
Other current liabilities.....	3,304,063,833	1,295,564	6,415,768	***	447,097	4,923,329	***
Loans from stockholders.....	116,564,958	1,296,614	1,223,480	***	*17,603	783,182	***
Mortgages, notes, and bonds payable in one year or more.....	1,584,151,623	5,699,881	33,273,869	***	740,927	28,731,068	***
Other liabilities.....	1,186,207,722	1,524,366	9,762,814	***	727,560	7,688,592	***
Capital stock.....	403,431,321	3,459,603	4,643,498	***	268,778	3,275,154	***
Paid-in or capital surplus.....	1,188,424,321	2,407,117	67,767,942	***	1,297,678	60,429,691	***
Retained earnings, appropriated.....	27,723,735	117,322	150,555	***	*2,437	*72,368	***
Retained earnings, unappropriated.....	1,398,933,544	9,764,507	9,335,439	***	1,005,451	2,268,199	***
Less: Cost of treasury stock.....	159,257,344	678,803	3,709,312	***	170,065	2,903,641	***
<b>Total receipts.....</b>	<b>8,809,353,493</b>	<b>38,983,548</b>	<b>82,634,306</b>	<b>***</b>	<b>6,512,003</b>	<b>44,062,657</b>	<b>***</b>
Business receipts.....	5,774,929,235	36,220,051	53,234,805	***	6,063,519	36,321,989	***
Interest.....	489,974,232	369,797	2,238,067	***	92,852	1,803,878	***
Interest on Government obligations:							
State and local.....	15,139,556	12,476	10,734	***	*2,325	7,298	***
Rents.....	63,069,254	351,869	230,329	***	20,549	152,540	***
Royalties.....	28,946,044	55,345	281,568	***	49,875	203,063	***
Net short-term capital gain reduced by net long-term capital loss.....	3,505,686	6,615	72,090	***	*8,061	51,035	***
Net long-term capital gain reduced by net short-term capital loss.....	24,928,380	332,936	1,951,219	***	39,292	1,665,913	***
Net gain, noncapital assets.....	19,044,703	170,281	1,224,480	***	13,242	1,190,022	***
Dividends received from domestic corporations.....	8,985,197	63,473	256,283	***	12,489	181,857	***
Dividends received from foreign corporations.....	26,376,273	76,280	223,198	***	3,813	204,730	***
Other receipts.....	154,454,933	1,324,424	2,911,532	***	205,986	2,280,331	***
<b>Total deductions.....</b>	<b>6,244,859,817</b>	<b>36,668,058</b>	<b>56,210,547</b>	<b>***</b>	<b>5,141,580</b>	<b>39,166,792</b>	<b>***</b>
Cost of sales and operations.....	3,757,523,237	22,978,884	32,798,274	***	3,832,158	22,574,149	***
Compensation of officers.....	89,763,615	993,350	704,494	***	45,860	504,386	***
Repairs.....	61,794,300	691,974	548,538	***	125,524	162,691	***
Bad debts.....	48,252,108	56,730	75,327	***	8,112	51,366	***
Rent paid on business property.....	97,777,140	1,018,881	734,811	***	109,882	530,019	***
Taxes paid.....	158,098,227	931,992	1,942,343	***	361,628	1,175,019	***
Interest paid.....	437,114,032	953,181	3,945,807	***	112,136	3,345,434	***
Contributions or gifts.....	4,502,390	28,365	28,436	***	2,702	15,731	***
Amortization.....	17,860,775	23,107	266,074	***	21,978	175,561	***
Depreciation.....	204,169,536	1,354,558	3,089,009	***	203,792	2,133,431	***
Depletion.....	5,577,223	14,014	1,565,538	***	190,355	887,211	***
Advertising.....	80,382,595	155,091	62,838	***	2,355	46,229	***
Pension, profit-sharing, stock bonus, and annuity plans.....	28,919,246	88,111	332,544	***	12,640	260,051	***
Employee benefit programs.....	82,591,060	297,288	843,166	***	203,407	469,092	***
Net loss, noncapital assets.....	5,690,807	14,765	39,378	***	*5,954	18,708	***
Other deductions.....	1,164,843,528	7,067,765	9,233,970	***	903,098	6,817,712	***
Total receipts less total deductions.....	364,493,676	2,315,490	6,423,758	***	370,423	4,895,865	***
Constructive taxable income from related foreign corporations.....	28,388,624	*34,028	255,832	***	-	240,850	***
Net income.....	377,742,744	2,337,042	6,668,856	***	368,097	5,129,417	***
Income subject to tax.....	331,598,071	1,775,978	4,485,105	***	292,815	3,177,660	***
Income tax, total <sup>2</sup> .....	113,729,897	490,024	1,774,040	***	103,979	1,295,035	***
Regular tax.....	110,158,547	473,600	1,502,290	***	97,444	1,063,828	***
Personal holding company tax.....	12,574	*690	*283	***	-	*283	***
Recapture of investment credit.....	68,790	*4	*3,321	***	5	*3,315	***
Alternative minimum tax.....	4,177,816	15,188	261,208	***	6,405	221,529	***
Environmental tax.....	444,864	770	8,421	***	458	6,202	***
Foreign tax credit.....	20,971,723	30,951	639,076	***	279	541,950	***
U.S. possessions tax credit.....	3,472,208	2,167	-	***	-	-	***
Orphan drug credit.....	18,475	-	-	***	-	-	***
Nonconventional source fuel credit.....	244,573	-	51,054	***	7	49,887	***
General business credit.....	2,175,973	10,657	38,800	***	928	31,142	***
Prior year minimum tax credit.....	1,348,594	2,276	44,356	***	*2,575	34,445	***
Total income tax after credits.....	85,498,352	443,973	1,000,754	***	100,191	637,610	***

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

# Corporation Returns/1991

## 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.....	115,981	44,759	8,010	63,212	98,264	5,205	63	1,343	3,781
<b>Total assets.....</b>	<b>107,102,570</b>	<b>43,208,634</b>	<b>33,485,930</b>	<b>30,410,005</b>	<b>2,743,430,580</b>	<b>262,605,285</b>	<b>219,167,139</b>	<b>19,833,261</b>	<b>25,334,874</b>
Cash.....	12,681,322	5,223,731	3,118,837	4,338,754	63,638,700	8,026,581	*460,893	566,520	833,393
Notes and accounts receivable.....	29,633,693	10,274,026	7,787,850	11,571,816	510,492,215	65,892,736	39,898,015	4,235,528	4,479,379
Less: Allowance for bad debts.....	261,377	43,091	132,297	85,990	11,130,039	597,526	*195,756	102,952	114,013
Inventories.....	9,588,636	5,883,214	1,155,373	2,548,049	242,222,374	22,890,891	8,398,971	3,950,810	5,494,541
Investments in Government obligations.....	575,541	160,172	359,718	55,650	20,042,077	2,068,984	172,308	*593,012	*75,384
Tax-exempt securities.....	774,855	58,741	663,048	53,168	17,177,898	489,319	388,679	*256,340	*3,675
Other current assets.....	9,558,949	4,843,528	2,019,992	2,695,429	142,528,518	9,180,531	2,355,805	462,230	787,272
Loans to stockholders.....	2,069,327	550,819	780,735	757,973	10,385,008	1,183,145	45,323	116,711	76,754
Mortgage and real estate loans.....	3,834,975	3,834,295	38,366	182,314	5,043,829	24,315	374,888	*7,547	*10,171
Other investments.....	14,568,994	5,056,706	8,070,535	1,441,753	755,238,931	65,104,585	*99,728,163	1,882,778	7,583,183
Depreciable assets.....	45,283,362	10,316,784	18,662,281	16,304,317	1,172,303,067	96,154,689	19,045,683	14,001,575	6,144,696
Less: Accumulated depreciation.....	27,970,217	5,661,214	11,658,298	10,650,706	589,100,692	41,788,020	6,894,345	7,629,877	2,876,020
Depletable assets.....	323,297	121,202	179,123	*22,973	59,760,143	*52,313	797	*2,818	
Less: Accumulated depletion.....	110,137	*41,800	52,300	*16,037	26,794,069	*5,929		*594	
Land.....	2,687,209	1,389,465	709,189	568,556	32,649,410	3,738,275	*711,268	143,787	161,048
Intangible assets (amortizable).....	715,066	279,787	161,284	273,995	190,182,231	20,224,663	*39,165,811	454,879	1,328,458
Less: Accumulated amortization.....	206,411	72,516	41,926	91,969	46,106,848	2,060,544	*2,275,906	88,849	297,592
Other assets.....	3,377,387	1,233,005	1,684,422	459,960	194,901,825	14,028,296	17,886,562	981,296	1,644,544
<b>Total liabilities.....</b>	<b>107,102,570</b>	<b>43,208,634</b>	<b>33,485,930</b>	<b>30,410,005</b>	<b>2,743,430,580</b>	<b>262,605,285</b>	<b>219,167,139</b>	<b>19,833,261</b>	<b>25,334,874</b>
Accounts payable.....	18,570,930	8,930,571	4,099,303	5,541,056	289,319,961	56,172,378	25,267,246	1,867,039	2,552,695
Mortgages, notes, and bonds payable in less than one year.....	8,662,834	4,562,632	1,617,193	2,483,008	187,226,429	17,202,133	*8,365,523	1,228,639	1,544,062
Other current liabilities.....	13,281,083	5,457,978	3,375,504	4,447,600	253,408,363	17,741,504	*9,999,950	1,433,858	2,343,884
Loans from stockholders.....	2,527,940	1,426,128	284,503	817,309	39,264,884	2,840,948	14,834,643	239,478	189,590
Mortgages, notes, and bonds payable in one year or more.....	17,183,459	9,428,938	4,728,019	3,026,503	474,659,724	52,145,111	*41,065,521	4,494,413	5,727,078
Other liabilities.....	6,309,892	1,798,547	3,451,495	1,059,850	328,384,125	18,814,848	*15,509,050	942,185	2,260,243
Capital stock.....	3,968,699	1,188,853	1,602,057	1,177,789	112,210,067	10,979,262	5,486,897	865,034	1,412,380
Paid-in or capital surplus.....	9,417,105	1,990,488	6,063,180	1,343,438	517,011,161	38,570,056	*86,143,144	1,803,834	4,081,059
Retained earnings, appropriated.....	187,738	74,385	38,569	74,784	6,728,852	610,207	144,596	*880	*222,964
Retained earnings, unappropriated.....	29,039,708	8,914,627	8,949,999	11,175,082	630,545,580	60,894,863	15,870,051	7,167,967	5,583,798
Less: Cost of treasury stock.....	2,046,819	566,514	743,892	736,413	95,328,566	13,366,025	1,519,480	210,067	582,879
<b>Total receipts.....</b>	<b>236,893,557</b>	<b>97,569,554</b>	<b>50,316,249</b>	<b>89,007,754</b>	<b>2,439,463,227</b>	<b>297,053,439</b>	<b>75,342,921</b>	<b>29,240,675</b>	<b>32,903,428</b>
Business receipts.....	229,392,338	94,465,479	47,090,831	87,836,026	2,260,408,987	283,364,390	67,384,532	28,774,146	31,453,751
Interest.....	2,061,661	1,030,825	748,109	282,726	46,909,722	3,678,788	*5,333,087	141,754	449,061
Interest on Government obligations:									
State and local.....	62,472	25,058	24,384	13,030	1,383,301	42,305	7,457	9,100	21,305
Rents.....	784,840	388,473	245,474	130,893	27,609,974	1,127,928	671,466	27,071	43,154
Royalties.....	54,456	*17,589	28,987	7,880	23,283,254	2,267,160	555,548	21,241	334,527
Net short-term capital gain reduced by net long-term capital loss.....	33,726	6,427	25,663	1,636	764,903	19,463		*2,850	*429
Net long-term capital gain reduced by net short-term capital loss.....	970,873	219,209	657,234	94,430	7,680,392	768,511	60,198	11,214	31,320
Net gain, noncapital assets.....	493,842	90,188	298,009	107,645	6,357,772	548,526	14,649	32,555	23,530
Dividends received from domestic corporations.....	80,216	15,584	55,776	8,856	3,118,397	545,147	58,423	11,171	7,837
Dividends received from foreign corporations.....	186,829	54,523	127,834	*4,473	22,823,354	1,863,034	745,376	49,227	250,750
Other receipts.....	2,792,307	1,256,199	1,015,947	520,161	39,125,171	2,828,186	512,186	160,345	287,765
<b>Total deductions.....</b>	<b>228,921,532</b>	<b>94,976,089</b>	<b>47,786,200</b>	<b>86,159,242</b>	<b>2,294,097,629</b>	<b>281,004,720</b>	<b>68,838,125</b>	<b>27,745,828</b>	<b>30,693,977</b>
Cost of sales and operations.....	178,167,208	80,138,018	38,079,320	61,949,872	1,507,817,892	189,173,810	33,498,753	21,622,466	21,849,883
Compensation of officers.....	7,855,391	2,685,568	819,262	4,350,560	18,768,624	1,763,777	*252,445	301,697	623,702
Repairs.....	1,039,316	228,954	346,997	463,366	21,036,629	2,434,097	*160,649	116,750	109,795
Bad debts.....	369,671	97,812	62,575	209,184	5,994,033	280,061	*48,341	65,837	95,191
Rent paid on business property.....	2,350,728	684,527	643,245	1,022,957	23,691,271	2,545,399	432,425	157,929	427,481
Taxes paid.....	4,735,866	1,334,462	751,304	2,650,100	60,869,231	7,306,942	4,003,863	627,547	734,659
Interest paid.....	2,668,563	1,269,631	923,213	675,719	84,459,195	8,114,796	*8,918,448	603,270	1,067,197
Contributions or gifts.....	104,943	38,577	29,450	36,915	2,202,928	318,481	*91,957	25,032	35,616
Amortization.....	81,788	31,821	23,576	28,391	6,175,856	812,853	*886,817	33,954	93,195
Depreciation.....	3,757,736	824,883	1,294,297	1,638,557	74,833,314	6,620,527	2,219,878	872,566	487,622
Depletion.....	29,265	2,417	22,825	*4,023	3,120,287	5,074	33	306	1
Advertising.....	590,480	209,910	55,629	324,941	45,486,893	13,992,928	*5,303,944	202,045	623,545
Pension, profit-sharing, stock bonus, and annuity plans.....	1,091,696	294,380	260,456	536,860	12,970,253	1,202,321	411,057	146,375	97,287
Employee benefit programs.....	2,032,986	642,541	379,323	1,011,121	37,699,689	3,805,553	*1,009,735	420,815	345,980
Net loss, noncapital assets.....	75,737	32,184	12,675	30,676	1,391,435	48,519	3,735	10,077	8,853
Other deductions.....	23,770,157	6,460,307	6,061,853	11,227,997	385,480,299	42,579,601	11,596,045	2,538,962	4,093,970
Total receipts less total deductions.....	7,972,025	2,593,465	2,530,048	2,848,512	145,365,598	16,048,719	6,504,796	1,495,047	2,209,451
Constructive taxable income from related foreign corporations.....	315,661	48,358	*257,137	*10,169	22,277,901	1,759,557	1,179,625	15,995	229,974
Net income.....	8,225,215	2,616,762	2,762,801	2,845,651	166,260,198	17,765,971	7,676,964	1,501,942	2,418,120
Income subject to tax.....	6,555,669	1,985,881	2,332,771	2,237,017	152,534,943	16,672,524	7,320,812	1,353,676	2,324,609
Income tax, total.....	1,847,385	572,498	791,103	583,785	53,579,725	5,830,028	2,512,507	461,111	785,891
Regular tax.....	1,887,267	557,465	769,311	560,480	51,732,684	5,646,011	2,489,076	446,339	780,830
Personal holding company tax.....	*58	*32			488				
Recapture of investment credit.....	273		213	*28	14,638	737	277	*4	(1)
Alternative minimum tax.....	48,975	11,238	16,655	21,082	1,640,519	161,259	12,754	13,168	2,640
Environmental tax.....	3,429	582	2,508	339	201,732	22,133	*10,399	1,735	2,424
Foreign tax credit.....	161,412	29,727	146,856	*4,728	16,905,943	1,268,473	479,919	15,820	180,514
U.S. possessions tax credit.....	2,295		2,260	35	3,351,884	501,344	18,353	2,217	42,124
Orphan drug credit.....					17,991				
Nonconventional source fuel credit.....	*464	*165	*289	*10	151,675	*78			
General business credit.....	43,806	4,519	33,005	8,283	887,165	64,818	*23,625	8,260	4,895
Prior year minimum tax credit.....	57,807	23,720	15,484	18,623	463,146	38,108		9,718	3,172
Total income tax after credits.....	1,661,600	514,364	593,129	554,107	31,801,922	3,957,408	1,990,610	425,096	555,187

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

# Corporation Returns/1991

## 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.....	5,868	3,847	***	15,332	***	954	3,560	900	***
Total assets.....	33,010,595	10,734,680	***	123,617,345	***	548,571,631	27,421,724	14,449,600	***
Cash.....	1,039,023	511,334	***	3,652,344	***	2,357,393	982,242	254,219	***
Notes and accounts receivable.....	2,337,727	2,527,949	***	18,085,465	***	67,954,009	5,142,364	3,734,005	***
Less: Allowance for bad debts.....	76,794	73,003	***	1,785,481	***	588,768	159,735	29,571	***
Inventories.....	3,861,669	2,112,655	***	6,738,331	***	18,524,780	4,195,737	2,181,313	***
Investments in Government obligations.....	103,500	*20,480	***	651,525	***	279,622	*31,841	*41,838	***
Tax-exempt securities.....	*9,345	*1,017	***	343,006	***	422,278	*1,703	12,509	***
Other current assets.....	740,009	299,068	***	5,796,060	***	19,023,404	747,796	417,903	***
Loans to stockholders.....	49,045	55,087	***	622,829	***	1,051,276	172,463	*13,832	***
Mortgage and real estate loans.....	*1,281,733	*9,144	***	46,144	***	*50,594	*52,362	574	***
Other investments.....	3,189,130	1,098,253	***	35,683,253	***	233,451,965	3,739,070	525,086	***
Depreciable assets.....	20,613,535	6,275,409	***	51,101,237	***	282,961,791	19,681,735	4,223,395	***
Less: Accumulated depreciation.....	10,196,652	3,275,390	***	25,128,511	***	146,403,453	9,510,748	2,335,615	***
Depletable assets.....	3,574,345	*464	***	*11,663	***	42,477,423	*42,062	-	***
Less: Accumulated depletion.....	*159,328	-	***	*157	***	21,673,903	*17,276	-	***
Land.....	468,723	156,149	***	1,622,192	***	6,758,883	322,559	4,988,680	***
Intangible assets (amortizable).....	455,071	729,955	***	17,968,945	***	42,981,667	1,317,362	308,899	***
Less: Accumulated amortization.....	54,467	103,782	***	3,011,813	***	22,907,206	349,677	116,836	***
Other assets.....	5,774,981	389,890	***	11,220,312	***	21,849,875	1,029,865	229,368	***
Total liabilities.....	33,010,595	10,734,680	***	123,617,345	***	548,571,631	27,421,724	14,449,600	***
Accounts payable.....	3,339,470	1,460,288	***	8,556,227	***	47,870,489	2,757,165	682,660	***
Mortgages, notes, and bonds payable in less than one year.....	1,829,144	519,495	***	4,781,957	***	19,307,182	1,740,151	309,258	***
Other current liabilities.....	2,870,986	981,454	***	12,944,645	***	30,461,174	2,123,148	1,623,832	***
Loans from stockholders.....	227,464	56,279	***	1,967,340	***	4,806,240	459,072	*35,675	***
Mortgages, notes, and bonds payable in one year or more.....	8,584,624	1,714,107	***	27,101,961	***	76,705,380	5,907,585	4,140,332	***
Other liabilities.....	2,373,198	580,515	***	13,281,963	***	82,372,475	2,780,554	5,190,613	***
Capital stock.....	776,644	540,805	***	4,147,023	***	16,246,792	1,276,475	853,315	***
Paid-in or capital surplus.....	4,978,235	513,859	***	24,502,722	***	149,283,087	3,578,730	512,336	***
Retained earnings, appropriated.....	*28,001	*23,384	***	85,775	***	1,049,327	*8,487	8,232	***
Retained earnings, unappropriated.....	8,381,495	4,510,221	***	30,869,322	***	144,796,380	7,243,503	1,282,713	***
Less: Cost of treasury stock.....	378,687	165,726	***	4,621,590	***	24,326,896	453,148	189,366	***
Total receipts.....	37,638,946	18,566,666	***	111,041,990	***	449,520,813	41,563,618	15,098,471	***
Business receipts.....	35,678,121	18,165,932	***	104,417,152	***	422,976,467	39,868,092	14,452,865	***
Interest.....	366,095	68,121	***	1,512,720	***	8,465,239	304,303	312,743	***
Interest on Government obligations:									
State and local.....	16,073	8,331	***	53,251	***	40,994	3,054	*2,365	***
Rents.....	38,959	18,358	***	492,420	***	2,331,342	103,244	34,687	***
Royalties.....	54,574	24,232	***	1,775,347	***	1,392,068	135,917	36,753	***
Net short-term capital gain reduced by net long-term capital loss.....	3,947	*385	***	60,140	***	18,727	*1,649	*7,492	***
Net long-term capital gain reduced by net short-term capital loss.....	539,156	16,760	***	191,359	***	487,725	108,515	45,166	***
Net gain, noncapital assets.....	342,522	17,285	***	242,197	***	1,493,570	70,598	*4,289	***
Dividends received from domestic corporations.....	23,920	6,013	***	117,087	***	735,887	10,428	4,854	***
Dividends received from foreign corporations.....	66,852	18,334	***	353,802	***	3,441,403	434,619	*22,801	***
Other receipts.....	508,726	222,916	***	1,826,514	***	8,137,390	523,199	174,455	***
Total deductions.....	35,913,250	17,644,364	***	103,564,755	***	430,251,958	39,231,152	14,569,130	***
Cost of sales and operations.....	26,274,259	12,450,794	***	49,425,394	***	329,269,938	26,300,181	9,636,297	***
Compensation of officers.....	479,761	305,632	***	2,245,179	***	499,838	641,366	174,924	***
Repairs.....	463,482	66,348	***	690,845	***	5,248,167	448,715	48,704	***
Bad debts.....	63,307	101,361	***	913,260	***	394,743	97,370	35,557	***
Rent paid on business property.....	209,409	263,333	***	1,845,464	***	3,497,388	458,875	284,193	***
Taxes paid.....	884,239	492,361	***	3,094,340	***	15,409,651	820,919	666,570	***
Interest paid.....	1,304,323	250,393	***	4,127,037	***	14,043,212	1,026,454	594,963	***
Contributions or gifts.....	20,373	17,581	***	163,429	***	193,087	25,810	10,731	***
Amortization.....	45,666	17,905	***	2,080,260	***	1,000,134	86,405	17,915	***
Depreciation.....	1,365,871	451,365	***	3,902,222	***	10,248,749	1,415,703	256,998	***
Depletion.....	382,345	*140	***	*694	***	1,716,654	1,773	112,198	***
Advertising.....	174,688	195,784	***	2,567,577	***	964,581	463,941	280,482	***
Pension, profit-sharing, stock bonus, and annuity plans.....	279,873	96,993	***	883,275	***	1,437,892	258,604	47,616	***
Employee benefit programs.....	326,337	278,931	***	2,192,348	***	2,312,082	989,403	160,317	***
Net loss, noncapital assets.....	6,443	5,372	***	61,025	***	551,718	19,376	9,315	***
Other deductions.....	3,632,871	2,650,071	***	29,372,406	***	43,464,124	6,178,258	2,232,348	***
Total receipts less total deductions.....	1,725,696	922,302	***	7,477,235	***	19,268,856	2,332,466	529,341	***
Constructive taxable income from related foreign corporations.....	*43,203	15,569	***	145,508	***	4,446,221	225,414	*4,573	***
Net income.....	1,752,825	929,540	***	7,569,493	***	23,674,082	2,554,826	531,549	***
Income subject to tax.....	1,598,865	823,571	***	6,536,349	***	22,605,091	2,339,163	483,340	***
Income tax, total <sup>2</sup> .....	542,188	278,752	***	2,253,050	***	7,916,522	830,525	166,365	***
Regular tax.....	525,135	273,833	***	2,179,445	***	7,682,720	783,874	161,283	***
Personal holding company tax.....	-	-	***	-	***	-	-	-	***
Recapture of investment credit.....	6,219	46	***	489	***	1,152	321	( <sup>1</sup> )	***
Alternative minimum tax.....	8,783	2,537	***	64,767	***	221,582	44,031	2,889	***
Environmental tax.....	1,974	913	***	8,826	***	31,196	2,617	550	***
Foreign tax credit.....	28,087	4,344	***	201,780	***	4,806,497	252,584	3,330	***
U.S. possessions tax credit.....	-	-	***	5,781	***	1,848	11,343	17,336	***
Orphan drug credit.....	-	-	***	-	***	-	-	-	***
Nonconventional source fuel credit.....	*5,510	-	***	*4	***	118,521	22	-	***
General business credit.....	3,591	3,142	***	21,472	***	61,532	8,190	15,663	***
Prior year minimum tax credit.....	9,783	*444	***	8,261	***	112,747	6,778	*1,812	***
Total income tax after credits.....	495,218	268,821	***	2,015,752	***	2,815,377	551,607	128,224	***

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

# Corporation Returns/1991

## 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.....	1,649	17,649	10,267	9,052	1,043	1,270	2,728	5,673
Total assets.....	47,705,148	89,592,887	196,736,665	322,138,805	20,891,795	108,651,381	89,341,037	56,997,725
Cash.....	1,445,491	3,086,242	5,813,220	10,451,400	865,426	6,318,073	4,048,142	2,317,537
Notes and accounts receivable.....	8,894,891	19,835,451	48,548,900	75,070,953	5,416,718	19,562,513	21,602,135	8,574,254
Less: Allowance for bad debts.....	188,457	438,483	1,281,840	2,480,894	118,101	288,205	371,883	497,719
Inventories.....	7,122,855	12,198,065	23,118,567	29,435,714	2,930,017	27,912,994	11,616,896	5,508,171
Investments in Government obligations.....	*67,247	509,381	5,360,635	7,118,514	*65,926	*45,302	168,695	1,488,093
Tax-exempt securities.....	*27,297	765,379	3,856,680	7,052,253	*18,505	*6,872	316,203	*708,056
Other current assets.....	1,248,905	6,132,430	12,700,599	52,992,563	800,822	6,052,839	3,967,308	2,597,856
Loans to stockholders.....	166,739	245,814	1,835,508	491,182	67,803	532,193	153,265	288,673
Mortgage and real estate loans.....	*21,158	337,106	109,363	1,334,211	*750,352	*59,850	*92,960	*241,581
Other investments.....	7,895,366	17,566,253	28,489,900	57,302,372	2,143,435	10,542,247	13,388,294	16,175,125
Depreciable assets.....	31,899,675	38,048,886	87,644,346	119,676,502	8,904,660	57,482,728	40,720,207	16,556,710
Less: Accumulated depreciation.....	15,067,299	21,189,307	47,631,185	64,549,166	4,209,454	29,946,970	20,186,005	8,339,471
Depletable assets.....	365,382	113,713	3,325,835	55,178	127	201,432	-	*33,490
Less: Accumulated depletion.....	241,760	*77,196	10,247	127	127	31,218	-	*3,565
Land.....	587,129	928,672	1,711,595	1,735,378	276,757	1,238,848	969,220	380,760
Intangible assets (amortizable).....	989,543	4,549,262	9,930,538	10,821,296	757,344	2,470,552	6,138,406	3,386,763
Less: Accumulated amortization.....	212,659	318,005	1,984,040	2,339,389	121,290	319,923	1,640,540	815,674
Other assets.....	2,693,646	7,301,242	15,203,744	17,860,978	2,144,874	6,811,556	8,359,735	8,397,083
Total liabilities.....	47,705,148	89,592,887	196,736,665	322,138,805	20,891,795	108,651,381	89,341,037	56,997,725
Accounts payable.....	5,629,495	7,106,631	17,136,598	30,198,487	1,989,439	11,873,708	9,634,799	3,843,758
Mortgages, notes, and bonds payable in less than one year.....	2,546,009	9,171,426	18,517,338	58,455,472	1,738,107	3,862,429	5,396,031	3,549,803
Other current liabilities.....	4,722,021	6,626,289	28,347,169	32,250,695	3,151,939	31,708,105	10,905,525	9,698,379
Loans from stockholders.....	645,776	866,117	1,218,103	1,257,391	360,822	345,861	2,005,321	585,465
Mortgages, notes, and bonds payable in one year or more.....	8,666,202	16,268,049	31,240,789	42,498,866	5,194,076	16,870,105	16,212,230	10,498,002
Other liabilities.....	4,607,813	9,949,726	21,156,228	70,547,850	1,227,419	7,945,127	7,690,166	6,382,546
Capital stock.....	3,291,962	3,451,852	14,732,787	8,883,127	2,023,668	6,924,018	4,191,878	2,284,995
Paid-in or capital surplus.....	7,634,493	13,435,207	20,092,867	23,860,458	2,072,327	6,142,953	13,853,704	8,024,995
Retained earnings, appropriated.....	82,279	230,402	466,374	602,970	*10,476	*32,779	1,112,823	237,489
Retained earnings, unappropriated.....	10,499,141	25,386,946	48,789,457	61,107,598	3,822,341	26,567,532	23,895,766	13,417,327
Less: Cost of treasury stock.....	620,044	2,899,759	4,961,044	7,524,111	898,819	3,619,235	5,557,206	1,524,831
Total receipts.....	56,946,595	98,678,002	184,130,078	231,283,289	25,819,113	160,039,564	92,393,304	47,632,421
Business receipts.....	53,768,289	93,696,755	150,961,697	207,702,269	23,977,492	151,779,239	84,513,944	44,345,203
Interest.....	613,706	2,041,544	4,576,669	7,531,060	391,057	1,253,619	1,486,952	867,494
Interest on Government obligations:								
State and local.....	3,248	43,649	285,591	512,564	15,822	19,755	66,904	80,589
Rents.....	446,593	531,699	10,811,563	6,400,978	676,059	1,422,639	1,053,466	287,252
Royalties.....	209,547	375,398	7,755,951	1,611,705	50,510	290,918	1,111,126	263,561
Net short-term capital gain reduced by net long-term capital loss.....	*2,511	14,869	133,361	68,067	1,743	69,055	28,823	204,781
Net long-term capital gain reduced by net short-term capital loss.....	117,622	197,579	493,698	556,373	22,348	421,990	166,635	310,248
Net gain, noncapital assets.....	109,351	222,302	268,557	1,153,300	132,101	566,291	51,550	51,034
Dividends received from domestic corporations.....	37,078	71,480	188,786	168,413	17,109	100,559	41,109	289,030
Dividends received from foreign corporations.....	333,472	427,964	5,153,536	1,563,978	105,293	1,029,590	1,732,858	219,028
Other receipts.....	1,305,177	1,054,765	3,500,568	4,014,582	229,579	3,085,908	2,139,936	614,201
Total deductions.....	54,990,715	93,308,445	173,308,790	218,290,036	24,781,170	150,350,525	85,733,716	44,316,338
Cost of sales and operations.....	43,603,006	64,722,779	94,235,902	133,648,037	18,406,130	117,172,570	48,880,164	27,658,373
Compensation of officers.....	449,219	2,313,082	1,966,514	1,914,243	194,629	374,492	803,983	747,294
Repairs.....	472,312	403,769	967,102	1,436,107	97,146	1,049,540	333,720	273,697
Bad debts.....	76,376	349,943	784,783	1,358,790	65,381	101,891	204,587	184,650
Rent paid on business property.....	312,083	884,252	2,520,810	2,738,047	143,925	1,188,539	903,679	536,610
Taxes paid.....	914,778	2,333,568	4,047,961	4,974,637	432,531	2,471,010	1,807,363	977,728
Interest paid.....	1,133,491	2,796,252	5,778,470	13,550,793	869,356	2,330,774	2,751,421	1,585,168
Contributions or gifts.....	23,751	62,816	202,914	137,799	12,821	117,529	138,683	44,500
Amortization.....	80,897	137,460	393,271	615,942	29,622	201,764	329,916	146,664
Depreciation.....	1,748,916	2,558,525	6,382,097	12,546,563	1,158,638	2,685,374	2,483,443	1,243,754
Depletion.....	156,381	4,338	25,144	*1,104	4	23,926	8	2,850
Advertising.....	119,188	891,169	1,930,724	2,544,076	154,131	298,465	2,656,164	1,163,967
Pension, profit-sharing, stock bonus, and annuity plans.....	341,690	629,152	1,071,792	1,429,672	84,006	937,778	709,896	192,315
Employee benefit programs.....	839,747	1,820,282	4,628,676	4,728,507	798,444	3,198,779	1,721,102	860,683
Net loss, noncapital assets.....	15,501	17,172	118,462	125,795	8,841	39,768	126,768	41,056
Other deductions.....	4,703,382	13,383,884	48,274,368	36,539,924	2,335,586	18,158,327	21,882,816	8,657,029
Total receipts less total deductions.....	-1,955,880	5,369,557	10,821,288	12,993,254	837,943	9,689,039	6,659,588	3,316,083
Constructive taxable income from related foreign corporations.....	240,505	636,164	3,103,119	1,453,740	54,138	901,744	1,638,048	193,067
Net income.....	2,193,137	5,962,073	13,638,816	13,934,430	876,258	10,571,027	8,230,733	3,428,581
Income subject to tax.....	1,910,356	5,303,629	12,428,489	12,497,826	692,031	9,347,478	7,271,328	2,690,308
Income tax, total *.....	705,954	1,764,790	4,462,206	4,462,008	257,952	3,243,947	2,722,239	962,080
Regular tax.....	645,122	1,731,450	4,239,887	4,227,561	232,693	3,173,639	2,614,287	898,113
Personal holding company tax.....	-	-	-	487	-	-	-	-
Recapture of investment credit.....	17	144	2,516	903	30	508	*308	*10
Alternative minimum tax.....	58,117	28,267	205,368	211,542	24,224	45,944	97,829	60,960
Environmental tax.....	2,982	5,339	18,019	17,024	977	12,334	9,801	3,451
Foreign tax credit.....	189,004	391,128	2,719,218	948,128	55,044	322,012	980,962	113,614
U.S. possessions tax credit.....	-	3,759	14,582	320,265	9,648	547	371,394	37,248
Orphan drug credit.....	-	-	-	-	-	-	280	-
Nonconventional source fuel credit.....	-	-	104	-	(1)	-	-	(1)
General business credit.....	8,163	50,774	74,702	165,274	3,836	19,267	80,972	16,825
Prior year minimum tax credit.....	6,155	24,109	31,550	10,140	2,474	71,254	20,198	6,146
Total income tax after credits.....	502,632	1,295,020	1,622,051	3,018,201	186,950	2,830,887	1,268,434	788,248

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

# Corporation Returns/1991

## 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				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
						Total	Groceries and related products	Machinery, equipment, and supplies	Miscellaneous wholesale trade
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)
Number of returns, total.....	45,605	***	***	3,638	294,037	109,745	7,055	21,382	81,309
Total assets.....	1,246,083,570	***	***	629,082,759	907,702,055	402,372,354	34,566,059	41,384,332	326,421,964
Cash.....	18,677,614	***	***	5,183,813	41,463,973	19,236,628	1,479,084	2,867,306	14,890,238
Notes and accounts receivable.....	129,204,800	***	***	38,755,755	205,562,875	115,792,591	9,242,922	12,234,237	94,315,431
Less: Allowance for bad debts.....	3,898,844	***	***	1,035,072	3,681,191	1,780,358	205,146	219,472	1,355,740
Inventories.....	23,320,477	***	***	15,935,843	216,216,075	103,202,402	8,236,614	12,543,362	82,422,427
Investments in Government obligations.....	4,966,670	***	***	2,893,345	18,324,503	16,712,141	*35,509	94,347	16,582,284
Tax-exempt securities.....	1,742,451	***	***	458,770	17,745,727	747,281	*43,248	*132,688	571,045
Other current assets.....	37,932,037	***	***	19,170,669	61,555,961	34,713,684	1,120,004	1,877,235	31,716,425
Loans to stockholders.....	1,963,138	***	***	873,454	5,777,487	2,452,660	586,109	408,421	1,458,130
Mortgage and real estate loans.....	763,132	***	***	90,110	11,987,718	1,818,924	170,304	102,325	1,546,296
Other investments.....	201,254,758	***	***	63,353,085	112,128,190	40,543,883	3,062,220	4,116,808	33,364,855
Depreciable assets.....	1,105,635,458	***	***	625,510,882	272,269,257	90,107,824	13,313,068	10,519,382	66,275,373
Less: Accumulated depreciation.....	399,815,533	***	***	204,417,303	122,708,850	45,366,524	6,806,177	5,860,887	33,099,480
Depletable assets.....	8,651,696	***	***	8,218,027	999,509	794,396	-	128,834	665,562
Less: Accumulated depletion.....	3,699,724	***	***	3,558,262	372,414	315,989	-	*51,063	264,825
Land.....	10,268,789	***	***	4,423,082	21,742,342	6,002,835	647,897	623,079	4,731,859
Intangible assets (amortizable).....	31,189,165	***	***	8,378,026	21,872,724	10,242,712	2,132,233	726,127	7,384,351
Less: Accumulated amortization.....	5,356,179	***	***	2,639,703	4,461,366	2,143,336	351,244	144,631	1,647,461
Other assets.....	83,083,666	***	***	47,488,259	31,279,536	9,610,621	1,659,414	1,085,914	6,885,293
Total liabilities.....	1,246,083,570	***	***	629,082,759	907,702,055	402,372,354	34,566,059	41,384,332	326,421,964
Accounts payable.....	63,484,894	***	***	28,052,112	148,890,153	76,764,332	7,418,894	8,679,826	60,665,812
Mortgages, notes, and bonds payable in less than one year.....	55,242,961	***	***	23,684,054	132,655,613	85,429,301	2,137,309	6,214,039	77,077,952
Other current liabilities.....	98,311,801	***	***	42,480,813	123,315,756	51,827,252	3,989,186	3,179,980	44,658,106
Loans from stockholders.....	4,859,773	***	***	2,770,325	14,176,546	8,828,608	462,966	824,883	5,540,760
Mortgages, notes, and bonds payable in one year or more.....	353,852,234	***	***	208,284,120	157,085,816	54,500,752	6,696,734	5,698,349	42,105,870
Other liabilities.....	181,789,437	***	***	96,200,213	58,088,527	12,820,830	1,836,612	1,766,477	9,217,742
Capital stock.....	143,351,563	***	***	91,253,964	38,789,825	21,081,002	1,434,988	2,702,950	16,943,063
Paid-in or capital surplus.....	184,275,872	***	***	61,942,686	75,901,186	26,345,413	2,954,681	2,804,893	20,585,839
Retained earnings, appropriated.....	5,090,574	***	***	1,806,409	1,071,183	300,485	38,344	21,418	240,723
Retained earnings, unappropriated.....	172,953,613	***	***	75,540,769	172,519,983	72,830,119	8,221,801	10,204,671	54,403,847
Less: Cost of treasury stock.....	17,129,152	***	***	2,932,707	14,772,535	6,355,740	625,236	712,954	5,017,549
Total receipts.....	684,155,728	***	***	280,423,894	1,830,574,149	897,064,804	152,357,333	79,096,030	665,609,442
Business receipts.....	641,704,053	***	***	265,645,324	1,773,774,087	871,647,887	149,576,797	76,903,559	645,167,511
Interest.....	12,875,146	***	***	5,541,174	22,343,337	11,417,157	427,955	540,570	10,448,631
Interest on Government obligations:									
State and local.....	292,311	***	***	142,317	1,448,276	135,727	18,102	16,560	101,065
Rents.....	8,631,939	***	***	2,146,616	5,654,548	2,186,644	264,459	425,790	1,496,395
Royalties.....	395,168	***	***	130,092	1,588,401	369,878	*2,644	18,608	348,626
Net short-term capital gain reduced by net long-term capital loss.....	142,630	***	***	59,379	202,084	156,506	*972	3,938	151,596
Net long-term capital gain reduced by net short-term capital loss.....	3,545,456	***	***	1,243,942	2,003,628	701,159	52,468	78,924	569,768
Net gain, noncapital assets.....	2,018,041	***	***	696,325	1,810,878	1,084,244	54,587	110,686	918,971
Dividends received from domestic corporations.....	700,287	***	***	372,845	581,003	278,515	14,766	20,526	243,224
Dividends received from foreign corporations.....	473,860	***	***	78,241	1,283,569	1,036,233	7,750	31,848	996,636
Other receipts.....	13,386,838	***	***	4,367,638	19,884,337	8,050,875	1,936,833	947,021	5,167,021
Total deductions.....	633,834,605	***	***	256,842,974	1,784,835,216	878,532,679	150,239,863	76,854,495	651,438,321
Cost of sales and operations.....	292,971,719	***	***	131,663,393	1,351,136,702	728,149,144	129,669,623	58,485,479	540,014,041
Compensation of officers.....	4,119,807	***	***	1,059,967	22,296,736	11,600,474	939,842	1,189,891	8,470,741
Repairs.....	24,520,225	***	***	10,682,958	7,086,840	2,365,024	481,363	230,420	1,653,241
Bad debts.....	5,319,861	***	***	1,080,588	5,200,511	1,679,378	222,667	222,822	1,233,888
Rent paid on business property.....	13,774,890	***	***	2,968,176	31,476,343	6,673,998	1,013,105	783,615	4,877,278
Taxes paid.....	33,382,141	***	***	17,243,992	26,728,466	9,506,494	1,350,198	1,075,922	7,080,374
Interest paid.....	42,478,382	***	***	23,392,734	32,942,263	14,777,575	1,110,196	1,054,836	12,612,543
Contributions or gifts.....	553,873	***	***	207,824	627,288	253,245	52,799	29,039	171,407
Amortization.....	3,472,720	***	***	657,915	1,539,932	691,839	134,603	54,648	502,688
Depreciation.....	64,383,024	***	***	29,180,104	23,197,490	8,492,614	1,144,655	1,140,906	6,207,054
Depletion.....	648,416	***	***	548,046	93,892	87,403	*77	16,081	71,245
Advertising.....	2,769,927	***	***	417,529	21,504,371	6,444,589	622,228	396,843	5,425,718
Pension, profit-sharing, stock bonus, and annuity plans.....	4,233,712	***	***	1,538,690	4,337,469	1,768,318	295,588	288,253	1,184,477
Employee benefit programs.....	14,744,832	***	***	3,337,286	12,088,905	3,810,085	832,276	569,660	2,408,150
Net loss, noncapital assets.....	1,219,222	***	***	377,280	520,107	155,259	12,198	29,579	113,482
Other deductions.....	125,241,853	***	***	32,486,491	244,057,903	82,077,141	12,358,446	10,306,701	59,411,994
Total receipts less total deductions.....	50,331,123	***	***	23,580,920	45,738,933	18,532,126	2,117,470	2,243,536	14,171,121
Constructive taxable income from related foreign corporations.....	922,754	***	***	113,671	1,691,397	1,383,373	*4,951	*25,380	1,353,043
Net income.....	50,961,565	***	***	23,552,274	45,982,054	19,779,772	2,104,318	2,252,355	15,423,099
Income subject to tax.....	47,048,267	***	***	21,995,448	40,212,727	18,193,829	1,916,587	1,891,880	12,385,263
Income tax, total *.....	16,925,144	***	***	8,048,863	13,129,865	5,281,019	639,613	577,511	4,063,895
Regular tax.....	15,873,706	***	***	7,475,537	12,757,402	5,135,700	627,982	562,184	3,945,534
Personal holding company tax.....	*27	***	***	-	*971	*764	*283	-	*481
Recapture of investment credit.....	44,057	***	***	30,553	897	859	*10	*23	827
Alternative minimum tax.....	949,536	***	***	526,945	332,599	128,764	9,398	14,256	105,110
Environmental tax.....	84,632	***	***	41,206	44,255	15,668	1,940	1,081	12,645
Foreign tax credit.....	390,601	***	***	54,013	876,410	610,971	*2,627	16,588	591,755
U.S. possessions tax credit.....	56,757	***	***	-	24,086	1,927	70	64	1,792
Orphan drug credit.....	-	***	***	-	-	-	-	-	-
Nonconventional source fuel credit.....	37,164	***	***	27,469	173	171	-	*57	*115
General business credit.....	628,897	***	***	377,968	230,907	45,937	7,323	5,433	33,181
Prior year minimum tax credit.....	236,287	***	***	128,548	79,145	31,056	3,776	2,068	25,215
Total income tax after credits.....	15,575,438	***	***	7,480,867	11,919,144	4,590,957	625,816	553,303	3,411,838

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

# Corporation Returns/1991

## 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 furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total	183,046	14,446	3,038	17,806	26,965	12,510	11,170	34,453	62,659	1,246
Total assets	503,418,159	21,147,880	239,064,030	70,664,397	32,760,606	33,114,805	10,664,875	37,888,737	58,111,028	1,913,541
Cash	22,063,292	1,623,749	5,307,900	4,183,372	2,503,779	1,141,071	933,608	2,097,540	4,272,273	164,053
Notes and accounts receivable	89,469,252	3,363,159	59,361,436	4,971,200	4,452,496	4,046,525	2,713,052	1,845,006	8,716,379	301,032
Less: Allowance for bad debts	1,891,380	54,437	1,105,031	59,674	69,680	140,357	54,589	85,669	321,943	9,453
Inventories	112,689,248	6,969,734	36,859,173	16,132,392	16,262,775	9,882,719	3,814,248	1,023,965	21,644,241	324,425
Investments in Government obligations	1,612,362	8,616	850,765	449,581	19,888	75,298	10,565	14,640	182,811	
Tax-exempt securities	16,998,446	1,268	16,444,381	392,216	27,737	483	48,253	10,904	73,204	
Other current assets	26,803,296	981,681	17,591,071	1,895,339	724,584	1,958,353	252,893	918,869	2,480,508	39,000
Loans to stockholders	3,284,911	157,513	234,511	189,920	386,209	440,245	130,407	556,927	1,189,180	39,916
Mortgage and real estate loans	10,168,794	177,905	9,600,694	135,394	59,142	14,038	17,757	106,612	57,253	
Other investments	71,530,187	1,108,581	47,452,457	6,829,278	1,010,017	5,082,152	476,843	6,391,387	3,179,513	54,120
Depreciable assets	181,406,671	8,797,943	53,581,409	43,318,741	11,136,058	13,857,257	3,362,377	26,886,955	20,665,930	754,761
Less: Accumulated depreciation	77,123,615	3,988,428	19,210,293	19,101,085	5,843,791	5,804,843	1,548,225	11,296,009	10,330,943	218,710
Depletable assets	205,113	45,640	51	95,772	4,720	276		57,434	1,218	
Less: Accumulated depletion	58,425	7,048		23,880	75	276		24,509	648	
Land	15,708,591	1,193,530	4,315,307	3,316,600	1,177,138	258,310	206,640	3,943,531	1,297,533	30,916
Intangible assets (amortizable)	11,325,795	285,333	1,816,535	1,513,131	312,139	1,051,038	65,354	2,667,130	3,615,135	304,217
Less: Accumulated amortization	2,304,219	72,778	195,603	311,851	184,884	281,005	25,171	558,213	674,714	13,811
Other assets	21,525,841	555,539	6,159,266	6,737,951	782,345	1,433,524	260,861	3,532,255	2,064,100	143,074
Total liabilities	503,418,159	21,147,880	239,064,030	70,664,397	32,760,606	33,114,805	10,664,875	37,888,737	58,111,028	1,913,541
Accounts payable	71,935,943	2,802,212	34,371,188	12,405,799	3,202,683	3,874,372	1,831,878	2,234,907	11,212,904	189,878
Mortgages, notes, and bonds payable in less than one year	47,053,530	1,672,160	21,557,981	2,817,123	12,218,820	1,852,730	769,914	1,850,444	4,314,360	172,782
Other current liabilities	71,377,002	1,637,744	46,593,225	8,561,108	3,896,367	8,262,620	982,459	2,769,247	5,050,232	171,502
Loans from stockholders	7,335,096	677,223	628,651	669,412	1,063,081	735,742	331,929	765,801	2,463,257	12,842
Mortgages, notes, and bonds payable in one year or more	101,515,718	4,241,469	40,727,844	24,514,040	4,457,366	4,505,314	1,982,247	11,197,789	9,889,648	1,069,345
Other liabilities	45,101,324	661,162	32,807,478	4,089,484	536,536	1,751,675	488,423	3,488,384	1,298,182	166,372
Capital stock	17,678,324	828,750	4,255,583	2,210,010	1,497,307	2,777,093	458,968	2,423,994	3,226,618	10,500
Paid-in or capital surplus	49,463,840	2,023,056	26,386,406	5,243,523	1,164,512	3,294,852	503,663	4,812,764	6,035,063	91,934
Retained earnings, appropriated	770,698	60,426	289,311	50,133	58,855	134,661	48,278	46,526	82,508	
Retained earnings, unappropriated	99,626,284	7,050,536	33,549,379	11,214,821	7,267,382	11,082,051	3,538,024	10,320,950	15,603,141	63,580
Less: Cost of treasury stock	8,381,600	507,058	2,103,016	1,111,055	532,555	790,050	270,911	2,002,069	1,064,885	35,195
Total receipts	930,733,437	46,017,249	241,854,353	239,990,201	119,099,931	63,081,889	24,277,707	55,978,311	140,435,796	2,775,908
Business receipts	899,606,828	44,791,436	227,553,602	235,294,651	116,756,963	60,804,232	23,457,064	53,436,990	137,511,889	2,519,392
Interest	10,662,452	470,227	7,123,368	702,527	494,931	714,778	173,850	366,425	815,977	63,728
Interest on Government obligations										
State and local	1,312,502	14,543	1,218,549	37,025	2,469	9,965	4,976	9,595	15,381	46
Rents	3,451,791	184,055	1,256,082	785,172	416,546	113,333	40,530	317,367	358,706	16,113
Royalties	1,212,796	151,923	36,087	30,395	2,608	409,098	1,785	391,503	189,428	5,728
Net short-term capital gain reduced by net long-term capital loss	45,510	4,764	17,570	2,215	328	1,129	1,068	14,578	3,859	69
Net long-term capital gain reduced by net short-term capital loss	1,199,137	38,330	523,182	240,809	81,073	22,580	26,453	182,754	103,977	103,332
Net gain, noncapital assets	679,679	23,948	101,502	82,129	153,628	7,474	24,661	202,356	83,982	46,955
Dividends received from domestic corporations	301,469	16,958	164,367	9,328	6,764	6,224	3,575	10,564	21,692	1,019
Dividends received from foreign corporations	247,336	451	42,794	6,925	1,632	100,008	7	45,574	49,945	
Other receipts	11,813,935	320,614	3,816,901	2,819,037	1,182,990	831,067	543,759	1,018,605	1,280,961	19,527
Total deductions	903,702,233	44,576,102	233,198,126	235,729,251	117,572,678	60,221,231	23,485,936	53,161,291	135,757,618	2,600,304
Cost of sales and operations	621,290,171	31,803,592	147,853,140	178,381,087	96,661,299	36,697,617	15,197,637	22,020,822	92,674,978	1,697,386
Compensation of officers	10,610,088	1,053,190	525,739	935,425	1,851,662	605,632	704,395	1,375,421	3,558,624	86,174
Repairs	4,713,435	259,191	1,129,445	1,377,235	352,238	255,210	104,699	710,199	525,218	8,380
Bad debts	3,514,348	122,993	2,030,712	197,396	174,114	230,658	119,346	61,871	57,258	6,784
Rent paid on business property	24,761,176	716,107	6,300,980	4,133,175	1,494,723	4,142,329	787,747	2,897,581	4,288,534	41,169
Taxes paid	17,175,202	893,879	4,652,410	3,425,047	1,474,502	1,452,241	505,694	2,237,259	2,534,169	46,770
Interest paid	17,992,057	864,854	8,346,919	2,926,724	1,271,210	876,977	306,558	1,647,837	1,750,978	172,631
Contributions or gifts	372,969	17,257	116,469	76,162	21,320	35,747	12,212	30,301	63,502	1,074
Amortization	845,183	22,073	150,043	141,562	55,899	91,541	14,780	162,542	206,742	2,810
Depreciation	14,855,804	620,648	4,044,484	3,345,696	1,135,579	1,235,506	275,222	2,067,315	1,931,354	49,073
Depletion	6,490	2,804	2	1	3,135	(1)		349	198	
Advertising	15,034,056	554,236	4,975,718	2,131,443	1,052,481	1,194,484	986,013	1,453,397	2,686,285	25,726
Pension, profit-sharing, stock bonus, and annuity plans	2,559,805	155,540	700,207	809,107	104,026	190,051	54,603	197,306	348,966	9,346
Employee benefit programs	8,248,273	313,466	2,324,180	3,078,434	560,725	423,571	115,020	580,364	852,514	30,546
Net loss, noncapital assets	364,518	10,771	50,012	85,158	11,104	64,911	6,070	43,648	92,848	329
Other deductions	161,558,601	7,165,501	49,997,666	34,685,601	11,348,662	12,724,756	4,295,939	17,875,080	23,665,453	422,104
Total receipts less total deductions	27,031,203	1,441,147	8,656,226	4,260,950	1,527,253	2,860,657	791,771	2,815,020	4,678,178	175,604
Constructive taxable income from related foreign corporations	308,024		71,484	1,452		61,836		154,844	18,407	
Net income	26,026,725	1,426,604	7,509,162	4,225,378	1,524,784	2,912,528	788,795	2,960,269	4,681,205	175,558
Income subject to tax	23,941,900	1,296,760	7,267,961	4,032,210	1,244,878	2,760,544	713,020	2,553,521	4,073,004	76,998
Income tax, total	7,824,804	395,618	2,591,842	1,365,866	337,321	899,387	207,411	807,103	1,220,254	24,042
Regular tax	7,599,485	391,652	2,463,427	1,328,272	327,989	891,701	205,413	793,054	1,197,978	22,217
Personal holding company tax	207			190	17					
Recapture of investment credit	138	3	30	30	(1)	(1)	(1)	30	45	
Alternative minimum tax	202,156	3,691	116,457	33,963	11,722	4,289	1,630	11,060	19,342	1,679
Environmental tax	28,443	985	11,927	5,369	331	3,397	368	2,739	3,328	148
Foreign tax credit	265,434	32	20,263	2,174	83	73,482	150	142,022	27,228	5
U.S. possessions tax credit	20,249		15,891	3,121	1,014			223		1,911
Orphan drug credit										
Nonconventional source fuel credit	2		(1)					1	1	
General business credit	184,733	6,536	60,399	33,458	7,404	11,824	1,009	43,652	20,452	237
Prior year minimum tax credit	48,088	493	24,070	9,033	3,070	4,970	35	2,265	4,152	
Total income tax after credits	7,306,298	388,557	2,471,219	1,318,083	325,751	809,111	206,217	618,940	1,166,421	21,888

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

# Corporation Returns/1991

## 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.....	162,088	8,344	***	***	894	19,587	103,677	16,222
<b>Total assets.....</b>	<b>5,619,984,428</b>	<b>2,854,394,685</b>	<b>***</b>	<b>***</b>	<b>779,720,964</b>	<b>28,542,296</b>	<b>87,651,856</b>	<b>148,083,946</b>
Cash.....	317,973,303	226,683,374	***	***	10,192,680	4,318,659	9,167,858	4,224,194
Notes and accounts receivable.....	1,881,598,960	1,398,150,454	***	***	66,011,179	8,178,947	7,525,963	33,418,634
Less: Allowance for bad debts.....	52,589,841	35,281,255	***	***	1,081,173	107,699	213,226	187,775
Inventories.....	11,758,992	656,643	***	***	2,328,904	766	3,556,708	976,980
Investments in Government obligations.....	541,866,091	399,863,674	***	***	62,229,001	409,593	737,285	2,976,299
Tax-exempt securities.....	141,119,242	58,011,589	***	***	70,586,846	390,748	566,536	1,184,027
Other current assets.....	394,337,923	83,061,947	***	***	103,748,579	1,356,298	4,817,654	11,748,332
Loans to stockholders.....	18,238,197	2,803,524	***	***	980,739	248,589	1,472,028	5,300,986
Mortgage and real estate loans.....	934,063,854	255,482,458	***	***	40,378,629	35,098	2,846,793	2,032,250
Other investments.....	1,038,515,758	299,081,139	***	***	370,190,678	8,969,095	13,627,192	49,037,049
Depreciable assets.....	179,558,987	67,574,384	***	***	20,749,867	4,387,231	47,529,029	9,114,730
Less: Accumulated depreciation.....	71,697,880	27,754,040	***	***	5,769,100	2,351,907	18,388,280	4,251,282
Depletable assets.....	678,469	10,566	***	***	177,619	60,216	184,025	238,309
Less: Accumulated depletion.....	196,980	3,375	***	***	17,500	33,332	61,958	79,789
Land.....	21,466,801	5,527,204	***	***	1,299,365	157,831	10,681,081	1,043,833
Intangible assets (amortizable).....	25,293,010	9,350,238	***	***	2,351,990	2,244,049	1,108,380	1,759,009
Less: Accumulated amortization.....	5,228,424	1,864,674	***	***	674,693	687,694	316,222	487,915
Other assets.....	243,227,966	113,040,836	***	***	36,037,558	965,807	2,811,011	30,016,074
<b>Total liabilities.....</b>	<b>5,619,984,428</b>	<b>2,854,394,685</b>	<b>***</b>	<b>***</b>	<b>779,720,964</b>	<b>28,542,296</b>	<b>87,651,856</b>	<b>148,083,946</b>
Accounts payable.....	579,995,955	391,352,288	***	***	15,507,358	9,490,747	3,041,258	4,796,788
Mortgages, notes, and bonds payable in less than one year.....	501,394,297	161,767,883	***	***	21,387,745	835,275	7,033,697	49,515,460
Other current liabilities.....	2,769,386,329	1,794,589,108	***	***	198,111,992	3,083,535	4,348,116	9,084,528
Loans from stockholders.....	44,915,818	5,188,853	***	***	5,914,831	157,421	4,215,340	3,028,569
Mortgages, notes, and bonds payable in one year or more.....	478,075,670	118,075,429	***	***	42,285,990	2,332,832	29,359,858	25,521,910
Other liabilities.....	570,043,082	133,310,671	***	***	282,292,218	7,173,489	8,924,759	8,924,759
Capital stock.....	82,712,512	40,401,654	***	***	10,608,548	1,244,789	6,994,966	8,665,728
Paid-in or capital surplus.....	275,012,980	88,157,272	***	***	92,469,061	3,189,577	14,318,477	24,032,020
Retained earnings, appropriated.....	13,977,688	1,901,944	***	***	6,625,453	40,458	1,279,785	1,092,311
Retained earnings, unappropriated.....	323,316,676	122,307,148	***	***	111,223,286	7,103,069	11,947,100	14,794,325
Less: Cost of treasury stock.....	18,826,579	2,657,566	***	***	6,705,518	970,280	2,060,231	1,372,451
<b>Total receipts.....</b>	<b>946,277,141</b>	<b>283,288,996</b>	<b>***</b>	<b>***</b>	<b>248,663,276</b>	<b>21,163,857</b>	<b>41,050,375</b>	<b>22,217,882</b>
Business receipts.....	435,563,761	37,495,856	***	***	191,726,610	19,449,977	29,522,025	8,467,229
Interest.....	397,788,512	222,610,780	***	***	36,336,992	633,890	2,019,701	7,050,229
Interest on Government obligations:								
State and local.....	11,531,034	6,280,041	***	***	4,390,210	52,287	79,897	131,474
Rents.....	15,968,542	7,483,305	***	***	1,325,270	75,688	3,684,402	1,350,058
Royalties.....	698,307	10,463	***	***	54,165	10,156	166,645	361,168
Net short-term capital gain reduced by net long-term capital loss.....	2,196,753	146,900	***	***	1,461,127	16,603	61,772	155,071
Net long-term capital gain reduced by net short-term capital loss.....	7,253,153	1,224,282	***	***	2,279,854	89,146	1,670,284	993,373
Net gain, noncapital assets.....	5,709,350	3,101,782	***	***	118,990	11,189	228,220	171,889
Dividends received from domestic corporations.....	3,767,963	422,592	***	***	1,631,013	45,742	196,681	649,806
Dividends received from foreign corporations.....	863,627	96,679	***	***	110,012	201,618	33,768	263,284
Other receipts.....	64,938,140	14,416,316	***	***	9,229,032	577,581	3,386,981	2,624,300
<b>Total deductions.....</b>	<b>859,726,849</b>	<b>264,124,962</b>	<b>***</b>	<b>***</b>	<b>231,908,127</b>	<b>19,329,407</b>	<b>36,470,429</b>	<b>18,071,874</b>
Cost of sales and operations.....	229,925,475	403,624	***	***	126,349,176	1,899,520	10,866,492	4,033,384
Compensation of officers.....	18,730,891	8,463,605	***	***	1,086,869	2,309,090	2,040,727	429,946
Repairs.....	3,867,074	1,951,234	***	***	185,122	108,568	691,879	55,125
Bad debts.....	28,649,461	17,789,127	***	***	1,181,670	86,366	173,058	552,273
Rent paid on business property.....	12,736,072	4,731,817	***	***	2,326,086	898,848	1,116,875	246,503
Taxes paid.....	17,382,518	5,534,987	***	***	5,110,616	770,141	2,312,514	440,767
Interest paid.....	259,520,321	140,505,384	***	***	9,757,441	390,401	3,323,587	4,998,652
Contributions or gifts.....	747,500	415,895	***	***	89,896	28,593	43,076	24,163
Amortization.....	2,653,218	1,140,131	***	***	328,210	144,052	105,979	120,269
Depreciation.....	18,607,005	9,888,648	***	***	2,235,449	410,069	1,835,903	1,175,866
Depletion.....	98,371	7,990	***	***	14,598	(1)	36,069	20,894
Advertising.....	5,655,635	1,860,822	***	***	743,880	175,290	401,248	126,774
Pension, profit-sharing, stock bonus, and annuity plans.....	3,695,954	1,376,250	***	***	911,530	333,774	174,895	79,399
Employee benefit programs.....	8,580,787	3,954,415	***	***	1,724,468	550,284	290,479	237,645
Net loss, noncapital assets.....	2,159,642	657,950	***	***	94,577	87,333	87,333	67,620
Other deductions.....	246,517,127	65,443,083	***	***	79,768,541	11,212,721	12,768,315	5,463,582
<b>Total receipts less total deductions.....</b>	<b>86,550,292</b>	<b>29,164,034</b>	<b>***</b>	<b>***</b>	<b>16,755,149</b>	<b>1,834,450</b>	<b>4,579,946</b>	<b>4,146,006</b>
Constructive taxable income from related foreign corporations.....	2,428,479	584,655	***	***	812,835	124,327	3,764	238,356
Net income.....	77,447,737	23,468,648	***	***	13,177,775	1,906,490	4,503,813	4,252,890
Income subject to tax.....	63,098,932	21,012,909	***	***	11,284,249	1,748,435	3,081,016	3,254,475
Income tax, total *.....	20,738,705	7,359,668	***	***	4,111,076	555,501	881,672	1,088,845
Regular tax.....	20,956,164	7,117,257	***	***	3,837,851	551,223	839,851	1,043,405
Personal holding company tax.....	9,884	121	***	***	11	-	4,580	5,172
Recapture of investment credit.....	5,250	4,198	***	***	533	-	293	(1)
Alternative minimum tax.....	771,986	233,641	***	***	250,974	2,700	34,041	36,801
Environmental tax.....	86,001	28,126	***	***	21,143	1,561	1,331	3,493
Foreign tax credit.....	1,472,614	430,728	***	***	494,791	108,080	11,217	131,105
U.S. possessions tax credit.....	21,501	-	***	***	-	-	486	227
Orphan drug credit.....	-	-	***	***	-	-	-	-
Nonconventional source fuel credit.....	3,124	840	***	***	801	193	500	115
General business credit.....	210,049	97,412	***	***	15,890	4,131	8,892	2,854
Prior year minimum tax credit.....	415,002	198,201	***	***	135,652	317	9,637	11,571
<b>Total income tax after credits.....</b>	<b>18,616,416</b>	<b>6,632,487</b>	<b>***</b>	<b>***</b>	<b>3,463,943</b>	<b>442,780</b>	<b>850,941</b>	<b>942,975</b>

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



# Corporation Returns/1991

## 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							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	210,599	4,694	18,505	70,765	30,536	18,029	70,071	2,357
<b>Total assets.....</b>	<b>299,209,353</b>	<b>17,020,582</b>	<b>12,725,440</b>	<b>108,466,709</b>	<b>21,750,472</b>	<b>56,977,084</b>	<b>82,269,084</b>	<b>422,526</b>
Cash.....	22,854,493	745,849	1,211,473	8,407,543	1,332,540	2,978,182	8,178,926	85,741
Notes and accounts receivable.....	51,315,271	1,120,066	1,632,208	24,328,706	3,003,373	3,755,049	17,475,869	58,343
Less: Allowance for bad debts.....	2,768,057	115,632	38,831	709,015	77,519	184,228	1,642,832	526
Inventories.....	9,408,033	174,507	759,918	2,849,696	2,036,938	1,721,662	1,865,313	72,790
Investments in Government obligations.....	1,887,408	18,886	10,151	773,800	39,950	111,523	933,999	265
Tax-exempt securities.....	1,245,488	15,520	137,842	552,798	14,785	29,158	495,406	
Other current assets.....	18,632,876	994,664	497,809	8,420,282	649,078	2,899,232	5,170,913	19,869
Loans to stockholders.....	3,662,463	1,077,975	183,930	1,089,410	263,644	242,418	805,085	35,494
Mortgage and real estate loans.....	4,532,027	127,931	68,298	4,059,011	62,036	85,243	129,510	10,333
Other investments.....	60,378,038	2,584,837	1,420,827	23,928,570	1,416,259	18,247,759	12,779,985	10,762
Depreciable assets.....	141,997,931	11,377,008	7,683,363	39,602,023	21,260,739	22,834,680	39,240,118	119,683
Less: Accumulated depreciation.....	65,391,593	4,514,612	4,377,700	21,643,405	9,889,741	9,848,055	15,118,079	62,726
Depletable assets.....	83,462	1,625	148	27,954	4,087	17,000	32,648	
Less: Accumulated depletion.....	44,688	384		10,903	984	12,351	20,066	
Land.....	7,253,550	1,358,716	578,294	1,009,688	523,141	1,369,064	2,414,648	14,780
Intangible assets (amortizable).....	22,179,214	275,959	1,188,825	9,163,165	838,418	5,692,654	5,020,194	38,009
Less: Accumulated amortization.....	5,535,303	111,815	213,031	2,416,212	137,077	1,277,582	1,277,587	1,741
Other assets.....	27,518,738	1,889,360	1,982,117	9,033,603	410,929	8,417,695	5,785,034	21,451
<b>Total liabilities.....</b>	<b>299,209,353</b>	<b>17,020,582</b>	<b>12,725,440</b>	<b>108,466,709</b>	<b>21,750,472</b>	<b>56,977,084</b>	<b>82,269,084</b>	<b>422,526</b>
Accounts payable.....	22,933,698	501,305	512,656	11,154,498	1,962,563	2,158,917	6,643,759	20,791
Mortgages, notes, and bonds payable in less than one year.....	19,028,871	494,470	336,782	8,543,772	3,304,835	1,600,164	4,748,849	16,202
Other current liabilities.....	38,595,996	1,039,524	1,339,463	19,587,403	1,169,729	5,200,846	10,259,031	73,176
Loans from stockholders.....	8,222,869	1,334,277	232,438	3,801,115	585,149	596,489	1,673,401	77,033
Mortgages, notes, and bonds payable in one year or more.....	64,248,818	6,162,607	2,630,930	17,302,981	6,506,080	11,227,937	20,418,283	72,152
Other liabilities.....	30,294,418	993,750	1,431,168	9,495,289	1,298,788	1,109,982	5,965,441	11,061
Capital stock.....	14,261,466	1,885,148	721,758	5,048,738	882,947	1,534,700	4,188,175	54,089
Paid-in or capital surplus.....	56,593,017	2,254,560	1,420,951	18,488,876	1,826,569	14,210,502	18,391,558	37,941
Retained earnings, appropriated.....	399,823	600	37,695	130,150	21,142	51,325	158,912	(1)
Retained earnings, unappropriated.....	51,397,699	2,886,134	4,499,843	17,463,178	4,637,837	10,785,284	11,125,423	60,338
Less: Cost of treasury stock.....	6,767,322	531,813	438,243	2,549,291	445,167	1,499,060	1,303,748	256
<b>Total receipts.....</b>	<b>369,477,832</b>	<b>16,680,270</b>	<b>17,118,579</b>	<b>141,175,526</b>	<b>33,527,100</b>	<b>32,735,824</b>	<b>128,240,533</b>	<b>884,006</b>
Business receipts.....	343,805,777	15,323,974	16,013,655	130,349,823	31,455,653	28,511,219	122,151,453	825,379
Interest.....	5,379,199	271,258	306,760	2,104,361	206,948	1,162,755	1,327,118	8,791
Interest on Government obligations:								
State and local.....	398,409	5,065	23,399	239,723	1,769	28,923	99,530	544
Rents.....	3,852,741	324,425	43,389	1,513,254	1,081,299	288,071	602,303	4,472
Royalties.....	2,588,880	34,911	136,775	1,227,338	1,860	1,022,135	165,859	666
Net short-term capital gain reduced by net long-term capital loss.....	86,885	2,422	9,842	17,164	2,527	8,165	46,765	
Net long-term capital gain reduced by net short-term capital loss.....	1,190,021	194,816	74,121	318,176	35,077	146,331	421,500	701
Net gain, noncapital assets.....	1,260,059	49,334	36,591	437,203	368,409	60,547	307,976	
Dividends received from domestic corporations.....	419,279	21,832	28,381	74,767	4,140	71,050	219,110	296
Dividends received from foreign corporations.....	445,556	38,885	31,189	252,020	3,940	104,518	15,004	
Other receipts.....	10,051,026	413,347	414,479	4,641,698	365,478	1,332,111	2,883,914	43,157
<b>Total deductions.....</b>	<b>349,745,769</b>	<b>15,710,309</b>	<b>15,953,409</b>	<b>134,086,142</b>	<b>32,373,441</b>	<b>30,637,295</b>	<b>120,985,172</b>	<b>819,613</b>
Cost of sales and operations.....	141,099,627	7,918,733	5,791,820	57,698,067	15,632,409	9,480,926	44,577,672	627,656
Compensation of officers.....	16,283,074	183,307	854,585	6,407,229	1,285,409	1,193,920	6,358,624	11,448
Repairs.....	2,997,710	200,311	210,091	806,665	547,367	329,559	903,717	5,994
Bad debts.....	2,385,693	86,447	74,701	634,347	114,541	87,578	1,388,079	820
Rent paid on business property.....	11,983,753	516,749	714,939	4,451,548	1,189,440	1,103,897	4,007,179	10,391
Taxes paid.....	12,113,230	732,288	750,248	4,403,842	1,149,978	885,493	4,191,380	12,440
Interest paid.....	9,932,655	744,049	463,646	3,082,056	1,028,370	1,853,899	2,760,635	13,665
Contributions or gifts.....	209,036	8,840	21,064	71,194	14,879	30,387	62,672	20
Amortization.....	1,648,044	44,207	152,426	513,306	51,733	514,899	371,472	40
Depreciation.....	14,837,015	652,658	580,024	5,175,252	3,152,800	2,162,825	3,113,455	10,383
Depletion.....	7,438	145	8	2,382	2	1,254	3,647	
Advertising.....	4,153,812	270,778	368,417	1,659,163	291,714	671,916	891,823	3,547
Pension, profit-sharing, stock bonus, and annuity plans.....	2,168,641	30,329	110,220	902,473	102,847	124,982	897,790	866
Employee benefit programs.....	6,300,041	272,565	198,364	2,249,104	399,116	244,499	2,938,394	3,367
Net loss, noncapital assets.....	270,521	660	6,647	154,403	13,774	29,326	65,711	
Other deductions.....	123,355,476	4,048,243	5,658,208	45,875,110	7,399,061	11,921,935	48,452,921	118,975
<b>Total receipts less total deductions.....</b>	<b>19,732,063</b>	<b>969,961</b>	<b>1,165,171</b>	<b>7,089,384</b>	<b>1,153,658</b>	<b>2,098,529</b>	<b>7,255,361</b>	<b>64,393</b>
Constructive taxable income from related foreign corporations.....	462,573	27,015	26,046	228,027	1,211	84,765	95,510	
Net income.....	19,796,227	991,910	1,167,818	7,077,689	1,153,100	2,154,371	7,251,340	63,849
Income subject to tax.....	15,855,155	785,130	993,501	5,492,263	951,557	1,771,309	5,861,395	31,297
Income tax, total <sup>1</sup> .....	5,140,266	271,141	301,209	1,786,275	271,687	596,408	1,913,546	4,743
Regular tax.....	4,967,348	255,723	297,232	1,715,648	249,432	573,361	1,875,952	8,096
Personal holding company tax.....	154			89		45	19	19
Recapture of investment credit.....	249		16	64	23	(1)	145	
Alternative minimum tax.....	157,806	14,401	3,138	65,824	21,812	20,803	31,827	
Environmental tax.....	15,622	1,071	842	4,952	710	2,218	5,830	2
Foreign tax credit.....	474,714	40,687	23,399	265,863	591	96,159	48,015	1
U.S. possessions tax credit.....	13,518	5,510		3,798		199	4,011	
Orphan drug credit.....	484						484	
Nonconventional source fuel credit.....	919						919	
General business credit.....	125,691	7,350	5,373	56,827	18,006	6,370	31,767	
Prior year minimum tax credit.....	50,576	323	3,123	15,046	7,764	1,296	23,023	
<b>Total income tax after credits.....</b>	<b>4,474,363</b>	<b>217,271</b>	<b>269,314</b>	<b>1,444,742</b>	<b>245,326</b>	<b>492,384</b>	<b>1,805,326</b>	<b>4,742</b>

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

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

<sup>3</sup> Less than \$500 per return.

<sup>4</sup> 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 samples--money amounts are in thousands of dollars)

Item	Total returns of active corporations		Accounting period ended <sup>1</sup>											
	Number of returns	Amount	1991						1992					
			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)
<b>Returns With and Without Net Income</b>														
Number of returns.....	3,802,788	-	76,743	75,764	206,117	103,602	54,203	2,628,271	61,889	60,440	152,684	73,788	74,134	235,151
Total receipts.....	3,504,093	11,436,474,767	191,869,730	190,729,468	664,615,014	286,184,293	140,845,666	7,665,957,631	448,571,466	177,639,465	583,752,009	180,299,118	245,134,289	660,876,617
Net income (less deficit).....	3,665,800	344,859,794	7,483,713	8,649,470	18,789,825	12,124,464	10,969,335	232,929,701	12,293,793	4,715,602	12,138,078	4,260,298	5,843,587	14,661,929
Total income tax.....	818,685	121,121,231	1,248,914	1,765,837	5,124,885	1,994,589	2,143,249	90,071,418	4,321,867	1,299,255	3,501,944	1,440,414	1,998,542	6,210,316
Alternative minimum tax.....	30,613	5,320,587	37,790	57,467	145,913	79,087	23,029	4,411,720	45,283	32,039	188,441	75,424	75,233	149,160
<b>Returns With and Without Net Income, Other Than Forms 1120S, 1120-REIT, and 1120-RIC</b>														
Number of returns.....	2,098,641	-	70,992	70,150	172,577	85,837	45,748	1,035,358	58,626	58,047	143,873	69,082	68,249	220,103
Total receipts.....	2,017,949	9,656,969,832	165,130,411	171,410,869	570,142,931	236,656,215	110,808,132	6,250,827,573	432,268,804	163,716,427	546,432,239	159,563,871	231,149,393	618,862,969
Net income (less deficit).....	2,056,157	248,113,318	2,286,897	3,853,762	9,329,994	3,083,194	4,705,424	194,113,294	8,942,006	1,758,070	3,867,697	1,419,684	4,509,079	10,244,219
Statutory special deductions, total.....	465,635	54,182,090	1,036,480	969,977	4,371,857	1,117,696	651,438	36,499,741	881,138	709,610	2,630,326	970,075	1,083,213	3,260,539
Net operating loss deduction.....	398,830	41,152,127	739,315	867,090	3,923,928	773,139	502,397	26,225,273	707,409	644,415	2,376,717	720,890	914,932	2,736,628
Total special deductions.....	76,101	13,029,962	297,165	102,887	447,929	344,557	149,041	10,274,468	173,729	65,195	253,609	229,181	168,281	523,911
Income subject to tax.....	801,356	349,793,727	4,039,376	5,314,675	15,613,942	5,937,473	6,407,551	256,416,240	12,776,240	3,949,541	10,339,361	4,261,447	5,930,492	18,807,387
Income tax, total.....	812,532	120,989,114	1,247,595	1,765,837	5,112,781	1,991,359	2,137,297	99,965,093	4,321,796	1,299,114	3,501,506	1,439,822	1,998,465	6,208,449
Regular tax.....	797,754	116,202,510	1,205,844	1,702,438	5,052,545	1,895,128	2,111,749	86,088,460	4,259,692	1,261,651	3,297,952	1,359,131	1,917,213	6,050,707
Personal holding company tax.....	3,111	14,764	*141	*22	*1,383	*186	*381	8,478	109	*631	*511	*698	*227	1,998
Recapture of investment credit.....	766	72,081	175	536	484	15	69,733	68	*8	*214	*214	97	66	136
Environmental tax.....	12,258	479,288	3,788	5,402	17,860	5,467	4,147	308,098	16,860	3,859	10,995	4,420	7,087	19,305
Foreign tax credit.....	4,597	21,096,940	111,805	137,468	441,161	251,419	270,906	18,307,123	151,495	61,952	111,387	191,681	231,011	829,531
U.S. possessions tax credit.....	400	3,472,330	12,549	31,479	76,500	133,495	774,648	2,213,487	10,722	12,373	39,761	46,501	19,853	100,963
Orphan drug credit.....	13	18,475	-	3,848	-	-	-	12,659	-	-	216	280	-	*1,471
Nonconventional source fuel credit.....	415	244,732	*152	-	4,841	17	*116	228,740	1,665	*1,002	*348	*281	*5,749	*1,821
General business credit.....	39,186	2,205,458	22,062	24,946	130,415	59,401	20,091	1,519,021	103,790	22,354	111,272	21,498	40,358	130,249
Prior year minimum tax credit.....	9,727	1,516,063	6,049	8,172	41,001	28,046	6,822	1,214,940	25,046	19,700	41,042	12,234	32,372	80,639
Total income tax after credits.....	796,467	92,435,116	1,094,977	1,559,924	4,418,863	1,518,981	1,064,713	66,469,124	4,029,079	1,181,732	3,197,479	1,167,346	1,669,123	5,063,774
<b>Returns With Net Income Other Than Forms 1120S, 1120-REIT, and 1120-RIC</b>														
Number of returns.....	1,088,017	-	34,793	38,156	97,209	49,369	23,378	514,030	30,613	27,962	78,330	36,636	39,410	118,132
Total receipts.....	1,088,016	7,093,179,164	112,707,426	128,621,109	385,433,161	168,317,416	82,048,709	4,629,686,358	348,960,104	115,832,370	380,800,377	109,546,952	179,911,683	451,313,500
Net income.....	1,088,017	401,582,120	5,000,422	6,283,446	19,914,275	7,001,292	7,030,621	291,008,056	13,637,067	4,633,094	12,906,481	5,208,805	6,990,474	21,968,088
Statutory special deductions, total.....	447,965	52,379,745	1,029,933	957,154	4,300,904	1,088,321	646,012	35,007,117	869,840	692,696	2,582,193	955,225	1,069,423	3,180,927
Net operating loss deduction.....	398,795	41,030,323	739,315	867,090	3,923,928	773,139	502,397	26,104,591	707,409	644,415	2,375,594	740,884	914,932	2,736,628
Total special deductions.....	58,446	11,349,422	90,063	376,976	1,182,976	315,182	143,615	8,902,527	162,430	48,281	206,599	214,341	154,490	444,299
Income subject to tax.....	800,983	349,551,532	4,039,376	5,314,657	15,613,942	5,935,625	6,384,442	256,225,278	12,776,240	3,949,541	10,329,712	4,255,767	5,922,087	18,804,865
Income tax, total.....	806,113	120,097,011	1,242,723	1,754,386	5,079,492	1,974,961	2,127,533	89,305,978	4,313,936	1,292,555	3,466,572	1,398,435	1,950,614	6,189,825
Regular tax.....	796,316	116,105,359	1,205,838	1,701,782	5,052,534	1,894,438	2,103,887	86,010,293	4,259,692	1,261,502	3,294,434	1,356,838	1,914,353	6,049,769
Personal holding company tax.....	3,068	14,501	-	*22	*1,324	*186	*381	8,419	109	*631	*511	*694	*227	1,998
Recapture of investment credit.....	638	69,250	343	164	485	399	9	67,343	*37	*6	214	97	126	126
Environmental tax.....	11,968	473,610	3,727	5,367	17,729	5,413	4,115	375,497	16,807	3,849	10,885	4,134	6,829	19,257
Foreign tax credit.....	4,591	21,082,049	111,805	137,468	441,161	251,419	270,906	18,292,469	151,495	61,952	111,150	191,681	231,011	829,531
U.S. possessions tax credit.....	400	3,472,330	12,549	31,479	76,500	133,495	774,648	2,213,487	10,722	12,373	39,761	46,501	19,853	100,963
Orphan drug credit.....	13	18,475	-	3,848	-	-	-	12,659	-	-	216	280	-	*1,471
Nonconventional source fuel credit.....	415	244,732	*152	-	4,841	17	*116	228,740	1,665	*1,002	*348	*281	*5,749	*1,821
General business credit.....	39,159	2,195,050	22,062	24,928	130,404	58,980	20,008	1,512,373	103,790	22,352	108,999	20,610	40,358	130,188
Prior year minimum tax credit.....	9,710	1,497,750	6,049	8,172	41,001	28,046	3,772	1,201,021	25,046	19,700	40,452	12,190	31,938	80,363
Total income tax after credits.....	790,059	91,586,624	1,090,105	1,548,492	4,385,586	1,503,004	1,058,083	65,845,231	4,021,220	1,175,175	3,165,646	1,126,890	1,621,705	5,045,487
Overpayments less refund <sup>2</sup> .....	476,853	83,749,077	972,219	1,355,733	3,596,898	1,369,213	924,241	61,481,748	3,100,997	1,011,523	3,037,756	1,032,266	1,458,766	4,407,718
Payments with applications for extension of filing time (Form 7004).....	111,722	12,825,029	128,439	172,669	817,395	296,130	185,567	8,314,760	1,060,108	227,672	510,679	158,081	208,888	744,641
Credit from regulated investment companies.....	2,200	30,191	*20	*95	906	1,915	*162	23,773	*182	*254	377	*111	*64	2,333
Credit for federal tax on fuels.....	19,158	102,797	1,740	1,874	13,025	2,607	1,751	58,823	1,839	2,356	5,486	2,370	4,243	6,684
Penalty for underpayment of estimated tax.....	140,863	62,486	1,567	1,841	5,803	1,546	1,231	24,865	1,407	1,563	4,556	1,644	2,068	14,396
Tax due at time of filing <sup>3</sup> .....	469,583	3,782,289	96,982	87,993	282,175	110,533	68,203	2,253,494	97,962	68,578	186,517	80,218	97,525	352,110
Tax overpayment <sup>3</sup> .....	329,006	9,815,731	107,693	154,553	581,386	278,641	137,804	6,680,284	238,311	138,102	578,406	144,301	147,448	628,803
Credit to estimated 1992 tax.....	278,601	7,452,656	80,192	103,819	418,714	115,473	108,019	5,182,950	182,832	102,975	454,034	113,078	109,718	480,853
Tax refunded.....	117,722	2,293,825	27,501	50,734	162,671	163,168	29,785	1,428,088	55,479	35,127	124,372	31,223	37,730	147,947

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

<sup>1</sup> Includes full and part-year returns.

<sup>2</sup> Includes 1990 overpayments claimed as a credit, 1991 estimated tax payments, less any refund of estimated tax payments.

<sup>3</sup> 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 Divisions

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

Item	All industrial divisions <sup>1</sup>	Selected industrial division									Finance, insurance, and real estate	Services
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade					
							Total <sup>2</sup>	Wholesale trade	Retail trade			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Number of returns, total.....	69,287	875	1,404	3,875	11,633	4,120	16,465	8,114	8,275	19,896	10,995	
Total assets.....	14,537,877,995	14,001,794	184,753,201	86,113,292	3,582,909,553	1,469,178,148	929,336,516	415,885,871	511,610,913	7,864,476,063	407,056,770	
Cash.....	536,278,703	695,300	4,238,574	5,546,465	70,472,055	19,586,356	30,746,946	13,370,353	17,174,412	385,186,425	19,806,366	
Notes and accounts receivable.....	3,499,479,843	1,469,407	16,058,503	20,949,245	693,626,647	146,158,224	204,222,089	116,269,235	87,743,324	2,352,047,509	64,943,327	
Less: Allowance for bad debts.....	102,420,885	27,496	192,417	279,023	17,360,672	4,594,224	4,833,612	2,541,786	2,283,099	70,774,514	4,358,819	
Inventories.....	545,947,930	2,222,154	5,299,877	6,555,008	291,283,154	27,491,848	184,644,322	88,329,891	96,085,105	17,197,551	11,247,754	
Investments in Government obligations.....	773,815,227	*57,090	877,340	1,771,664	24,658,395	7,611,591	18,026,904	16,527,787	1,499,118	718,903,852	1,908,390	
Tax-exempt securities.....	248,275,568	*3,655	70,302	700,025	19,128,690	1,666,014	17,649,672	655,926	16,993,746	207,784,970	1,272,239	
Other current assets.....	886,169,791	762,974	5,754,999	7,172,317	196,102,512	48,028,165	64,800,891	37,303,756	27,460,524	538,849,482	24,698,452	
Loans to stockholders.....	35,898,010	116,595	588,360	865,424	15,168,939	1,894,180	5,826,629	1,765,912	4,021,742	9,447,894	1,989,990	
Mortgage and real estate loans.....	1,212,917,696	33,855	107,352	6,297,946	30,532,414	2,787,206	11,635,583	1,765,185	9,870,334	1,156,578,863	4,944,478	
Other investments.....	3,397,262,172	1,952,766	78,098,855	17,120,822	952,214,922	226,875,608	129,595,099	54,297,030	75,214,223	1,887,847,810	103,556,289	
Depreciable assets.....	3,508,093,895	7,784,350	79,460,606	25,229,173	1,487,442,337	1,249,793,285	272,840,012	91,534,028	180,608,436	220,854,454	164,677,699	
Less: Accumulated depreciation.....	1,474,234,601	3,822,278	37,349,872	13,277,481	734,647,777	437,156,701	108,897,634	38,690,815	68,053,731	76,886,573	64,194,728	
Depletable assets.....	129,467,998	475,678	34,107,908	311,582	81,329,507	9,906,108	1,800,802	1,479,516	308,338	1,450,081	86,332	
Less: Accumulated depletion.....	55,709,350	*58,118	15,328,641	109,896	34,513,874	4,625,225	695,609	587,772	103,857	349,782	28,206	
Land.....	116,704,085	1,362,927	2,504,889	2,319,535	40,650,953	11,537,825	23,610,305	5,917,952	17,642,260	24,662,811	10,052,917	
Intangible assets (amortizable).....	434,232,106	170,260	4,770,709	1,036,728	257,848,314	56,885,798	38,990,544	19,289,345	19,392,785	38,178,928	36,321,510	
Less: Accumulated amortization.....	90,874,967	40,819	1,724,613	199,413	56,720,705	8,922,626	6,565,979	2,945,882	3,597,210	7,855,323	8,844,572	
Other assets.....	936,574,773	843,494	7,410,490	4,103,171	265,893,743	114,254,716	43,939,551	12,146,211	31,634,563	461,351,623	38,977,352	
Total liabilities.....	14,537,877,995	14,001,794	184,753,201	86,113,292	3,582,909,553	1,469,178,148	929,336,516	415,885,871	511,610,913	7,864,476,063	407,056,770	
Accounts payable.....	1,298,394,553	941,216	10,077,072	15,133,907	351,550,189	77,486,131	137,432,593	67,145,966	70,092,815	673,335,944	32,431,412	
Mortgages, notes, and bonds, payable in less than one year.....	1,063,813,994	1,638,970	8,467,252	7,572,238	315,090,491	72,788,658	142,465,076	96,141,915	46,150,849	487,680,937	28,008,507	
Other current liabilities.....	4,380,397,625	1,218,330	7,667,260	10,388,536	355,320,917	125,151,672	132,886,356	55,030,354	77,695,691	3,695,590,539	52,164,437	
Loans from stockholders.....	148,314,462	307,926	3,885,188	1,112,313	60,786,000	5,063,917	15,957,556	9,271,199	6,678,090	52,564,241	8,607,143	
Mortgages, notes, and bonds, payable in one year or more.....	2,080,195,817	3,365,643	44,813,125	22,080,353	752,201,682	461,137,277	195,560,709	72,027,227	122,368,891	488,562,492	112,468,843	
Other liabilities.....	2,422,852,728	1,082,977	13,483,582	7,051,246	447,095,081	214,250,548	85,708,580	19,655,114	65,869,421	1,610,018,399	44,160,269	
Capital stock.....	498,413,063	851,086	6,795,428	3,632,315	148,419,193	168,797,067	45,929,376	29,056,871	16,860,811	102,732,267	21,247,115	
Paid-in or capital surplus.....	1,635,241,507	2,069,408	93,828,722	10,605,566	687,102,140	221,067,290	103,900,507	39,532,723	64,234,945	413,179,430	103,478,385	
Retained earnings, appropriated.....	54,400,798	1,026	180,625	137,869	8,237,317	4,923,004	675,663	130,306	545,358	39,883,419	261,875	
Retained earnings, unappropriated.....	1,120,334,162	2,887,151	408,618	9,441,092	559,738,965	137,252,911	79,738,892	32,334,090	47,565,381	320,579,486	11,136,376	
Less: Cost of treasury stock.....	164,480,715	361,838	4,036,432	1,042,142	102,632,401	18,830,326	10,918,792	4,439,894	6,451,139	19,751,092	6,907,592	
Total receipts.....	7,124,702,003	17,557,952	77,161,497	114,384,800	2,900,707,290	785,933,612	1,508,019,089	720,967,527	783,796,336	1,401,632,150	319,266,983	
Business receipts.....	5,992,155,428	16,475,295	66,613,759	107,434,529	2,671,321,189	732,824,947	1,443,834,930	691,410,601	749,398,634	664,964,218	288,648,544	
Interest.....	684,246,670	183,866	3,043,342	2,373,437	75,459,504	16,750,908	26,607,784	14,395,599	12,151,850	552,084,743	7,742,583	
Interest on Government obligations:												
State and local.....	18,298,424	4,888	15,308	36,137	1,506,699	288,747	1,424,109	122,896	1,301,213	14,637,749	384,787	
Rents.....	86,392,368	92,466	288,060	712,263	34,158,829	9,871,204	7,645,465	3,780,951	3,859,722	28,917,293	4,706,787	
Royalties.....	32,678,534	44,064	239,658	61,560	26,087,315	425,709	2,152,140	432,664	1,713,748	418,356	3,249,731	
Net short-term capital gain reduced by net long-term capital loss.....	6,133,444	14,293	70,858	21,673	873,342	351,323	206,985	162,873	44,043	4,453,132	141,838	
Net long-term capital gain reduced by net short-term capital loss.....	34,997,505	113,992	1,929,011	866,768	10,821,613	5,460,697	2,218,880	877,349	1,238,223	12,378,583	1,207,961	
Net gain, noncapital assets.....	24,289,930	69,193	1,248,229	327,777	8,005,554	2,889,310	2,128,887	1,452,204	629,973	7,945,370	1,675,611	
Dividends received from domestic corporations.....	10,916,623	11,288	243,338	66,166	3,512,935	814,757	483,894	216,396	266,913	5,386,430	397,814	
Dividends received from foreign corporations.....	27,975,813	83,863	272,238	180,697	23,937,299	552,770	1,325,400	1,060,655	264,745	905,120	718,425	
Other receipts.....	206,617,264	464,743	3,197,696	2,303,792	45,023,012	15,703,239	19,990,615	7,055,340	12,927,273	109,541,155	10,392,901	

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 Divisions--Continued

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

Item	All industrial divisions <sup>1</sup>	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 <sup>2</sup>	Wholesale trade	Retail trade		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total deductions.....	6,914,523,802	17,203,919	74,193,745	112,919,177	2,812,347,734	746,853,638	1,489,674,159	715,334,154	771,174,170	1,343,609,879	315,654,901
Cost of sales and operations.....	3,925,686,044	12,814,629	43,821,109	87,509,232	1,838,784,851	325,321,585	1,097,385,593	589,266,380	505,700,323	398,994,704	121,027,965
Compensation of officers.....	49,242,484	212,013	610,194	1,397,090	13,159,281	2,871,479	6,304,242	3,378,307	2,897,254	19,599,481	5,088,040
Repairs.....	70,419,205	115,104	487,237	409,134	28,438,030	28,416,637	6,007,628	1,817,655	4,183,911	3,889,752	2,655,651
Bad debts.....	83,029,784	39,248	210,703	305,503	11,775,373	6,183,703	5,620,886	1,787,053	3,828,359	54,867,327	4,027,041
Rent paid on business property.....	111,603,991	106,177	909,318	1,143,208	29,403,264	23,270,683	27,386,580	4,829,509	22,528,832	18,596,876	10,787,834
Taxes paid.....	168,277,854	295,638	2,101,746	1,663,485	70,657,721	37,820,150	21,312,653	6,558,594	14,716,463	24,478,186	9,947,003
Interest paid.....	582,384,147	495,500	5,614,391	3,182,735	131,576,788	54,661,130	42,477,709	18,893,831	23,403,809	327,146,793	17,226,028
Contributions or gifts.....	3,953,534	12,818	22,359	43,266	2,049,564	528,443	433,945	166,808	266,237	727,192	135,846
Amortization.....	29,322,720	28,906	477,285	117,915	12,016,914	5,263,652	3,717,840	2,294,702	1,417,944	4,507,623	3,192,584
Depreciation.....	254,645,959	522,534	4,324,405	1,688,749	101,171,247	73,881,720	25,808,539	11,252,233	14,499,253	27,859,803	19,388,020
Depletion.....	7,638,858	34,533	2,290,604	30,577	4,193,269	845,788	136,250	133,463	2,787	98,768	9,070
Advertising.....	90,715,669	104,250	82,696	299,692	53,123,991	4,176,220	21,390,488	6,792,640	14,579,204	6,895,009	4,643,322
Pension, profit-sharing, stock bonus, and annuity plans.....	33,290,496	47,298	366,204	452,299	16,061,988	5,881,244	3,212,298	1,121,220	2,082,068	5,434,771	1,834,118
Employee benefit programs.....	100,850,143	147,410	1,067,163	1,040,880	48,945,467	18,460,329	11,498,084	3,529,075	7,934,504	13,649,613	6,041,072
Net loss, noncapital assets.....	13,511,531	18,612	242,046	88,329	2,303,082	1,637,905	1,441,209	331,302	1,109,565	7,063,383	700,761
Other deductions.....	1,389,951,383	2,209,249	11,566,287	13,547,084	448,686,904	159,632,969	215,540,216	63,181,383	152,023,659	429,800,598	108,950,445
Total receipts less total deductions.....	210,178,201	354,033	2,967,752	1,465,623	88,359,557	37,079,974	18,344,930	5,633,372	12,622,166	58,022,272	3,612,082
Constructive taxable income from related foreign corporations.....	31,291,845	*34,614	282,153	327,812	23,903,912	955,370	1,776,610	1,459,735	316,875	3,343,494	667,880
Net income (less deficit), total.....	223,171,623	383,759	3,234,596	1,757,297	110,756,770	37,746,597	18,697,432	6,970,212	11,637,827	46,728,017	3,895,176
Income subject to tax.....	285,390,588	569,952	3,489,494	2,791,090	132,193,502	44,684,016	27,881,054	10,105,427	17,730,274	62,709,940	11,070,704
Income tax, total <sup>2</sup> .....	101,214,488	200,362	1,474,895	977,735	47,095,822	16,397,283	9,808,970	3,561,802	6,230,286	21,348,578	3,910,556
Regular tax.....	96,981,676	191,869	1,185,333	942,276	45,116,544	15,185,562	9,445,944	3,421,295	6,009,536	21,169,223	3,744,641
Personal holding company tax.....	2,341	*2	-	-	488	*167	*114	*97	*17	1,474	*95
Recapture of investment credit.....	71,433	*4	*3,342	269	15,691	44,772	1,189	861	329	5,848	317
Alternative minimum tax.....	4,804,211	8,026	280,331	26,184	1,769,965	1,111,599	322,930	125,899	195,408	1,133,655	151,520
Environmental tax.....	448,543	638	7,669	3,218	196,975	85,122	41,212	14,539	26,527	98,922	14,785
Foreign tax credit.....	20,696,464	*30,918	523,528	177,668	16,739,779	382,620	868,339	607,031	261,304	1,517,108	456,504
U.S. possessions tax credit.....	244,115	-	-	-	243,994	-	-	-	-	121	-
Orphan drug credit.....	18,475	-	-	-	17,991	-	-	-	-	-	*484
Nonconventional source fuel credit.....	241,061	-	47,959	*454	151,364	37,164	*144	*143	*1	3,056	919
General business credit.....	1,935,960	2,212	33,712	29,371	762,814	614,825	198,527	35,144	163,146	199,177	95,322
Prior year minimum tax credit.....	1,331,726	*1,433	25,054	15,910	421,616	230,034	69,073	25,640	43,433	525,131	43,475
Total income tax after credits.....	76,746,687	165,799	844,643	754,331	28,758,264	15,132,641	8,672,887	2,893,844	5,762,401	19,103,984	3,313,852

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

<sup>1</sup> Includes "Nature of business not allocable" which is not shown separately.

<sup>2</sup> 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

**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 <sup>1</sup>	Selected industrial division									Services
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade			Finance, insurance, and real estate	
							Total <sup>2</sup>	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.....	818,685	33,222	8,044	95,532	81,201	35,203	237,040	89,820	145,862	144,906	181,518
Regular tax.....	801,350	32,574	7,369	93,380	77,987	34,262	233,869	88,329	143,997	140,723	179,163
Recapture of investment credit.....	794	11	11	43	293	122	152	59	93	99	63
Alternative minimum tax.....	30,813	999	1,014	3,882	6,906	2,819	4,904	2,199	2,682	6,007	4,081
Environmental tax.....	12,258	106	279	302	3,717	1,138	1,683	1,038	641	4,023	1,010
Total income tax after--											
Foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, and prior year minimum tax credits.....	802,667	31,903	8,022	93,675	78,080	33,976	232,960	89,145	142,256	143,314	178,718
Returns with and without net income											
Number of returns.....	3,802,788	129,886	39,199	416,987	300,122	184,980	1,043,534	329,294	709,289	617,557	1,061,657
Dividends received from domestic corporations, total.....	13,114,605	73,865	271,147	96,675	3,867,717	853,567	650,262	329,790	319,442	6,816,808	484,230
Less-than-20%-owned subject to 70% deduction.....	8,449,392	60,701	70,933	82,096	1,377,685	479,816	365,994	188,811	178,558	5,635,835	376,112
20%-or-more-owned subject to 80% deduction.....	3,655,433	7,394	181,533	12,891	1,853,388	357,707	196,042	67,686	127,952	948,712	98,071
Debt-financed stock of domestic corporations.....	94,363	1,625	-	144	21,310	8,875	9,021	8,930	91	52,924	464
Certain preferred stock of less-than-20%-owned public utilities subject to 41.176% deduction.....	17,324	-	578	844	150	599	812	119	693	14,102	240
Certain preferred stock of 20%-or-more-owned public utilities subject to 47.059% deduction.....	367	-	17	38	-	-	-	-	-	314	-
Intragroup dividends qualifying for 100% deduction.....	435,907	3,639	11,033	-	220,261	1,969	52,100	39,002	13,097	142,705	4,000
Amount received from IC-DISC or former DISC.....	439,879	307	380	664	394,250	4,602	25,915	25,243	672	8,400	5,343
Amount received by a small business investment company qualifying for 100% deduction.....	21,940	-	6,674	-	673	-	379	-	379	14,214	-
Dividends received from foreign corporations, total.....	28,760,176	84,390	272,814	189,495	24,526,343	553,989	1,354,762	1,089,625	265,137	1,055,281	723,102
Less-than-20%-owned subject to 70% deduction.....	12,625	4	-	243	1,902	1,682	1,321	1,320	(1)	7,303	170
20%-or-more-owned subject to 80% deduction.....	12,741	13	1,363	15	8,902	-	892	46	846	1,314	244
Intragroup dividends qualifying for 100% deduction.....	250,773	55	-	12,825	160,573	23,947	36,655	28,862	7,793	16,586	32
Other foreign dividends.....	24,518,471	47,212	247,896	167,391	20,780,786	449,354	1,222,621	967,344	255,277	998,971	604,239
Certain FSC dividends qualifying for 100% deduction.....	3,965,565	37,105	23,555	8,620	3,574,180	79,006	93,273	92,052	1,221	31,107	118,418
Constructive taxable income from related foreign corporations, total.....	31,844,399	34,614	282,156	332,094	24,269,883	956,105	1,794,813	1,477,933	316,880	3,502,774	671,960
Includable income of controlled foreign corporations.....	16,802,024	9,072	170,942	188,446	11,459,332	677,228	1,089,000	934,788	154,233	2,793,646	414,356
Foreign dividend income resulting from foreign taxes deemed paid.....	15,042,375	25,541	111,214	143,648	12,810,551	278,876	705,813	543,165	162,647	709,128	257,603
Net income (less deficit).....	344,859,794	625,656	4,001,356	8,103,605	132,269,225	37,742,965	29,951,221	14,603,736	15,278,408	124,545,504	9,769,891
Statutory special deductions, total.....	122,575,062	602,214	2,232,822	1,714,912	14,754,165	4,065,330	5,890,625	3,657,916	2,134,141	69,214,442	4,067,310
Net operating loss deduction.....	41,152,433	513,621	1,998,960	1,824,630	8,367,712	3,293,769	5,288,224	3,304,781	1,885,637	16,426,870	3,605,840
Dividends received deduction.....	12,614,637	88,593	233,862	90,282	6,386,411	727,899	601,888	352,422	248,504	4,025,122	480,544
Deduction for dividends paid on certain public utility stock.....	45,015	-	-	-	42	43,662	712	712	-	800	-
Deduction for dividend paid (Forms 1120-RIC and 1120-REIT).....	68,392,667	-	-	-	-	-	-	-	-	68,392,667	-
Section 857(b)(2)(E) deduction (Form 1120-REIT).....	-	-	-	-	-	-	-	-	-	-	-
Income subject to tax.....	350,009,712	1,875,241	4,495,495	6,662,049	152,624,397	47,111,134	40,340,135	16,267,670	23,994,992	80,797,221	16,071,091
Income tax, total.....	121,121,231	520,185	1,814,367	2,006,680	53,891,094	17,143,124	13,227,114	5,340,458	7,862,574	27,281,531	5,230,030
Regular tax.....	116,275,308	498,545	1,505,027	1,910,621	51,769,226	15,887,339	12,789,106	5,156,718	7,610,129	26,890,049	5,016,937
Personal holding company tax.....	14,764	692	528	58	167	167	167	767	207	11,885	158
Recapture of investment credit.....	72,693	4	3,346	296	15,838	44,774	1,832	949	884	6,228	373
Alternative minimum tax.....	5,320,587	19,836	296,531	83,339	1,893,764	1,154,195	375,810	152,418	221,714	1,296,972	198,139
Environmental tax.....	479,288	787	6,644	3,499	203,609	66,085	44,562	15,880	28,557	116,341	15,759
Branch tax (Form 1120F).....	28,915	142	286	160	350	209	1,792	1,761	32	25,833	143
Tax on net income from foreclosure property (Form 1120-REIT).....	-	-	-	-	-	-	-	-	-	-	-
Section 857(b)(5) tax (Form 1120-REIT).....	-	-	-	-	-	-	-	-	-	-	-
Tax on net income from prohibited transaction (Form 1120-REIT).....	-	-	-	-	-	-	-	-	-	-	-
Capital gains tax (Form 1120-RIC).....	12,442	-	-	-	-	-	-	-	-	12,442	-
Excess net passive income tax (Form 1120S).....	13,304	-	-	822	727	638	3,304	1,393	1,911	7,589	425
Foreign tax credit.....	21,096,940	30,951	639,076	181,412	16,905,943	390,601	876,480	610,971	265,484	1,597,594	474,901
U. S. possessions tax credit.....	3,472,330	2,167	-	2,295	3,351,884	56,757	24,088	1,927	20,249	1,624	13,518
Orphan drug credit.....	16,475	-	-	-	17,991	-	-	-	-	-	484
Nonconventional source fuel credit.....	244,732	-	51,054	464	151,675	37,164	173	171	2	3,283	919
General business credit.....	2,206,371	11,298	38,800	44,279	893,335	628,897	231,763	46,313	185,213	230,333	127,665
Prior year minimum tax credit.....	1,516,063	2,276	44,356	57,807	466,196	236,287	79,415	31,327	48,088	578,560	51,166
Total income tax after--											
Foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, and prior year minimum tax credits.....	92,566,319	473,493	1,041,082	1,722,422	32,104,071	15,793,417	12,015,216	4,649,750	7,343,538	24,850,137	4,561,377
Overpayments less refunds.....	86,048,380	396,806	1,137,874	1,646,333	30,728,801	15,420,268	10,533,542	4,539,868	5,969,811	22,032,729	4,148,579
Tax deposited with Form 7004.....	13,117,627	58,559	81,845	276,311	4,417,811	1,601,451	2,407,110	678,016	1,725,982	3,448,501	825,139
Credit for tax paid by regulated investment companies.....	32,618	827	312	2,253	1,726	10,075	952	376	576	16,107	368
Credit for Federal tax on fuels.....	167,444	16,504	4,897	26,678	44,164	43,106	15,487	8,445	7,039	2,105	14,503
Tax from Section 2 (Form 1120F).....	774,578	30	2,066	535	6,814	1,982	13,164	12,594	670	740,993	8,637
US tax paid or withheld at source on effectively connected income (Form 1120F).....	46,641	28	11	2,085	475	-	185	185	-	31,832	11,270
Overpaid windfall profit tax.....	5,280	-	-	-	5,280	-	-	-	-	(1)	-
Tax due at time of filing.....	3,945,449	111,393	49,411	280,933	620,119	191,836	695,317	341,363	352,856	1,509,855	384,890
Tax overpayment.....	11,653,066	124,151	232,438	517,286	3,874,756	1,509,067	1,634,553	917,286	710,912	2,931,801	827,471
Credit to 1992 estimated tax.....	8,358,659	55,153	144,265	236,475	2,833,689	1,247,246	1,121,499	644,879	472,627	2,126,876	590,861
Tax refund.....	3,225,230	68,998	88,173	280,811	1,041,067	261,841	513,054	272,407	238,085	733,749	236,610

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

<sup>2</sup> Includes "Nature of business not allocable" which is not shown separately.

\* 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)

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

Item	All industrial divisions <sup>1</sup>	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 <sup>2</sup>	Wholesale trade	Retail trade		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Number of returns.....	2,098,641	71,292	23,073	239,917	184,705	94,971	598,743	212,868	383,102	356,744	514,243
Net income.....	401,582,120	2,403,419	6,697,777	8,330,149	166,330,670	51,029,071	46,155,818	19,875,071	26,104,913	100,524,200	20,044,992
Income subject to tax.....	349,793,727	1,826,255	4,495,050	6,632,037	152,587,121	47,094,487	40,317,201	16,253,090	23,986,837	80,774,926	16,033,699
Income tax before credits:											
Total.....	120,989,114	502,951	1,814,041	1,997,402	53,863,486	17,137,093	13,198,952	5,322,684	7,852,185	27,254,188	5,215,897
Regular tax.....	116,202,510	481,890	1,504,876	1,900,417	51,756,866	15,881,946	12,781,284	5,151,897	7,607,129	26,883,391	5,003,384
Credits:											
Foreign tax credit.....	21,096,940	30,951	639,076	181,412	16,905,943	390,601	876,460	610,971	265,484	1,597,594	474,901
U.S possessions tax credit.....	3,472,330	2,167	-	2,295	3,351,884	56,757	24,086	1,927	20,249	21,624	13,518
Nonconventional source fuel credit.....	244,732	-	51,054	*464	151,675	37,164	173	171	*2	3,283	919
Orphan drug credit.....	18,475	-	-	-	17,991	-	-	-	-	-	*484
General business credit.....	2,205,458	11,298	38,800	44,279	892,873	628,897	231,497	46,046	185,213	230,327	127,486
Prior year minimum tax credit.....	1,516,063	2,276	44,356	57,807	466,196	236,287	79,415	31,327	48,088	578,560	51,166
General business credit items:											
Tentative general business credit.....	16,458,247	141,227	887,367	265,651	6,342,108	4,446,560	1,325,082	594,199	728,074	1,349,373	1,700,879
Current year regular investment credit.....	309,706	*296	253	*27,037	91,437	79,500	8,797	3,460	5,336	74,436	27,950
Total allowable research credit.....	1,584,591	4,084	5,321	3,936	1,281,693	66,681	40,534	31,400	9,073	19,110	163,232
Total jobs credit for current year.....	372,480	1,408	25	2,745	72,644	12,463	234,541	26,221	208,144	10,758	37,895
Current year alcohol fuel credit.....	17,122	*125	-	-	15,502	-	*948	*948	-	*547	-
Current year low-income housing credit.....	145,830	*315	274	3,678	26,941	29,940	11,993	5,507	6,486	70,400	2,289
Current year enhanced oil recovery credit.....	74,431	-	1,000	-	72,695	299	31	31	-	405	-
Current year disabled access credit.....	1,015	-	-	-	*81	*16	-	-	-	46	*870
Passive activity credits.....	4,290	-	-	115	*1,407	270	*477	*459	*18	2,012	*8
Passive activity credits allowed in 1991.....	15,905	*489	*126	*790	5,362	*5,721	*305	16	*289	1,923	*1,189
Carryforward of general business credit from prior years.....	13,864,181	133,965	876,853	228,048	4,719,742	4,244,271	1,045,036	546,163	496,301	1,172,696	1,443,570
Income tax after credits.....	92,435,116	456,259	1,040,755	1,711,145	32,076,925	15,787,386	11,987,321	4,632,242	7,333,149	24,822,800	4,547,421

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

<sup>1</sup> Includes "Nature of business not allocable" which is not shown separately.

<sup>2</sup> 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 – 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 <sup>2</sup>	Regular tax <sup>3</sup>							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Total</b> .....	<b>2,098,641</b>	<b>349,793,727</b>	<b>120,989,114</b>	<b>116,202,510</b>	<b>21,096,940</b>	<b>3,472,330</b>	<b>244,732</b>	<b>18,475</b>	<b>2,205,458</b>	<b>1,516,063</b>	<b>92,435,116</b>
Returns with net income.....	1,088,017	349,551,532	120,097,011	116,105,359	21,082,049	3,472,330	244,732	18,475	2,195,050	1,497,750	91,586,624
Returns without net income.....	1,010,625	242,194	892,102	97,151	14,891	-	-	-	10,408	18,312	848,492
Returns with total income tax before credits.....	812,531	348,660,370	120,989,114	116,013,434	21,096,940	3,472,330	244,732	18,475	2,205,456	1,516,063	92,435,116
Returns with total income tax after credits.....	796,146	342,044,062	119,666,177	113,802,761	21,087,733	2,203,856	244,470	18,475	2,169,347	1,507,179	92,435,116
\$1 under \$6,000.....	584,042	6,627,676	1,144,021	1,126,840	3,846	207,903	-	-	22,646	4,912	904,712
\$6,000 under \$10,000.....	67,030	3,755,241	733,477	709,991	12,089	205,106	-	-	6,896	2,122	507,265
\$10,000 under \$15,000.....	34,040	2,258,646	452,779	425,585	854	24,342	*61	-	9,068	3,952	414,502
\$15,000 under \$20,000.....	17,164	1,422,399	329,409	306,374	3,383	16,560	-	-	6,143	4,426	298,897
\$20,000 under \$25,000.....	12,133	1,130,126	279,150	256,216	*2,416	880	*10	-	5,812	1,751	268,282
\$25,000 under \$50,000.....	26,730	3,516,909	1,036,028	958,654	14,316	49,900	*149	-	17,313	13,708	940,643
\$50,000 under \$75,000.....	12,068	2,357,435	803,484	733,812	16,035	24,223	-	-	17,808	8,409	737,009
\$75,000 under \$100,000.....	7,501	2,216,590	788,021	729,430	30,824	87,505	*896	-	8,206	10,554	650,036
\$100,000 under \$250,000.....	17,278	8,851,064	3,212,799	3,000,699	93,477	303,016	*480	-	49,703	41,159	2,724,964
\$250,000 under \$500,000.....	7,347	8,266,957	2,980,145	2,809,771	102,332	219,784	*476	-	48,873	35,092	2,573,589
\$500,000 under \$1,000,000.....	4,454	10,073,606	3,631,400	3,424,471	171,063	255,332	1,749	*802	54,376	50,489	3,097,589
\$1,000,000 under \$10,000,000.....	5,221	51,610,122	18,712,193	17,538,465	2,647,712	809,184	19,479	-	360,277	252,556	14,622,986
\$10,000,000 under \$50,000,000.....	824	60,453,209	22,254,557	20,606,748	3,835,423	-	19,799	2,425	476,925	332,024	17,587,961
\$50,000,000 under \$100,000,000.....	168	48,740,142	17,242,845	16,579,278	5,077,962	-	30,278	9,071	401,422	167,732	11,556,380
\$100,000,000 or more.....	145	130,763,940	46,065,867	44,596,428	9,076,001	121	171,093	6,177	683,880	578,292	35,550,303

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

<sup>1</sup> Amount was reported by life insurance companies and banks with life insurance departments taxable under special provision of the Internal Revenue Code.

<sup>2</sup> Income tax before credits includes adjustments to income tax and adjustments to total tax.

<sup>3</sup> Regular tax includes adjustments to income tax which tax credits could be used against.

# RETURNS OF ACTIVE CORPORATIONS

## Table 23--Alternative Minimum Tax: Number of Returns, and Tax Preference and Related Items by Selected Industrial Divisions

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

Item	All industrial divisions <sup>1</sup>	Selected industrial division									Services
		Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale and retail trade			Finance, insurance, and real estate	
							Total <sup>2</sup>	Wholesale trade	Retail trade		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Returns of active corporations:</b>											
Number of returns.....	3,802,788	129,886	39,199	416,987	300,122	164,980	1,043,534	329,294	709,289	617,557	1,061,657
<b>Returns with alternative minimum tax items:</b>											
Number of returns.....	30,613	999	1,014	3,882	6,906	2,819	4,904	2,199	2,682	6,007	4,081
Total assets.....	4,605,366,273	7,081,675	104,356,914	22,896,519	1,407,279,791	564,102,100	316,998,711	99,802,653	216,236,997	2,097,724,603	84,925,960
Business receipts.....	2,005,719,120	9,249,180	37,295,866	32,379,635	930,561,930	263,781,986	424,690,296	191,422,817	232,781,568	237,431,225	70,329,002
Bad debts.....	23,001,515	8,879	53,076	95,495	2,973,310	2,261,727	2,205,868	401,926	1,801,923	14,825,132	578,028
Depreciation.....	94,877,826	352,251	2,446,020	772,321	39,639,134	27,295,155	8,436,009	4,571,447	3,845,264	8,985,676	6,951,259
Amortization.....	9,105,602	5,662	240,824	19,508	4,446,611	1,896,782	777,527	308,934	467,240	1,081,046	637,641
Depletion.....	4,083,354	*5,644	1,279,803	19,206	2,128,080	534,662	75,403	73,304	*2,099	38,205	2,350
Net income.....	79,208,592	287,001	2,921,374	734,089	40,912,312	10,424,921	4,756,235	2,455,880	2,208,677	16,946,657	2,226,004
Regular tax.....	18,081,504	17,235	361,416	67,790	11,521,930	2,610,024	793,047	295,920	495,934	2,467,516	242,546
Recapture of investment credit.....	25,797	*1	*20	-	5,054	16,083	868	*780	89	3,753	*18
Alternative minimum tax.....	5,320,585	19,836	298,531	83,339	1,893,763	1,154,195	375,810	152,417	221,713	1,296,971	198,138
Income tax after credits <sup>3</sup> .....	13,026,233	37,079	451,369	133,401	4,285,455	3,532,294	1,126,645	418,121	705,561	3,120,857	339,132
<b>Alternative minimum tax items:</b>											
Adjustment items:											
Depreciation of property placed in service after 1986.....	22,398,507	81,262	647,349	147,202	11,378,830	5,447,041	1,902,537	984,769	912,339	1,626,962	1,167,324
Amortization of certified pollution control facilities after 1986.....	12,754	-	-235	-	*3,555	6,935	-17	-17	-	2,516	-
Amortization of mining exploration and development costs paid or incurred after 1986.....	190,213	-	55,723	*2,534	104,386	22,947	4,079	4,079	-	*544	-
Circulation expenses.....	*748	-	-	-	-11	-	*11	-	*11	(4)	-727
Basis adjustment.....	-1,991,293	-2,779	-67,978	-9,026	-810,264	-267,440	-198,508	-108,065	-84,606	-180,063	-455,236
Long-term contracts entered into after 2/28/86.....	225,655	*4,803	*8	324,815	-148,906	*49,010	*922	6	*917	-2,964	*2,034
Installment sales of certain property.....	-185,933	*1,346	-22	-2,038	-55,215	-102,718	*2,868	*1,895	-973	-19,145	-2,581
Merchant marine capital construction funds.....	22,913	2,500	-	-	20,398	15	-	-	-	-	-
Section 833(b) deduction.....	1,543,773	-	-	-	-	-	-	-	-	1,543,773	-
Tax shelter farm activity loss.....	*40,577	-	-	*658	-	-	-	-	-	*39,919	-
Passive activity loss.....	71,097	*1,439	*128	*769	-437	*2,101	-590	-7,689	*7,099	53,437	18,452
Certain loss limitations.....	*46,410	-	-	*887	-	-	-	-	-	*47,297	-
Other adjustments.....	-1,474,036	134	-6,498	3,626	-1,459,972	46,694	-36,678	-24,476	-12,202	-17,966	-3,377
Total adjustments.....	20,966,817	86,014	628,475	468,541	9,092,809	5,206,088	1,668,898	846,744	822,561	3,094,313	721,679
<b>Tax preference items:</b>											
Depletion.....	900,484	*408	467,763	13,552	280,850	116,732	11,195	9,428	*1,767	8,839	*1,144
Tax exempt interest from private activity bonds issued after August 7, 1986.....	162,178	-	*1,229	*1,783	41,697	9,649	79,556	1,263	78,293	24,313	*3,951
Appreciated property charitable deduction.....	79,296	-	2,449	1,025	42,233	4,645	*10,559	*477	*10,082	18,385	-
Intangible drilling costs.....	226,031	*123	64,787	-	48,306	81,428	*8,899	*8,615	*285	21,752	736
Reserves for losses on bad debts of financial institutions.....	34,465	-	-	-	-	-	*83	*83	-	34,376	7
Accelerated depreciation of real property placed in service before 1987.....	181,363	274	1,084	1,791	91,899	24,063	15,129	3,927	11,202	41,499	5,625
Accelerated depreciation of leased personal property placed in service before 1987.....	1,683	*147	6	5	89	*181	*361	*25	*336	812	*80
Amortization of certified pollution control facilities placed in service before 1987.....	*1,144	-	-	-	-	1,252	-	-	-	*108	-
Total tax preference items.....	1,593,690	952	537,318	18,156	511,841	237,991	125,784	23,820	101,964	150,105	11,542
Adjusted current earnings adjustment.....	25,169,855	76,900	558,877	343,093	7,880,350	6,693,114	2,206,530	728,972	1,481,066	6,546,177	864,814
Alternative minimum taxable income before alternative tax net operating loss deduction.....	117,798,592	392,084	4,315,156	1,285,641	54,454,834	21,149,484	8,225,321	3,839,918	4,298,016	24,500,840	3,475,232
Alternative tax net operating loss deduction.....	19,121,566	171,842	989,106	441,987	4,880,200	1,943,068	2,288,005	1,570,353	644,624	7,106,344	1,301,013
Alternative minimum tax foreign tax credit.....	6,426,309	*16	137,197	*10,996	5,570,015	84,607	28,911	21,528	*7,383	526,601	67,965
Tentative minimum tax.....	13,180,060	37,123	507,565	135,267	4,334,744	3,722,907	1,130,322	420,050	707,400	2,966,089	346,044

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

<sup>2</sup> Includes "Nature of business not allocable" which is not shown separately.

<sup>3</sup> Includes "Wholesale and retail trade not allocable" which is not shown separately.

<sup>4</sup> Credits include foreign tax, U.S. possessions tax, nonconventional source fuel, orphan drug, general business, and prior year minimum tax credits.

\*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."



# Corporation Returns/1991

## 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	Agriculture, forestry, and fishing	Major industry				
			Total	Mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	48,247	842	839	200	34	582	23
Total assets.....	1,827,337,843	2,437,297	48,205,729	15,100,775	12,932,197	14,893,432	5,279,325
Cash.....	82,978,251	121,715	1,196,598	267,818	44,420	647,058	237,302
Notes and accounts receivable.....	396,650,344	182,226	5,617,133	1,291,174	2,092,969	1,914,815	318,176
Less: Allowance for bad debts.....	11,732,799	*8,022	39,909	7,422	*5,579	18,379	*8,530
Inventories.....	116,583,589	225,546	1,290,530	493,956	274,798	329,053	192,724
Investments in Government obligations.....	52,399,610		5,099			5,099	
Tax-exempt securities.....	13,675,244						
Other current assets.....	208,894,970	70,809	2,731,329	149,118	462,418	1,577,580	542,213
Loans to stockholders.....	20,444,466	*990	*22,511	12,281	4,508	*5,374	348
Mortgage and real estate loans.....	46,619,820	*2,814	*16,774			*16,680	94
Other investments.....	414,128,187	199,250	16,200,282	6,398,809	5,988,407	1,728,565	2,084,501
Depreciable assets.....	393,680,909	1,507,179	14,053,693	4,232,704	2,144,254	6,195,194	1,481,541
Less: Accumulated depreciation.....	149,784,094	607,037	6,705,723	1,210,092	996,707	3,892,211	606,712
Depletable assets.....	31,380,321	*3,574	14,621,114	2,540,206	*2,164,374	9,298,883	*617,651
Less: Accumulated depletion.....	12,081,445	*751	6,154,236	516,760	*1,321,840	4,288,188	*27,448
Land.....	35,655,508	656,419	664,823	252,061	*90,260	174,660	*147,941
Intangible assets (amortizable).....	103,844,198	46,275	1,951,739	625,210	*276,514	791,555	*258,460
Less: Accumulated amortization.....	16,931,689	26,938	608,778	160,172	*55,996	371,611	*20,998
Other assets.....	102,954,253	61,249	3,342,649	731,886	1,769,396	779,305	62,062
Total liabilities.....	1,827,337,843	2,437,297	48,205,729	15,100,775	12,932,197	14,893,432	5,279,325
Accounts payable.....	184,259,437	387,785	3,165,557	549,752	1,432,687	1,011,398	171,721
Mortgages, notes, and bonds payable in less than one year.....	248,298,125	332,211	5,492,112	1,410,548	388,999	2,507,501	1,185,064
Other current liabilities.....	419,136,251	132,307	2,231,075	499,898	241,183	1,243,979	246,015
Loans from stockholders.....	65,228,503	325,261	3,799,649	734,050	*1,998,991	872,141	194,468
Mortgages, notes, and bonds payable in one year or more.....	313,575,656	608,593	7,776,431	3,730,808	726,250	2,272,999	1,046,574
Other liabilities.....	181,713,235	181,257	2,030,628	752,910	723,011	503,193	*51,515
Capital stock.....	111,522,337	352,581	2,925,343	372,715	268,525	1,862,325	421,778
Paid-in or capital surplus.....	362,895,791	685,373	31,057,734	7,178,510	6,733,121	15,243,533	1,902,570
Retained earnings, appropriated.....	1,803,913	*1,788	97,433	63,427	16,755	15,218	2,033
Retained earnings, unappropriated.....	-58,748,001	-568,492	-10,290,813	-191,639	453,818	-10,623,653	70,661
Less: Cost of treasury stock.....	2,347,605	*1,367	*79,421	3	51,142	*15,202	*13,074
Total receipts.....	1,143,822,530	1,270,345	17,983,640	3,646,840	5,007,531	7,610,805	1,718,463
Business receipts.....	1,033,597,403	1,143,598	16,240,348	3,392,150	4,669,129	6,715,902	1,463,167
Interest.....	67,435,413	36,141	825,830	97,172	202,519	332,100	194,039
Interest on Government obligations:							
State and local.....	568,622		*481	138			*342
Rents.....	8,903,577	11,732	20,909	*4,073	5,754	6,999	4,084
Royalties.....	3,825,361	*1,762	72,941	*28,120	*19,425	25,343	*52
Net short-term capital gain reduced by net long-term capital loss.....	526,128	8,540	7,341	5,544		139	1,658
Net long-term capital gain reduced by net short-term capital loss.....	3,762,708	*1,974	79,533	3,552	*17,594	55,592	*2,795
Net gain, noncapital assets.....	2,658,146	7,809	110,518	1,418	3,076	99,660	*6,364
Dividends received from domestic corporations.....	1,121,841	*392	2,316	1,506	170	*611	*29
Dividends received from foreign corporations.....	1,241,182	7,834	22,691	4,104	6,842	11,744	
Other receipts.....	20,182,150	50,564	600,733	109,062	83,022	362,715	45,933
Total deductions.....	1,149,096,589	1,362,929	17,637,726	3,843,931	5,137,389	6,940,967	1,715,539
Cost of sales and operations.....	761,458,568	784,797	10,402,426	2,120,096	4,085,988	3,193,781	1,002,561
Compensation of officers.....	7,311,024	12,027	87,723	18,407	9,534	39,875	*19,907
Repairs.....	5,672,224	7,526	54,196	*18,280	977	19,459	15,479
Bad debts.....	7,039,734	19,266	20,025	*3,817	971	11,873	3,384
Rent paid on business property.....	14,849,689	11,120	158,371	16,598	*31,365	96,686	11,722
Taxes paid.....	19,213,606	27,370	349,160	39,856	129,034	154,108	27,162
Interest paid.....	76,064,910	82,601	1,167,703	348,382	231,289	342,256	245,775
Contributions or gifts.....	276,819	*163	1,930	*1,020	142	*12	*756
Amortization.....	6,328,789	2,517	177,347	96,383	17,679	54,933	*8,352
Depreciation.....	33,687,120	115,347	1,194,156	396,795	111,593	563,564	122,204
Depletion.....	1,587,554	28	729,855	241,732	97,346	353,266	37,511
Advertising.....	19,135,953	4,806	25,013	*2,357	*6,414	12,598	*3,646
Pension, profit-sharing, stock bonus, and annuity plans.....	3,449,308	2,850	59,740	2,894	4,437	44,194	*8,215
Employee benefit programs.....	11,502,483	9,465	179,217	40,110	*24,400	89,904	24,802
Net loss, noncapital assets.....	1,783,960	29,804	148,646	40,384	*10,244	91,355	*6,663
Other deductions.....	179,734,827	253,242	2,882,220	456,720	376,975	1,871,108	177,417
Total receipts less total deductions.....	-5,274,039	-92,584	345,914	-196,991	-129,857	669,838	2,924
Constructive taxable income from related foreign corporations.....	954,711	586	12,320	6	6,474	5,839	
Includable income of controlled foreign corporations.....	600,106		7,876		6,474	1,402	
Foreign dividend income resulting from foreign taxes deemed paid.....	354,604	588	4,444	6		4,437	
Net income (less deficit), total.....	-4,887,951	-91,997	357,753	-197,123	-123,383	675,677	2,582
Income subject to tax.....	20,123,447	*36,447	1,185,939	*84,577	*24,942	1,049,336	*27,084
Income tax, total.....	7,236,888	11,317	442,069	47,944	*10,742	368,659	*14,725
Regular tax.....	6,775,211	*10,493	403,045	*28,756	*8,480	356,612	*9,197
Recapture of investment credit.....	732		*11		4	(1)	6
Alternative minimum tax.....	430,056	*833	38,662	*18,937	2,533	10,658	6,534
Environmental tax.....	30,010	*38	1,786	251	*54	1,390	*91
Foreign tax credit.....	727,416		*313,186	58		*313,128	
U.S. possessions tax credit.....	95,131						
Orphan drug credit.....	12,233						
Nonconventional source fuel credit.....	*22,984		*230			*203	26
General business credit.....	182,567	*316	*2,488	393	704	*1,391	
Prior year minimum tax credit.....	104,710	579	*6,891	1,696	733	*4,263	
Total income tax after credits.....	6,091,847	10,422	119,474	45,797	*9,305	49,674	*14,698

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

# Corporation Returns/1991

## 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.....	1,051	779	68	206	6,606	355	***	191	285
Total assets.....	9,589,001	7,144,056	1,564,617	880,328	581,937,757	57,326,040	***	4,800,419	2,085,833
Cash.....	719,963	493,037	146,632	80,294	11,971,784	723,288	***	136,918	74,027
Notes and accounts receivable.....	2,694,620	1,934,641	442,804	317,175	82,372,198	10,786,389	***	753,837	445,446
Less: Allowance for bad debts.....	38,373	26,323	*6,827	*5,123	2,625,513	142,612	***	18,527	20,207
Inventories.....	695,139	532,675	79,596	82,868	58,692,941	5,427,868	***	826,808	669,871
Investments in Government obligations.....	35,198	26	*35,172	-	301,002	40	***	-	244
Tax-exempt securities.....	*16,713	*1,070	15,643	-	186,702	-	***	-	-
Other current assets.....	1,015,885	646,116	247,008	122,761	36,522,127	3,228,317	***	102,277	239,557
Loans to stockholders.....	*135,935	*110,176	*25,543	*216	2,037,579	*83,637	***	5,846	*1,054
Mortgage and real estate loans.....	*3,559	*1,265	2,294	-	261,212	203,285	***	-	-
Other investments.....	1,967,692	1,843,112	119,232	*5,348	140,136,191	13,085,890	***	468,402	223,272
Depreciable assets.....	2,331,160	1,505,811	557,967	267,382	228,461,031	15,463,690	***	3,193,873	568,894
Less: Accumulated depreciation.....	896,745	492,569	275,672	128,504	96,315,554	5,039,909	***	1,121,472	262,761
Depletable assets.....	*27,546	9,581	*17,965	-	15,405,625	2,575	***	-	-
Less: Accumulated depletion.....	*7,961	1,748	*6,213	-	5,734,030	2,481	***	-	-
Land.....	319,634	221,813	52,094	*45,728	13,074,463	928,284	***	33,078	8,270
Intangible assets (amortizable).....	152,762	86,232	*15,462	*51,068	70,357,198	11,647,041	***	153,692	155,184
Less: Accumulated amortization.....	33,232	18,590	*6,550	*8,092	12,340,888	1,386,323	***	31,848	*50,369
Other assets.....	449,506	297,733	102,566	49,207	39,173,689	2,317,062	***	297,534	33,349
Total liabilities.....	9,589,001	7,144,056	1,564,617	880,328	581,937,757	57,326,040	***	4,800,419	2,085,833
Accounts payable.....	2,352,239	1,818,274	288,751	245,213	50,529,628	6,270,697	***	367,176	307,591
Mortgages, notes, and bonds payable in less than one year.....	1,125,886	902,894	58,778	164,214	51,861,092	4,717,693	***	593,454	424,987
Other current liabilities.....	1,192,479	874,713	381,539	136,228	54,024,521	3,825,971	***	346,618	220,309
Loans from stockholders.....	788,193	652,809	*77,516	*57,868	21,320,752	3,109,634	***	*114,853	*29,191
Mortgages, notes, and bonds payable in one year or more.....	2,762,242	2,421,309	273,176	67,757	141,463,704	16,856,133	***	1,658,133	558,007
Other liabilities.....	636,050	528,531	52,725	*54,795	57,819,727	1,792,717	***	143,782	29,247
Capital stock.....	1,060,608	939,770	97,919	22,919	34,203,416	1,944,205	***	430,521	165,099
Paid-in or capital surplus.....	1,554,028	897,741	415,110	241,177	170,001,133	15,089,696	***	1,028,960	457,842
Retained earnings, appropriated.....	*4	*4	-	-	849,889	35,729	***	-	*3,842
Retained earnings, unappropriated.....	-1,875,485	-1,686,571	-79,078	-109,836	979,789	3,725,290	***	122,788	-108,183
Less: Cost of treasury stock.....	*7,244	*5,417	*1,821	6	915,894	*41,725	***	*5,865	*2,119
Total receipts.....	12,301,245	7,850,417	3,053,554	1,397,273	466,122,225	48,211,296	***	5,382,670	2,292,155
Business receipts.....	11,813,966	7,504,846	2,947,568	1,361,551	443,143,910	44,970,182	***	5,251,289	2,257,219
Interest.....	208,915	179,633	22,647	6,636	8,821,168	1,394,666	***	42,803	14,213
Interest on Government obligations:									
State and local.....	*1,794	*471	1,323	-	32,120	*792	***	323	*31
Rents.....	49,216	42,799	3,775	2,642	2,089,884	307,704	***	5,443	*1,938
Royalties.....	*8,571	*7,422	867	*283	2,376,858	283,028	***	1,334	*3,575
Net short-term capital gain reduced by net long-term capital loss.....	584	505	79	-	55,292	*478	***	-	-
Net long-term capital gain reduced by net short-term capital loss.....	16,919	7,320	*2,216	*7,383	1,448,061	220,713	***	*20,953	*2,905
Net gain, noncapital assets.....	18,576	8,775	7,870	*1,931	931,801	222,733	***	4,438	*53
Dividends received from domestic corporations.....	98	49	39	10	624,885	283,312	***	672	*33
Dividends received from foreign corporations.....	8,725	1,200	7,525	-	679,776	15,175	***	5,533	-
Other receipts.....	173,881	97,398	59,645	16,838	5,918,469	512,513	***	49,881	12,188
Total deductions.....	12,657,099	8,218,972	3,009,182	1,428,946	464,571,583	47,436,545	***	5,329,147	2,374,513
Cost of sales and operations.....	10,544,993	7,002,786	2,481,520	1,060,686	308,063,704	28,457,518	***	3,798,184	1,642,558
Compensation of officers.....	110,690	53,335	32,740	24,615	2,419,224	239,070	***	48,299	24,303
Repairs.....	45,342	34,532	4,606	6,204	3,758,509	300,850	***	13,399	10,123
Bad debts.....	22,208	12,303	*2,528	*7,377	1,361,725	90,405	***	16,466	7,182
Rent paid on business property.....	91,262	43,112	22,580	25,570	5,508,835	663,706	***	33,413	46,040
Taxes paid.....	159,513	80,973	59,797	18,743	10,512,655	855,785	***	113,808	43,199
Interest paid.....	266,615	199,401	40,667	26,548	21,533,509	2,826,907	***	270,705	86,848
Contributions or gifts.....	411	*131	*249	*32	177,473	32,572	***	3,140	*242
Amortization.....	17,627	9,794	*2,758	*5,275	2,526,414	267,730	***	19,844	12,594
Depreciation.....	150,647	71,270	52,754	26,623	15,424,356	1,262,126	***	255,582	53,576
Depletion.....	*3,935	2,922	*1,013	-	803,837	23	***	-	-
Advertising.....	20,217	11,778	3,037	5,402	9,559,036	2,116,006	***	31,289	30,365
Pension, profit-sharing, stock bonus, and annuity plans.....	14,981	8,213	5,230	*1,538	2,132,483	158,334	***	27,874	9,180
Employee benefit programs.....	85,092	37,324	12,011	*35,757	6,975,280	637,991	***	88,962	34,062
Net loss, noncapital assets.....	5,658	3,352	*583	*1,743	420,539	44,830	***	9,832	*3,872
Other deductions.....	1,117,710	647,745	287,130	182,835	73,394,004	9,482,693	***	598,550	370,288
Total receipts less total deductions.....	-355,854	-368,555	44,373	-31,672	1,550,642	774,750	***	53,523	-82,357
Constructive taxable income from related foreign corporations.....	6,022	2,812	3,210	-	350,767	7,914	***	1,939	2,210
Includable income of controlled foreign corporations.....	1,001	1,001	-	-	177,211	4,700	***	247	2,091
Foreign dividend income resulting from foreign taxes deemed paid.....	5,021	1,811	3,210	-	173,556	3,214	***	1,693	119
Net income (less deficit), total.....	-351,626	-366,214	46,260	-31,672	1,869,289	781,872	***	55,139	-80,179
Income subject to tax.....	86,002	1,348	*50,076	*34,578	9,510,083	783,411	***	202,238	43,454
Income tax, total <sup>2</sup> .....	31,556	1,132	18,615	*11,809	3,417,054	285,291	***	63,664	15,157
Regular tax.....	29,103	458	*17,004	*11,640	3,216,111	268,260	***	59,167	14,744
Recapture of investment credit.....	17	17	-	-	490	*50	***	-	-
Alternative minimum tax.....	2,315	841	1,538	*136	184,237	17,446	***	4,235	*386
Environmental tax.....	107	12	*62	*32	15,027	1,449	***	263	*29
Foreign tax credit.....	*3,912	251	*3,661	-	181,800	9,190	***	1,382	205
U.S. possessions tax credit.....	-	-	-	-	30,635	4,111	***	152	164
Orphan drug credit.....	-	-	-	-	12,233	-	***	-	-
Nonconventional source fuel credit.....	-	-	-	-	*22,754	-	***	-	-
General business credit.....	*25	8	*17	-	127,159	12,204	***	680	-
Prior year minimum tax credit.....	468	136	332	-	47,766	2,867	***	-	-
Total income tax after credits.....	27,150	737	14,604	*11,809	2,994,606	256,919	***	61,450	14,788

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

# Corporation Returns/1991

## 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.....	347	103	245	278	420	34	288	***	211
<b>Total assets.....</b>	<b>1,148,584</b>	<b>1,083,930</b>	<b>8,494,877</b>	<b>55,422,627</b>	<b>105,102,819</b>	<b>123,483,885</b>	<b>16,970,408</b>	***	<b>28,164,879</b>
Cash.....	34,453	24,979	136,695	920,645	2,261,444	712,028	331,994	***	401,437
Notes and accounts receivable.....	210,745	271,937	974,611	4,115,403	15,031,987	10,511,400	2,845,724	***	2,200,993
Less: Allowance for bad debts.....	7,925	10,481	32,016	417,168	512,724	116,843	112,067	***	145,059
Inventories.....	263,163	345,950	889,534	2,520,642	11,013,990	4,253,426	2,194,368	***	2,535,589
Investments in Government obligations.....	-	-	-	122,450	5,432	25	-	***	8,564
Tax-exempt securities.....	-	-	-	-	144,876	-	-	***	10,971
Other current assets.....	30,221	24,794	371,381	3,024,145	6,461,741	12,144,634	350,910	***	873,924
Loans to stockholders.....	-	-	103,794	372,540	513,153	153,684	25,121	***	72,536
Mortgage and real estate loans.....	-	-	2,451	7,975	3,773	440	4	***	11,158
Other investments.....	117,245	48,598	642,082	25,306,377	18,668,135	48,962,007	4,289,484	***	4,302,529
Depreciable assets.....	676,067	528,396	6,354,930	6,093,177	50,249,905	55,902,076	9,750,420	***	11,890,261
Less: Accumulated depreciation.....	322,401	201,779	2,265,976	2,237,308	21,253,086	25,595,168	3,799,897	***	4,506,773
Depletable assets.....	17,549	-	429,182	3,180	358,874	11,094,941	5,000	***	3,182,742
Less: Accumulated depletion.....	-	-	69,584	440	218,918	5,041,871	-	***	173,784
Land.....	20,940	16,184	147,188	266,754	2,121,695	1,412,927	113,973	***	1,279,934
Intangible assets (amortizable).....	35,398	11,188	338,679	13,206,980	12,114,958	7,086,028	653,118	***	3,134,828
Less: Accumulated amortization.....	6,465	5,365	48,709	1,901,112	1,600,698	3,086,505	122,410	***	335,288
Other assets.....	77,595	11,530	420,855	4,018,387	9,718,281	5,090,655	444,666	***	1,420,317
<b>Total liabilities.....</b>	<b>1,148,584</b>	<b>1,083,930</b>	<b>8,494,877</b>	<b>55,422,627</b>	<b>105,102,819</b>	<b>123,483,885</b>	<b>16,970,408</b>	***	<b>28,164,879</b>
Accounts payable.....	222,643	237,112	756,182	1,558,253	7,062,663	11,055,051	1,595,715	***	1,242,519
Mortgages, notes, and bonds payable in less than one year.....	190,920	256,215	629,205	5,559,621	8,357,593	5,676,603	2,385,549	***	1,777,931
Other current liabilities.....	37,456	89,266	475,098	3,239,619	8,462,705	11,575,598	1,638,222	***	1,528,136
Loans from stockholders.....	107,704	27,615	384,093	1,230,264	5,557,189	3,420,669	384,954	***	910,522
Mortgages, notes, and bonds payable in one year or more.....	170,093	323,179	5,279,800	18,162,042	24,748,552	18,829,654	3,672,916	***	7,250,516
Other liabilities.....	89,734	23,663	1,286,275	6,512,809	8,799,850	11,647,925	1,842,358	***	4,669,805
Capital stock.....	100,154	135,082	1,607,158	5,513,728	6,149,074	668,904	959,428	***	1,777,895
Paid-in or capital surplus.....	268,022	98,916	1,828,268	17,766,578	30,142,803	40,298,825	5,797,935	***	8,525,885
Retained earnings, appropriated.....	485	96	1,671	1,953	172,776	12,164	15,975	***	8,587
Retained earnings, unappropriated.....	40,158	127,215	3,751,770	4,112,724	5,700,446	20,303,086	1,294,508	***	1,521,280
Less: Cost of treasury stock.....	449	-	1,103	9,516	50,635	4,596	8,141	***	5,637
<b>Total receipts.....</b>	<b>3,260,466</b>	<b>2,011,814</b>	<b>9,759,128</b>	<b>20,850,503</b>	<b>84,609,369</b>	<b>77,726,340</b>	<b>14,518,713</b>	***	<b>14,419,558</b>
Business receipts.....	3,213,443	1,993,540	9,444,102	18,536,839	80,415,952	73,526,853	13,758,013	***	13,844,262
Interest.....	22,068	4,168	75,175	1,307,565	1,303,862	1,565,080	364,089	***	285,563
Interest on Government obligations:								***	
State and local.....	154	294	482	-	15,127	4,743	591	***	879
Rents.....	1,935	3,973	15,892	99,059	323,025	298,514	36,449	***	18,693
Royalties.....	-	-	5,206	149,010	562,436	596,072	114,654	***	24,423
Net short-term capital gain reduced by net long-term capital loss.....	-	-	6,712	1,265	5,393	15,772	51	***	533
Net long-term capital gain reduced by net short-term capital loss.....	374	89	56,536	163,811	229,930	245,136	11,147	***	34,028
Net gain, noncapital assets.....	660	4,833	9,750	28,842	57,721	355,347	14,441	***	30,746
Dividends received from domestic corporations.....	-	-	6,047	48,503	48,137	170,289	1,232	***	3,221
Dividends received from foreign corporations.....	3,542	-	4,804	18,355	208,194	29,214	20,855	***	21,319
Other receipts.....	18,290	4,916	134,421	497,252	1,439,593	919,320	197,391	***	155,889
<b>Total deductions.....</b>	<b>3,316,899</b>	<b>2,058,934</b>	<b>9,755,180</b>	<b>21,120,334</b>	<b>82,922,164</b>	<b>75,976,926</b>	<b>15,172,171</b>	***	<b>15,154,949</b>
Cost of sales and operations.....	2,844,576	1,601,832	6,987,143	8,681,605	47,477,132	56,071,345	10,282,315	***	10,132,437
Compensation of officers.....	19,510	17,553	50,580	235,963	404,079	65,776	71,952	***	117,362
Repairs.....	15,311	3,227	194,431	103,943	657,003	1,487,946	30,267	***	165,097
Bad debts.....	4,743	8,736	10,664	155,559	281,531	88,638	50,784	***	52,371
Rent paid on business property.....	17,569	34,702	114,790	371,331	1,002,621	1,065,553	235,291	***	199,793
Taxes paid.....	34,636	24,876	182,527	380,438	1,352,587	3,212,058	248,755	***	316,560
Interest paid.....	51,214	44,279	524,268	2,721,385	3,568,932	2,988,816	789,913	***	958,965
Contributions or gifts.....	132	151	687	7,491	68,929	27,357	726	***	582
Amortization.....	2,595	1,855	36,530	641,637	462,164	204,849	51,941	***	51,930
Depreciation.....	42,805	44,754	493,568	1,029,561	3,702,401	1,850,730	639,421	***	767,048
Depletion.....	-	-	13,558	297	79,595	528,319	360	***	55,607
Advertising.....	12,839	17,337	40,932	1,070,190	2,920,181	203,530	217,750	***	84,549
Pension, profit-sharing, stock bonus, and annuity plans.....	3,585	566	22,653	98,729	410,211	306,289	151,884	***	87,319
Employee benefit programs.....	21,049	14,975	163,132	315,396	1,799,760	225,850	262,972	***	286,936
Net loss, noncapital assets.....	835	710	5,228	30,507	55,664	5,748	29,245	***	18,832
Other deductions.....	245,501	243,382	914,290	5,276,302	18,679,372	7,644,122	2,108,594	***	1,859,559
<b>Total receipts less total deductions.....</b>	<b>-56,433</b>	<b>-47,120</b>	<b>3,948</b>	<b>-269,831</b>	<b>1,687,206</b>	<b>1,749,415</b>	<b>-653,458</b>	***	<b>-735,392</b>
Constructive taxable income from related foreign corporations.....	-	-	598	10,606	128,667	34,801	14,319	***	14,572
Includable income of controlled foreign corporations.....	-	-	273	534	44,623	32,627	14,319	***	11,901
Foreign dividend income resulting from foreign taxes deemed paid.....	-	-	324	10,072	84,044	2,174	-	***	2,671
Net income (less deficit), total.....	-56,587	-47,414	4,064	-259,225	1,800,746	1,779,473	-639,730	***	-721,689
Income subject to tax.....	17,960	27,207	229,698	150,275	2,821,869	1,686,429	113,314	***	97,297
Income tax, total.....	6,214	9,940	86,310	59,518	1,016,325	586,927	41,244	***	41,592
Regular tax.....	6,017	9,152	77,868	51,072	959,291	565,226	37,707	***	32,930
Recapture of investment credit.....	-	-	15	1	102	192	-	***	2
Alternative minimum tax.....	185	764	8,070	8,351	52,635	19,204	3,424	***	8,746
Environmental tax.....	11	25	356	380	4,874	2,305	113	***	150
Foreign tax credit.....	9	-	364	918	84,016	2,938	30	***	177
U.S. possessions tax credit.....	-	-	-	-	21,174	1,848	204	***	-
Orphan drug credit.....	-	-	-	-	12,233	-	-	***	-
Nonconventional source fuel credit.....	149	-	-	-	-	22,605	-	***	-
General business credit.....	7	355	454	1,181	36,068	17,439	1,474	***	2,030
Prior year minimum tax credit.....	-	-	113	11	1,475	24,231	1,215	***	420
<b>Total income tax after credits.....</b>	<b>6,048</b>	<b>9,585</b>	<b>85,378</b>	<b>57,409</b>	<b>861,360</b>	<b>517,867</b>	<b>38,320</b>	***	<b>38,965</b>

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

# Corporation Returns/1991

## 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.....	115	854	985	996	166	75	369	272
Total assets.....	25,538,354	21,228,516	21,131,439	47,053,197	12,091,311	5,218,352	16,347,481	18,436,092
Cash.....	399,525	532,904	755,004	2,036,964	925,306	242,675	530,371	684,022
Notes and accounts receivable.....	3,166,119	4,119,211	5,119,098	9,210,935	2,183,793	970,592	3,318,013	3,083,267
Less: Allowance for bad debts.....	109,841	94,007	198,156	399,444	78,340	18,174	93,901	89,456
Inventories.....	3,687,236	2,552,208	4,950,189	7,036,148	2,334,220	804,820	2,725,085	2,288,225
Investments in Government obligations.....	55	9,749	*31,169	102,272	-	20,000	579	1
Tax-exempt securities.....	1,514	-	*12,705	16,836	-	-	-	-
Other current assets.....	2,014,758	869,391	899,001	2,763,715	359,412	634,909	1,010,345	861,569
Loans to stockholders.....	*160,116	*940	85,680	20,671	*344,103	2,043	*41,578	*33,165
Mortgage and real estate loans.....	652	*5,750	*4,791	20,907	25	-	-	-
Other investments.....	4,421,154	5,335,430	1,110,600	7,271,701	847,416	502,265	2,018,818	2,395,519
Depreciable assets.....	12,685,938	8,415,118	8,279,193	18,043,638	6,371,438	1,305,557	4,895,541	5,575,621
Less: Accumulated depreciation.....	5,376,841	3,743,106	3,586,493	7,409,903	2,253,159	484,693	2,230,566	2,237,634
Depletable assets.....	224,893	258	*93	4,051	-	-	-	82,307
Less: Accumulated depletion.....	223,578	21	-	1,006	-	-	-	2,346
Land.....	261,900	200,373	272,091	505,550	128,664	70,094	195,137	140,454
Intangible assets (amortizable).....	3,511,298	1,002,129	2,933,427	6,228,472	684,629	-	3,436,725	2,688,661
Less: Accumulated amortization.....	148,479	136,018	515,842	1,008,227	180,410	111,528	880,534	547,293
Other assets.....	861,937	2,158,208	978,888	4,610,120	424,216	458,954	1,380,290	3,480,010
Total liabilities.....	25,538,354	21,228,516	21,131,439	47,053,197	12,091,311	5,218,352	16,347,481	18,436,092
Accounts payable.....	2,432,330	2,676,359	2,571,502	5,974,536	2,307,842	409,217	1,547,052	1,532,465
Mortgages, notes, and bonds payable in less than one year.....	2,614,121	1,757,776	3,969,558	7,233,300	1,802,929	707,449	1,209,011	1,728,755
Other current liabilities.....	2,269,124	1,769,192	2,438,383	6,272,471	1,228,678	1,220,036	3,868,276	1,487,429
Loans from stockholders.....	1,795,159	545,751	575,466	894,869	349,627	*171,406	847,252	884,533
Mortgages, notes, and bonds payable in one year or more.....	6,725,493	5,364,406	4,363,545	7,701,087	2,866,409	1,010,509	2,182,656	4,714,333
Other liabilities.....	1,561,579	2,468,844	1,594,417	4,083,122	1,223,597	128,369	1,523,140	3,537,023
Capital stock.....	1,665,994	2,137,275	2,847,254	3,268,916	2,130,543	415,304	474,153	1,118,045
Paid-in or capital surplus.....	7,054,411	6,513,135	5,735,255	14,235,547	2,521,891	1,618,863	6,262,577	4,463,770
Retained earnings, appropriated.....	28,927	*22,442	53,876	225,654	111	8,241	*10,347	*47,032
Retained earnings, unappropriated.....	-606,385	-1,370,167	-3,003,933	-2,797,411	-2,337,563	-470,907	-1,568,423	-1,014,305
Less: Cost of treasury stock.....	*2,400	656,497	*13,884	*38,893	2,752	135	*8,561	*62,988
Total receipts.....	25,401,451	18,812,543	25,067,432	49,274,312	17,895,652	4,399,239	15,539,602	15,182,841
Business receipts.....	24,901,242	18,058,193	23,961,009	46,946,729	17,468,362	4,214,276	14,893,690	14,611,203
Interest.....	206,382	191,659	403,510	689,409	134,934	66,797	216,782	190,034
Interest on Government obligations:								
State and local.....	*289	*272	*2,372	*3,567	261	26	*989	854
Rents.....	15,882	94,714	74,613	584,562	18,174	1,378	49,561	31,369
Royalties.....	70,976	29,686	74,697	306,353	*11,039	*5,798	29,491	76,029
Net short-term capital gain reduced by net long-term capital loss.....	148	237	3,092	21,087	*512	-	13	-
Net long-term capital gain reduced by net short-term capital loss.....	42,756	61,617	55,392	136,583	*20,473	*370	105,883	4,341
Net gain, noncapital assets.....	10,993	46,891	48,305	14,516	45,970	6,248	9,102	15,951
Dividends received from domestic corporations.....	*15,553	6,637	1,019	26,410	50	1,832	8,136	783
Dividends received from foreign corporations.....	9,928	48,825	100,707	78,102	15,127	428	38,606	34,327
Other receipts.....	127,302	273,812	342,716	466,995	180,749	102,088	187,350	217,950
Total deductions.....	25,732,640	18,918,126	25,767,566	49,598,093	18,401,658	4,475,350	14,962,214	15,026,782
Cost of sales and operations.....	20,703,449	13,968,185	17,443,810	34,010,413	15,561,025	3,308,109	9,529,258	9,693,476
Compensation of officers.....	92,334	149,583	229,296	264,030	51,704	32,690	152,022	122,580
Repairs.....	212,349	103,509	101,398	142,500	38,841	17,226	44,834	38,595
Bad debts.....	38,675	48,883	74,581	236,125	44,599	23,717	26,356	56,634
Rent paid on business property.....	245,032	125,653	297,189	539,660	86,061	37,692	176,220	142,250
Taxes paid.....	380,543	314,118	451,892	657,268	138,939	72,204	329,204	273,235
Interest paid.....	770,325	695,383	956,319	1,501,907	443,111	191,686	538,992	599,613
Contributions or gifts.....	1,112	3,765	2,245	13,214	785	436	5,402	5,168
Amortization.....	62,515	56,981	126,563	204,588	75,418	29,284	67,671	128,111
Depreciation.....	865,258	543,172	714,835	1,332,373	609,404	120,702	388,434	476,314
Depletion.....	6,540	12	*4,554	1,101	-	-	8	2,265
Advertising.....	32,398	106,528	231,776	951,954	30,016	13,582	193,176	528,469
Pension, profit-sharing, stock bonus, and annuity plans.....	216,652	94,490	135,786	178,226	36,204	18,841	66,658	55,705
Employee benefit programs.....	440,414	304,110	411,492	823,915	249,439	106,901	317,983	281,699
Net loss, noncapital assets.....	21,267	7,756	62,011	63,699	12,407	1,314	34,176	5,718
Other deductions.....	1,643,776	2,396,996	4,524,018	8,677,119	1,023,701	500,966	3,091,824	2,616,950
Total receipts less total deductions.....	-331,189	-106,584	-700,134	-323,781	-506,004	-78,111	577,388	156,059
Constructive taxable income from related foreign corporations.....	3,567	18,986	22,043	53,515	1,125	*2,120	*18,685	*14,180
Includable income of controlled foreign corporations.....	2,433	8,046	*13,255	32,654	9	*1,074	*3,983	1,537
Foreign dividend income resulting from foreign taxes deemed paid.....	1,133	8,940	*8,788	20,881	1,116	*1,046	14,702	*12,643
Net income (less deficit), total.....	-327,911	-89,870	-680,463	-273,833	-505,140	-74,017	595,084	169,385
Income subject to tax.....	194,966	365,195	384,267	858,196	78,757	47,583	516,184	488,895
Income tax, total <sup>2</sup> .....	81,572	130,152	128,848	301,941	35,102	17,932	184,507	171,218
Regular tax.....	66,226	123,744	122,346	289,515	28,685	15,728	175,188	165,978
Recapture of investment credit.....	-	124	-	2	(1)	-	3	(1)
Alternative minimum tax.....	14,939	5,779	5,816	11,028	8,217	*2,110	8,451	4,450
Environmental tax.....	407	497	391	1,241	200	78	864	707
Foreign tax credit.....	-	*7,724	7,872	34,307	1,438	*1,142	*13,381	*15,494
U.S. possessions tax credit.....	-	-	-	-	-	-	2,983	-
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	(1)	-	-	-
General business credit.....	2,546	*3,037	2,088	19,004	36	*39	11,469	2,495
Prior year minimum tax credit.....	3,885	*8,956	*1,673	*183	434	*421	*858	3,025
Total income tax after credits.....	75,141	112,435	117,215	248,448	33,194	16,330	155,816	150,205

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

# Corporation Returns/1991

## 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				Total	Wholesale and retail trade			
	Total	Transportation	Communication	Electric, gas, and sanitary services		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.....	1,188	1,060	28	100	16,240	12,795	619	2,176	10,000
Total assets.....	21,727,001	12,222,114	5,337,540	4,167,347	261,681,735	211,767,252	6,390,498	21,431,421	183,945,333
Cash.....	1,296,842	1,141,483	113,751	41,608	12,496,584	8,824,183	317,055	981,083	7,526,048
Notes and accounts receivable.....	2,914,563	2,080,820	453,988	379,755	77,930,343	70,802,239	1,137,637	7,336,760	62,327,841
Less: Allowance for bad debts.....	96,488	60,726	29,520	6,242	2,215,911	1,826,027	44,244	205,282	1,576,502
Inventories.....	295,103	182,575	68,141	64,386	49,441,427	39,062,259	1,430,816	5,017,486	32,613,957
Investments in Government obligations.....	6,649	6,649	-	-	1,070,278	968,719	-	3,414	965,305
Tax-exempt securities.....	1,771	-	1,771	-	110,830	41,846	92	11,375	30,379
Other current assets.....	1,128,928	887,605	104,817	136,505	17,475,922	15,948,116	308,547	1,519,947	14,119,622
Loans to stockholders.....	202,135	66,710	67	135,358	1,265,797	827,545	153,827	231,233	542,485
Mortgage and real estate loans.....	10,427	254	3,937	6,236	170,748	154,585	14,732	434	139,419
Other investments.....	5,068,150	2,063,825	2,216,947	787,378	32,300,781	29,581,814	563,980	3,244,709	25,773,125
Depreciable assets.....	12,418,506	6,847,519	3,096,177	2,474,810	63,869,790	43,794,850	1,995,709	3,377,661	38,421,479
Less: Accumulated depreciation.....	4,067,489	2,298,951	1,133,893	634,644	22,982,040	15,750,540	813,188	1,362,791	13,574,561
Depletable assets.....	7,142	4,000	-	3,142	611,870	506,202	934	-	505,268
Less: Accumulated depletion.....	2,702	150	-	2,552	118,600	83,543	157	-	93,388
Land.....	488,095	362,268	27,589	98,237	4,937,078	2,615,417	125,784	237,723	2,251,910
Intangible assets (amortizable).....	1,469,426	618,071	419,577	431,778	15,840,948	12,483,604	919,737	417,382	11,146,505
Less: Accumulated amortization.....	321,338	173,382	67,636	80,319	2,017,275	1,579,428	130,516	118,155	1,330,758
Other assets.....	907,282	513,545	61,826	331,910	11,493,165	5,305,412	409,752	738,461	4,157,199
Total liabilities.....	21,727,001	12,222,114	5,337,540	4,167,347	261,681,735	211,767,252	6,390,498	21,431,421	183,945,333
Accounts payable.....	2,060,730	1,710,599	163,807	186,324	48,638,002	41,642,011	1,118,440	5,429,120	35,094,451
Mortgages, notes, and bonds payable in less than one year.....	2,328,727	2,018,379	168,028	142,320	59,423,651	54,773,708	978,804	4,801,885	48,993,019
Other current liabilities.....	2,013,981	1,411,101	357,763	245,118	25,381,851	21,092,023	528,785	1,994,453	18,568,788
Loans from stockholders.....	821,900	641,360	22,751	157,790	10,498,780	8,933,628	122,941	495,990	8,314,696
Mortgages, notes, and bonds payable in one year or more.....	6,254,987	3,025,285	926,971	2,302,731	43,249,055	29,640,728	1,502,611	3,125,433	25,012,684
Other liabilities.....	2,220,586	1,691,719	302,161	226,706	24,608,758	10,730,404	227,023	1,356,722	9,146,659
Capital stock.....	1,860,413	1,091,424	266,347	502,642	28,324,282	24,851,076	654,116	2,800,535	21,396,426
Paid-in or capital surplus.....	5,577,444	1,566,061	3,465,280	546,104	36,084,929	23,953,829	1,212,058	2,868,429	19,873,342
Retained earnings, appropriated.....	4,442	4,442	-	-	49,144	47,666	5,154	6,228	36,283
Retained earnings, unappropriated.....	-1,405,636	-929,202	-334,046	-142,388	-14,469,715	-3,807,723	46,071	-1,445,568	-2,408,225
Less: Cost of treasury stock.....	10,573	9,053	1,520	-	106,998	90,099	5,506	1,804	82,789
Total receipts.....	19,484,643	14,635,414	2,182,521	2,666,707	465,848,543	382,137,841	18,843,604	28,810,375	334,483,863
Business receipts.....	17,505,583	13,167,525	2,030,712	2,307,346	450,595,031	369,889,829	18,456,756	27,709,346	323,723,727
Interest.....	629,844	336,621	81,154	212,068	6,748,193	5,692,397	59,136	418,063	5,215,198
Interest on Government obligations:									
State and local.....	923	334	589	-	18,505	17,773	2	2,629	15,142
Rents.....	397,453	395,229	1,194	1,030	2,063,090	1,774,161	19,862	116,909	1,637,390
Royalties.....	23,242	37	12,330	10,874	380,801	279,337	1,009	7,774	270,554
Net short-term capital gain reduced by net long-term capital loss.....	-	-	-	-	72,780	72,319	999	3,337	67,984
Net long-term capital gain reduced by net short-term capital loss.....	127,763	119,873	6,822	1,068	529,116	444,190	28,165	18,830	397,196
Net gain, noncapital assets.....	43,237	37,139	585	5,513	787,546	679,114	14,530	28,422	636,162
Dividends received from domestic corporations.....	33,218	3,477	7,478	22,264	60,815	55,291	8,124	3,189	43,979
Dividends received from foreign corporations.....	10,408	5,217	-	5,191	89,738	83,398	1,761	8,066	73,571
Other receipts.....	712,973	569,962	41,657	101,354	4,502,929	3,150,031	253,262	493,809	2,402,960
Total deductions.....	19,290,868	14,544,056	2,013,993	2,732,917	468,674,485	383,524,912	18,741,832	28,995,722	335,787,358
Cost of sales and operations.....	8,991,142	7,559,584	586,594	844,984	376,523,042	320,411,450	15,956,334	23,352,695	281,102,422
Compensation of officers.....	175,049	149,009	114,351	11,688	1,924,963	1,546,439	81,342	238,339	1,226,758
Repairs.....	286,288	167,651	98,768	19,868	908,670	536,257	42,999	47,675	445,583
Bad debts.....	103,541	64,395	30,004	9,142	1,578,589	1,180,280	37,312	130,227	1,012,741
Rent paid on business property.....	723,036	572,470	98,704	51,862	4,675,044	2,105,943	154,755	208,378	1,742,810
Taxes paid.....	504,046	375,208	47,631	81,207	3,954,620	2,510,252	145,688	255,085	2,109,479
Interest paid.....	1,059,249	523,091	114,749	421,409	12,076,315	8,972,218	249,735	647,311	8,075,172
Contributions or gifts.....	4,543	2,558	251	1,734	48,057	38,899	3,508	1,631	33,760
Amortization.....	107,024	71,579	9,716	25,729	1,999,285	1,769,488	34,894	48,094	1,686,500
Depreciation.....	1,028,539	488,200	285,937	254,402	8,788,106	7,143,194	171,755	387,820	6,583,619
Depletion.....	6,578	3,966	-	2,612	31,970	31,638	52	-	31,585
Advertising.....	101,967	82,434	14,370	5,162	8,114,486	6,457,991	182,143	260,471	6,015,377
Pension, profit-sharing, stock bonus, and annuity plans.....	58,311	33,655	21,474	3,181	576,829	383,479	31,307	45,413	306,759
Employee benefit programs.....	293,534	202,617	63,537	27,380	2,330,645	1,466,362	132,157	218,238	1,115,967
Net loss, noncapital assets.....	7,464	5,045	337	2,081	286,828	160,813	2,965	27,677	130,171
Other deductions.....	5,840,656	4,242,613	627,568	970,474	44,857,037	28,810,209	1,514,887	3,126,667	24,168,655
Total receipts less total deductions.....	193,676	91,358	168,528	-66,210	-2,825,942	-1,387,071	101,771	-185,347	-1,303,495
Constructive taxable income from related foreign corporations.....	11,699	237	-	11,462	65,660	61,927	1,541	5,697	54,689
Includable income of controlled foreign corporations.....	11,696	234	-	11,462	47,442	46,113	1,541	1,140	43,432
Foreign dividend income resulting from foreign taxes deemed paid.....	3	3	-	-	18,218	15,814	-	4,556	11,258
Net income (less deficit), total.....	204,452	91,261	167,939	-54,748	-2,778,788	-1,342,916	103,311	-182,280	-1,263,948
Income subject to tax.....	639,260	383,088	227,586	28,588	3,553,562	2,750,988	175,298	335,003	2,240,687
Income tax, total.....	231,315	138,344	80,330	12,640	1,289,144	1,003,144	65,710	119,210	818,224
Regular tax.....	216,837	129,738	77,379	9,720	1,192,688	921,981	59,458	111,228	751,275
Recapture of investment credit.....	80	67	13	(1)	79	34	-	(1)	34
Alternative minimum tax.....	14,826	8,102	3,195	3,529	91,275	76,927	6,014	7,466	63,447
Environmental tax.....	627	413	152	61	5,283	4,096	238	429	3,429
Foreign tax credit.....	10,289	8,345	10	1,934	22,750	18,839	911	4,819	13,109
U.S. possessions tax credit.....	56,411	-	56,411	-	23	23	-	23	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-
General business credit.....	3,913	3,882	14	17	22,865	15,529	1,985	1,388	12,158
Prior year minimum tax credit.....	794	794	-	-	18,504	16,281	1,664	372	14,246
Total income tax after credits.....	159,908	125,324	23,895	10,689	1,225,003	952,473	61,150	112,611	778,711

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

# Corporation Returns/1991

## 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.....	3,429	*222	13	424	119	103	159	812	1,577	*17
Total assets.....	49,562,200	*342,303	13,497,720	12,249,938	1,354,731	3,153,204	1,517,463	4,066,539	13,380,304	*352,283
Cash.....	3,596,228	*25,372	1,650,293	579,372	123,857	172,080	161,677	217,592	665,985	*76,173
Notes and accounts receivable.....	7,085,993	*70,008	2,568,733	543,043	133,934	488,708	144,694	563,587	2,573,276	*42,121
Less: Allowance for bad debts.....	389,270	*1,373	*61,767	*31,138	6,181	10,511	*3,247	*39,250	235,803	*615
Inventories.....	10,317,363	*110,949	*1,680,188	2,785,366	582,369	842,213	523,763	162,980	3,629,537	*61,805
Investments in Government obligations.....	101,559	-	235	89,880	-	-	-	-	11,444	-
Tax-exempt securities.....	68,984	-	-	10,775	-	-	58,209	-	-	-
Other current assets.....	1,513,943	*5,327	373,057	184,569	82,421	167,813	44,802	116,873	539,082	*13,863
Loans to stockholders.....	338,252	-	119	61,414	*5,961	17	*59	*72,283	*198,399	-
Mortgage and real estate loans.....	*16,164	-	-	*7,172	-	556	*5,402	17	3,018	-
Other investments.....	2,661,839	*8,058	304,158	840,844	*8,869	214,861	*158,106	362,490	964,452	*57,128
Depreciable assets.....	19,990,607	*101,794	4,008,702	8,531,227	368,756	1,414,124	422,148	2,420,894	2,722,962	*84,334
Less: Accumulated depreciation.....	7,215,685	*48,124	*1,133,961	3,302,442	126,723	553,109	132,935	859,017	1,059,375	*15,816
Depletable assets.....	92,719	-	-	92,240	-	480	-	-	-	12,948
Less: Accumulated depletion.....	21,177	-	-	21,069	-	108	-	-	-	3,880
Land.....	2,300,893	*5,000	648,509	1,006,762	*104,840	66,960	*15,094	242,261	211,466	20,768
Intangible assets (amortizable).....	3,357,094	34,070	10,851	205,513	94,301	248,164	127,512	546,087	2,090,595	250
Less: Accumulated amortization.....	437,656	-	8,159	*24,267	*40,379	73,378	*16,086	67,332	208,055	190
Other assets.....	6,164,359	*31,224	3,456,761	890,679	22,705	174,332	*8,265	327,072	1,273,320	*3,395
Total liabilities.....	49,562,200	*342,303	13,497,720	12,249,938	1,354,731	3,153,204	1,517,463	4,066,539	13,380,304	*352,283
Accounts payable.....	6,903,474	*50,013	2,511,995	1,778,537	110,482	341,694	137,129	253,201	1,720,422	*92,518
Mortgages, notes, and bonds payable in less than one year.....	4,592,840	*125,615	1,685,243	425,356	531,716	341,864	*159,308	401,714	922,024	*57,102
Other current liabilities.....	4,245,173	*33,858	600,962	1,205,168	220,123	304,627	175,127	461,832	1,243,475	*44,655
Loans from stockholders.....	1,557,871	*12,227	*26,672	*57,424	*10,745	*91,265	*74,533	687,309	597,697	*7,281
Mortgages, notes, and bonds payable in one year or more.....	13,499,115	*275,028	478,924	6,476,634	216,991	1,042,292	263,915	1,410,432	3,334,900	109,212
Other liabilities.....	13,861,447	200	10,607,102	599,907	*73,720	162,728	*92,553	197,279	2,127,958	16,907
Capital stock.....	3,473,163	*8,481	697,588	431,626	74,426	399,202	158,169	472,988	1,230,685	*42
Paid-in or capital surplus.....	12,064,611	*289,578	*1,631,683	2,542,185	181,340	1,317,040	*872,437	769,425	4,460,924	*66,488
Retained earnings, appropriated.....	1,478	-	-	-	-	895	402	-	181	-
Retained earnings, unappropriated.....	-10,620,074	*452,327	-4,742,448	-1,266,535	-64,812	-840,809	-416,112	-584,801	-2,252,430	*41,921
Less: Cost of treasury stock.....	*16,899	370	-	363	-	*7,595	3,038	-	*5,533	-
Total receipts.....	82,163,275	*1,045,403	12,913,778	35,487,488	3,238,258	5,075,838	2,267,011	5,541,643	16,593,855	*1,547,427
Business receipts.....	79,166,334	*1,026,044	11,970,517	34,768,356	3,153,237	4,922,490	2,173,525	5,281,877	15,870,288	*1,538,869
Interest.....	1,052,442	*1,764	316,874	134,578	11,508	61,949	71,346	66,894	387,529	*3,354
Interest on Government obligations:										
State and local.....	*733	-	-	352	-	74	-	*307	-	-
Rents.....	288,493	*1,925	61,659	102,074	*16,319	29,698	171	34,922	41,725	435
Royalties.....	101,464	-	161	7,319	*102	*4,024	-	*76,126	13,732	-
Net short-term capital gain reduced by net long-term capital loss.....	*460	-	-	-	4	-	-	-	*456	-
Net long-term capital gain reduced by net short-term capital loss.....	84,925	177	35,841	*12,332	-	*415	*550	*8,971	26,639	(1)
Net gain, noncapital assets.....	108,432	1,189	32,241	28,393	*1,302	250	*89	*36,042	8,926	-
Dividends received from domestic corporations.....	5,512	-	98	*463	-	1,035	3,052	368	496	12
Dividends received from foreign corporations.....	6,340	-	-	844	-	2,576	-	523	2,396	-
Other receipts.....	1,348,141	*14,304	496,386	432,777	55,787	53,328	18,278	35,615	241,666	*4,757
Total deductions.....	83,570,922	*1,140,358	13,485,969	35,184,690	3,279,243	5,158,784	2,384,974	5,638,468	17,318,437	*1,578,651
Cost of sales and operations.....	54,666,201	*771,850	7,520,327	26,270,721	2,711,359	2,921,385	1,556,341	2,632,903	10,281,316	*1,445,391
Compensation of officers.....	374,334	*11,978	17,406	63,996	20,967	48,749	14,043	58,296	138,900	*4,191
Repairs.....	371,821	*4,251	66,242	136,370	5,145	25,492	10,513	74,486	49,321	*591
Bad debts.....	397,851	*4,596	*105,509	33,458	5,466	15,911	*17,972	3,891	211,048	*458
Rent paid on business property.....	2,565,744	*25,764	238,214	778,318	33,658	319,453	86,384	289,725	794,230	*3,357
Taxes paid.....	1,440,801	*16,533	306,463	472,514	34,421	135,999	32,330	182,086	260,455	*3,567
Interest paid.....	3,089,337	*39,396	1,192,466	566,761	55,913	124,851	*82,153	199,108	828,689	*14,760
Contributions or gifts.....	9,119	-	165	*5,832	*33	*1,170	*63	*386	1,480	*39
Amortization.....	229,735	*2,802	9,837	41,906	7,250	18,751	4,542	52,382	92,265	*61
Depreciation.....	1,621,957	*13,738	255,045	690,713	29,776	111,833	38,821	168,727	313,305	*22,954
Depletion.....	333	-	(1)	(1)	332	-	-	-	-	-
Advertising.....	1,649,374	*17,262	315,096	343,490	36,903	135,054	117,998	154,541	529,031	*7,120
Pension, profit-sharing, stock bonus, and annuity plans.....	192,819	1,751	*11,891	104,531	*5,619	25,172	*7,657	10,815	25,382	*531
Employee benefit programs.....	862,488	*13,051	*26,580	441,908	21,614	56,590	*31,124	112,823	158,799	*1,795
Net loss, noncapital assets.....	128,002	4	110	*6,106	*25	24,197	*739	*7,977	86,844	13
Other deductions.....	15,973,005	*217,385	3,420,618	5,208,066	311,096	1,193,844	384,303	1,690,322	3,547,372	*73,823
Total receipts less total deductions.....	-1,407,646	*94,955	-572,191	322,799	-40,984	-82,948	-117,962	-96,824	-724,582	*31,225
Constructive taxable income from related foreign corporations.....	3,733	-	-	-	-	3,558	-	177	-	-
Includable income of controlled foreign corporations.....	1,329	-	-	-	-	1,329	-	-	-	-
Foreign dividend income resulting from foreign taxes deemed paid.....	2,404	-	-	-	-	2,227	-	177	-	-
Net income (less deficit), total.....	-1,404,647	*94,955	-572,191	322,447	-40,984	-79,484	-117,962	-96,954	-724,582	*31,225
Income subject to tax.....	800,578	*128	17,777	*457,574	*12,745	*83,519	*2,107	*57,157	169,572	*1,995
Income tax, total.....	285,456	*19	6,344	164,691	*5,059	28,652	*1,242	20,058	59,392	*544
Regular tax.....	270,181	*19	6,044	*155,557	*4,260	28,396	*548	*18,269	57,086	*544
Recapture of investment credit.....	45	-	(1)	2	-	-	-	-	43	-
Alternative minimum tax.....	14,348	-	274	*8,360	*1,102	*153	*694	*1,710	*2,058	-
Environmental tax.....	1,187	-	25	771	2	102	-	*79	207	-
Foreign tax credit.....	3,910	-	-	-	-	1,774	-	389	1,748	-
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-	-
General business credit.....	7,338	-	67	2,267	*83	259	-	1,914	*2,748	-
Prior year minimum tax credit.....	*2,223	-	544	-	-	1,378	-	-	*301	-
Total income tax after credits.....	271,968	*19	5,732	162,424	*4,976	25,241	*1,242	17,755	54,598	*544

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

# Corporation Returns/1991

## 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.....	14,352	139	582	249	211	59	10,484	2,627
<b>Total assets.....</b>	<b>797,976,417</b>	<b>227,263,487</b>	<b>103,996,176</b>	<b>196,309,693</b>	<b>123,237,962</b>	<b>9,670,399</b>	<b>82,457,676</b>	<b>55,041,026</b>
Cash.....	51,234,792	28,351,138	7,913,733	7,670,342	1,445,707	698,987	3,103,629	2,053,256
Notes and accounts receivable.....	206,340,300	108,074,236	53,709,253	25,574,677	4,890,355	2,202,444	4,701,544	7,187,791
Less: Allowance for bad debts.....	8,164,089	3,549,249	2,416,325	9,017	13,168	17,595	118,815	39,920
Inventories.....	2,303,596	17,459	30,201	61,834	1,632	11,052	1,924,821	256,597
Investments in Government obligations.....	50,564,728	20,957,044	160,815	13,243,287	15,985,688	72,030	2,994	142,870
Tax-exempt securities.....	13,357,536	2,755,813	1,474	252	10,244,838	326,039	34	29,085
Other current assets.....	142,499,375	10,836,854	15,421,179	89,480,984	16,835,953	597,667	4,493,972	4,832,667
Loans to stockholders.....	16,550,749	3,627,176	6,147,763	754,758	160	465	500,131	5,520,298
Mortgage and real estate loans.....	45,461,547	15,112,456	9,498,520	385,291	13,755,207		5,084,015	1,626,057
Other investments.....	185,242,243	18,621,877	9,253,700	51,184,793	54,113,852	4,223,740	22,734,658	25,109,622
Depreciable assets.....	45,211,786	5,562,980	2,291,997	984,281	1,169,290	786,272	29,659,293	4,757,673
Less: Accumulated depreciation.....	10,423,852	2,808,790	1,087,787	378,333	166,563	315,688	4,734,163	832,529
Depletable assets.....	701,757	4,005			4,766		310,688	382,298
Less: Accumulated depletion.....	63,040				3,614		24,568	34,858
Land.....	12,396,365	381,431	196,830	16,600	108,918	13,982	10,543,823	1,134,782
Intangible assets (amortizable).....	5,520,160	1,511,468	686,130	666,427	132,749	1,195,081	647,987	680,317
Less: Accumulated amortization.....	1,316,234	194,867	193,622	151,620	38,187	335,644	263,471	138,623
Other assets.....	38,556,698	18,002,357	2,382,314	6,825,137	4,770,376	213,567	3,891,102	2,473,845
<b>Total liabilities.....</b>	<b>797,976,417</b>	<b>227,263,487</b>	<b>103,996,176</b>	<b>196,309,693</b>	<b>123,237,962</b>	<b>9,670,399</b>	<b>82,457,676</b>	<b>55,041,026</b>
Accounts payable.....	66,417,824	44,752,964	1,998,507	12,849,155	1,680,966	2,488,043	1,468,962	1,179,226
Mortgages, notes, and bonds payable in less than one year.....	118,898,041	27,518,142	53,361,577	16,635,148	163,612	170,621	8,797,180	12,251,760
Other current liabilities.....	324,642,660	116,874,206	17,845,299	147,549,987	34,702,367	1,101,773	4,346,024	2,223,004
Loans from stockholders.....	22,582,671	1,800,309	555,876	879,991	729,153	25,348	14,020,107	4,571,888
Mortgages, notes, and bonds payable in one year or more.....	83,934,450	11,438,270	22,787,900	3,032,498	4,132,268	934,474	29,164,258	12,444,784
Other liabilities.....	86,592,354	5,601,193	3,160,602	9,968,552	56,956,148	224,899	7,288,433	3,392,528
Capital stock.....	32,289,838	5,139,255	1,506,029	1,771,689	3,036,861	342,335	15,018,418	5,475,250
Paid-in or capital surplus.....	81,615,105	14,096,099	3,159,005	4,794,861	16,814,800	1,300,627	20,556,470	20,893,442
Retained earnings, appropriated.....	969,804	68,930	1,261	396	806,100	1,754	48,259	43,105
Retained earnings, unappropriated.....	-19,428,913	-24,795	-379,879	-1,150,407	4,253,629	3,080,528	-17,906,534	-7,301,455
Less: Cost of treasury stock.....	537,415	1,088		22,177	37,741	3	343,902	132,504
<b>Total receipts.....</b>	<b>110,835,450</b>	<b>22,301,343</b>	<b>9,835,742</b>	<b>18,037,318</b>	<b>39,326,630</b>	<b>3,692,122</b>	<b>9,732,131</b>	<b>7,910,163</b>
Business receipts.....	49,117,828	2,729,690	616,219	4,668,022	28,876,162	3,342,255	4,913,982	3,971,500
Interest.....	48,034,314	17,174,600	7,789,301	11,720,892	6,787,200	185,627	1,948,920	2,417,774
Interest on Government obligations:								
State and local.....	513,151	189,074	6,760	21,176	253,818	30,055	983	11,285
Rents.....	3,400,630	829,436	727,537	70,072	107,232	2,238	1,362,052	302,062
Royalties.....	41,086	1,377	61	232	1,518	25	1,221	36,652
Net short-term capital gain reduced by net long-term capital loss.....	375,012	9,521	9,009	88,246	194,615	10,943	42,363	20,314
Net long-term capital gain reduced by net short-term capital loss.....	1,409,771	30,369	114,600	70,704	440,702	9,233	437,348	306,815
Net gain, noncapital assets.....	601,542	240,223	98,740	29,684	2,212	4,630	182,976	43,077
Dividends received from domestic corporations.....	397,122	17,149	8,093	28,293	236,381	14,867	6,455	85,885
Dividends received from foreign corporations.....	130,780	1,696	2,904	17,835	3,422		4,744	100,180
Other receipts.....	6,814,214	1,078,208	462,519	1,322,163	2,423,370	82,249	831,066	614,619
<b>Total deductions.....</b>	<b>112,257,824</b>	<b>22,482,215</b>	<b>10,047,694</b>	<b>17,646,184</b>	<b>38,093,352</b>	<b>3,192,323</b>	<b>12,565,326</b>	<b>8,230,730</b>
Cost of sales and operations.....	23,953,292	46,801	155,287	1,688,676	17,299,783	262,254	2,065,875	2,434,615
Compensation of officers.....	1,708,994	529,937	97,175	454,310	176,276	154,216	169,194	127,886
Repairs.....	331,124	119,230	17,470	18,580	13,614	6,667	136,097	19,466
Bad debts.....	3,468,487	2,082,469	830,286	45,348	69,283	7,983	367,685	65,234
Rent paid on business property.....	1,730,906	578,262	104,030	228,501	366,528	154,734	165,869	132,982
Taxes paid.....	2,487,504	418,836	115,971	155,111	842,111	154,386	629,116	171,973
Interest paid.....	35,817,232	11,331,509	6,651,718	10,703,942	829,587	120,988	3,901,076	2,278,412
Contributions or gifts.....	38,187	12,322	844	10,651	7,355	4,134	972	1,909
Amortization.....	572,429	128,796	42,832	58,899	102,892	43,172	103,796	92,042
Depreciation.....	3,535,617	1,343,337	632,162	103,453	169,386	74,612	998,493	214,174
Depletion.....	11,344	128	11	75	838	1,193	4,133	4,967
Advertising.....	342,226	107,562	23,740	18,229	53,224	30,978	81,087	27,406
Pension, profit-sharing, stock bonus, and annuity plans.....	402,514	143,924	8,151	41,428	109,648	68,296	18,175	12,893
Employee benefit programs.....	894,228	325,602	48,717	80,243	216,372	98,509	64,763	60,024
Net loss, noncapital assets.....	799,538	395,056	68,716	16,726	12,155	1,649	172,438	132,799
Other deductions.....	36,164,202	4,918,444	1,250,584	4,022,015	17,824,299	2,008,553	3,686,357	2,453,949
<b>Total receipts less total deductions.....</b>	<b>-1,422,374</b>	<b>-180,872</b>	<b>-211,951</b>	<b>391,134</b>	<b>1,233,278</b>	<b>499,799</b>	<b>-2,833,195</b>	<b>-320,567</b>
Constructive taxable income from related foreign corporations.....	319,686	1,469	11,303	197,742	3,051	729	482	104,909
Includable income of controlled foreign corporations.....	226,283	1,248	9,878	152,674	3,048	729	482	58,223
Foreign dividend income resulting from foreign taxes deemed paid.....	93,402	221	1,425	45,068	3			46,687
<b>Net income (less deficit), total.....</b>	<b>-1,615,839</b>	<b>-368,477</b>	<b>-207,408</b>	<b>567,701</b>	<b>982,511</b>	<b>470,473</b>	<b>-2,833,695</b>	<b>-226,943</b>
Income subject to tax.....	4,330,764	660,730	366,329	685,818	1,121,715	489,395	199,799	806,979
Income tax, total.....	1,532,044	259,809	132,750	237,416	386,853	167,051	68,510	279,654
Regular tax.....	1,451,046	224,650	124,417	232,882	368,459	166,394	63,696	270,549
Recapture of investment credit.....	54	1	8	29			16	
Alternative minimum tax.....	71,385	33,970	7,751	3,592	14,441	51	3,552	8,029
Environmental tax.....	6,240	1,240	574	912	1,700	606	238	971
Foreign tax credit.....	146,575	3,561	2,836	77,282	11,635	33	101	51,327
U.S. possessions tax credit.....	8,062		8,062					
Orphan drug credit.....								
Nonconventional source fuel credit.....								
General business credit.....	15,205	4,237	8,095	68	930	1,279	385	212
Prior year minimum tax credit.....	26,613	7,641	8,966	530	7,868		292	1,317
<b>Total income tax after credits.....</b>	<b>1,335,568</b>	<b>244,370</b>	<b>104,991</b>	<b>159,537</b>	<b>366,421</b>	<b>165,739</b>	<b>67,733</b>	<b>226,798</b>

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

# Corporation Returns/1991

## 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							Nature of business not allocable
	Services							
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair, miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	6,424	368	*132	3,041	234	1,036	1,613	*707
Total assets.....	103,613,542	22,425,264	*786,492	36,200,639	1,429,946	33,986,013	8,785,188	*169,163
Cash.....	3,930,730	580,135	*23,240	1,551,397	98,270	1,043,658	634,031	*7,242
Notes and accounts receivable.....	18,549,186	1,276,180	*68,680	6,712,784	275,906	8,291,960	1,923,677	*49,775
Less: Allowance for bad debts.....	546,191	45,623	3,585	196,765	*2,013	226,025	72,180	*303
Inventories.....	3,607,583	85,327	*20,779	968,504	*62,137	2,159,830	311,005	*11,722
Investments in Government obligations.....	416,532	-	-	411,370	-	-	5,162	*124
Tax-exempt securities.....	*1,893	*1,393	-	6	-	-	293	-
Other current assets.....	7,447,070	1,560,880	*10,464	2,790,625	28,092	2,320,267	736,742	*3,525
Loans to stockholders.....	225,588	*53,546	6,577	76,432	*2,458	39,215	*47,360	*3,182
Mortgage and real estate loans.....	691,010	*410,240	319	*19,145	-	*248,749	12,556	*1,729
Other investments.....	32,977,117	6,280,688	*108,414	13,076,491	*457,364	11,577,977	1,476,181	*36,482
Depreciable assets.....	25,801,872	8,581,948	*318,390	8,144,912	394,748	5,641,805	2,720,070	*25,891
Less: Accumulated depreciation.....	7,779,338	1,374,336	*76,122	2,585,287	115,130	2,674,956	953,507	*6,318
Depletable assets.....	1,693	-	-	330	-	1,364	-	-
Less: Accumulated depletion.....	124	-	-	124	-	-	-	-
Land.....	3,113,505	1,832,785	*78,687	283,279	*126,440	632,582	159,732	*5,027
Intangible assets (amortizable).....	8,473,728	546,626	144,866	3,675,819	*61,827	2,976,405	1,068,185	*31,963
Less: Accumulated amortization.....	2,265,439	105,094	6,645	906,663	*18,165	1,113,621	115,251	*1,567
Other assets.....	8,967,325	2,740,568	*92,427	2,178,384	58,012	3,066,805	831,129	*690
Total liabilities.....	103,613,542	22,425,264	*786,492	36,200,639	1,429,946	33,986,013	8,785,188	*169,163
Accounts payable.....	10,702,282	840,451	*22,639	4,445,377	182,568	4,363,529	847,717	*5,350
Mortgages, notes, and bonds payable in less than one year.....	8,800,247	1,425,795	5,330	3,887,286	*315,865	2,031,342	1,134,628	*36,160
Other current liabilities.....	9,510,689	1,076,055	*90,366	4,179,642	192,080	3,107,845	864,701	*6,687
Loans from stockholders.....	5,051,763	2,283,954	*11,438	1,808,886	*21,512	436,915	489,057	*39,534
Mortgages, notes, and bonds payable in one year or more.....	27,499,036	7,991,759	*271,110	8,056,496	297,892	9,040,128	1,841,651	*27,159
Other liabilities.....	7,818,857	1,349,362	28,721	2,766,310	*47,691	2,608,480	818,293	*5,019
Capital stock.....	10,464,485	3,802,891	*61,145	1,739,666	170,122	3,547,891	1,142,779	*41,360
Paid-in or capital surplus.....	36,298,389	7,241,710	243,076	13,645,089	505,848	11,923,427	2,739,238	*21,655
Retained earnings, appropriated.....	31,408	*491	-	14,580	-	*40	*16,297	(1)
Retained earnings, unappropriated.....	-11,675,051	-3,585,874	*52,945	-3,905,475	-303,560	-2,849,151	-1,083,936	*-13,681
Less: Cost of treasury stock.....	688,573	*1,332	279	437,219	71	*224,433	*25,239	*120
Total receipts.....	49,879,308	5,021,570	*489,767	23,544,538	1,193,478	11,615,047	8,014,908	*97,133
Business receipts.....	43,946,441	3,741,826	*450,151	21,313,500	1,073,789	10,050,880	7,316,294	*90,698
Interest.....	2,126,181	423,415	*22,629	807,259	43,134	676,937	152,807	*4,826
Interest on Government obligations:								
State and local.....	*1,649	-	-	*1,649	-	-	-	-
Rents.....	870,664	65,583	*1,748	592,011	*47,289	127,376	36,657	-
Royalties.....	920,100	367,801	657	115,170	4,177	348,144	84,151	-
Net short-term capital gain reduced by net long-term capital loss.....	*6,580	-	-	3,380	-	*3,199	-	-
Net long-term capital gain reduced by net short-term capital loss.....	149,571	49,087	29	65,899	1,264	8,985	24,307	-
Net gain, noncapital assets.....	157,117	*11,871	21	97,190	*10,984	30,862	6,188	-
Dividends received from domestic corporations.....	2,995	*62	-	800	118	1,605	*411	-
Dividends received from foreign corporations.....	291,231	*136,808	-	45,287	-	98,447	*10,690	-
Other receipts.....	1,406,779	225,117	*14,532	502,392	12,723	268,613	383,403	*1,608
Total deductions.....	52,552,814	5,662,863	*473,036	24,132,641	1,238,487	12,880,730	8,165,059	*91,143
Cost of sales and operations.....	22,132,927	1,057,259	*106,798	11,890,621	472,991	5,084,138	3,521,121	*62,247
Compensation of officers.....	870,201	32,706	*18,055	450,508	52,741	101,207	214,984	*2,154
Repairs.....	280,396	75,085	*7,107	74,730	5,734	71,255	46,485	*174
Bad debts.....	465,568	40,576	*8,250	238,076	1,553	46,221	132,893	*325
Rent paid on business property.....	1,949,565	284,158	*18,967	1,033,918	116,581	312,513	203,430	*1,550
Taxes paid.....	1,216,619	255,973	*16,368	555,121	27,604	170,731	190,821	*2,119
Interest paid.....	4,053,944	911,121	*40,330	1,271,208	89,136	1,445,790	296,360	*7,741
Contributions or gifts.....	6,033	985	*164	2,406	*4	933	1,541	*22
Amortization.....	925,886	40,414	6,012	201,832	*6,609	642,892	28,127	*61
Depreciation.....	3,449,147	411,046	*21,652	1,328,572	98,067	1,350,191	239,619	*1,206
Depletion.....	*9	-	-	8	-	-	*2	-
Advertising.....	967,654	148,994	*8,250	217,676	21,593	489,181	83,961	*548
Pension, profit-sharing, stock bonus, and annuity plans.....	200,794	3,087	*1,895	135,438	*973	24,733	34,667	*806
Employee benefit programs.....	734,183	88,542	*12,031	364,123	*13,588	72,744	183,155	*838
Net loss, noncapital assets.....	85,483	13,180	511	29,897	*7,568	31,659	2,668	-
Other deductions.....	15,214,405	2,319,736	*210,645	6,338,511	323,744	3,036,543	2,985,225	*11,354
Total receipts less total deductions.....	-2,673,507	-641,293	*16,731	-588,103	-45,008	-1,265,683	-150,151	*5,990
Constructive taxable income from related foreign corporations.....	187,970	30,493	-	33,675	-	*123,802	-	-
Includable income of controlled foreign corporations.....	128,596	7,367	-	26,489	-	*94,740	-	-
Foreign dividend income resulting from foreign taxes deemed paid.....	*59,374	23,126	-	7,186	-	*29,062	-	-
Net income (less deficit), total.....	-2,487,185	-610,800	*16,731	-556,077	-45,008	-1,141,881	-150,151	*5,990
Income subject to tax.....	774,288	*145,118	*17,347	380,382	*6,327	41,436	183,678	*7,102
Income tax, total.....	280,129	51,885	*5,354	139,898	*2,123	14,508	66,362	*2,261
Regular tax.....	253,630	*49,077	*5,341	122,796	*1,958	13,886	60,573	*2,259
Recapture of investment credit.....	(1)	(1)	-	(1)	-	-	-	-
Alternative minimum tax.....	26,524	*2,589	-	17,674	154	587	5,520	-
Environmental tax.....	901	219	13	411	12	*34	212	2
Foreign tax credit.....	48,805	36,881	-	10,291	*82	-	*1,551	-
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-
General business credit.....	10,596	*674	66	*5,926	-	*15	3,915	-
Prior year minimum tax credit.....	3,294	*108	-	*1,147	-	*98	*1,943	-
Total income tax after credits.....	217,434	14,225	*5,288	122,534	*2,041	14,394	58,953	*2,261

\* 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."



# Corporation Returns/1991

## 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	Total	Metal mining	Coal mining	Oil and gas extraction	Nonmetallic minerals, except fuels
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns, total.....	18,789	364	189	39	8	133	8
<b>Total assets.....</b>	<b>972,356,626</b>	<b>659,459</b>	<b>18,558,511</b>	<b>4,670,111</b>	<b>653,433</b>	<b>8,653,754</b>	<b>4,581,213</b>
Cash.....	43,307,168	34,369	581,564	44,894	16,501	290,636	229,533
Notes and accounts receivable.....	226,197,578	68,761	2,057,820	192,614	144,222	1,474,705	246,279
Less: Allowance for bad debts.....	5,758,629	2,481	21,333		50	14,690	6,593
Inventories.....	57,890,833	95,987	501,348	76,205	18,196	266,170	139,777
Investments in Government obligations.....	30,488,534						
Tax-exempt securities.....	9,114,482						
Other current assets.....	123,734,149	28,044	2,041,821	93,546	58,981	1,355,799	533,495
Loans to stockholders.....	12,348,556	772	351			3	348
Mortgage and real estate loans.....	25,464,056	2,045	16,672			16,578	94
Other investments.....	229,012,539	34,664	6,223,849	3,217,108	55,012	893,097	2,058,632
Depreciable assets.....	200,747,167	308,104	7,126,189	1,039,373	285,470	4,809,289	992,057
Less: Accumulated depreciation.....	87,469,119	169,875	3,856,168	190,921	134,007	3,119,297	411,943
Depletable assets.....	14,379,615	2,515	3,692,243	25,395	144,112	3,018,996	503,740
Less: Accumulated depletion.....	5,828,475	364	1,104,965	605	47,669	1,032,743	23,949
Land.....	14,839,816	227,139	289,424	10,972	13,770	155,111	109,571
Intangible assets (amortizable).....	45,615,986	7,976	933,857	126,511	45,222	576,926	185,198
Less: Accumulated amortization.....	9,228,196	1,319	261,405	26,122	19,666	202,850	12,767
Other assets.....	47,500,564	23,121	337,245	61,140	72,341	166,023	37,742
<b>Total liabilities.....</b>	<b>972,356,626</b>	<b>659,459</b>	<b>18,558,511</b>	<b>4,670,111</b>	<b>653,433</b>	<b>8,653,754</b>	<b>4,581,213</b>
Accounts payable.....	75,228,247	87,290	873,328	101,533	32,313	600,296	139,186
Mortgages, notes, and bonds payable in less than one year.....	125,556,467	71,682	1,345,732	57,836	15,581	114,021	1,158,295
Other current liabilities.....	257,374,825	42,409	1,543,345	237,050	23,325	1,065,801	217,169
Loans from stockholders.....	22,264,132	81,010	268,289	128,792		119,838	19,659
Mortgages, notes, and bonds payable in one year or more.....	131,088,896	110,819	2,448,704	859,372	61,553	699,047	828,733
Other liabilities.....	105,282,751	1,878	354,922	28,913	87,195	195,419	43,395
Capital stock.....	40,163,229	164,763	1,316,910	177,921	140,018	648,836	350,137
Paid-in or capital surplus.....	163,044,952	72,694	10,696,881	2,266,851	229,225	6,577,936	1,622,870
Retained earnings, appropriated.....	1,139,340	1,708	2,033				2,033
Retained earnings, unappropriated.....	51,868,187	45,206	229,127	811,845	112,875	1,366,456	212,810
Less: Cost of treasury stock.....	654,201		62,507		48,450	983	13,074
<b>Total receipts.....</b>	<b>671,249,480</b>	<b>549,519</b>	<b>8,082,226</b>	<b>874,001</b>	<b>657,665</b>	<b>5,272,960</b>	<b>1,277,600</b>
Business receipts.....	609,352,925	523,147	7,024,194	737,604	616,449	4,602,852	1,067,289
Interest.....	38,170,901	6,642	394,149	29,109	10,982	195,535	158,522
Interest on Government obligations:							
State and local.....	352,684		342				342
Rents.....	4,384,445	6,678	11,877	549	1,376	6,754	3,199
Royalties.....	2,020,068	1,153	47,283	9,215	13,763	24,261	43
Net short-term capital gain reduced by net long-term capital loss.....	349,305		7,338	5,544		136	1,658
Net long-term capital gain reduced by net short-term capital loss.....	2,364,393	172	62,215	611	4,981	55,491	1,131
Net gain, noncapital assets.....	1,490,272	373	96,512	4	129	92,524	3,856
Dividends received from domestic corporations.....	887,937	392	1,377	755		611	11
Dividends received from foreign corporations.....	708,493		15,446	3,702		11,744	
Other receipts.....	11,168,057	10,962	421,492	86,908	9,985	283,052	41,547
<b>Total deductions.....</b>	<b>645,963,564</b>	<b>499,140</b>	<b>6,668,769</b>	<b>762,130</b>	<b>617,974</b>	<b>4,051,871</b>	<b>1,236,794</b>
Cost of sales and operations.....	448,619,823	399,221	3,571,155	484,843	458,854	1,882,896	744,562
Compensation of officers.....	3,855,492	3,872	40,342	796	2,990	22,294	14,261
Repairs.....	3,293,434	2,517	29,804	24	373	15,720	13,687
Bad debts.....	2,026,529	774	7,837	583	92	5,336	1,824
Rent paid on business property.....	7,238,540	2,225	67,521	882	1,979	55,799	8,861
Taxes paid.....	12,040,066	8,379	155,856	6,716	39,331	94,591	15,218
Interest paid.....	36,685,367	15,264	382,852	30,346	9,723	152,902	189,881
Contributions or gifts.....	268,108	163	1,930	1,020	142	12	756
Amortization.....	1,785,821	942	40,348	8,422	3,648	21,394	6,886
Depreciation.....	14,376,059	16,466	519,848	64,591	20,254	350,258	84,745
Depletion.....	904,250	26	202,002	51,538	28,573	97,894	23,996
Advertising.....	10,156,474	2,271	15,355	1	184	12,288	2,882
Pension, profit-sharing, stock bonus, and annuity plans.....	1,905,333	417	45,804	2	2,160	36,803	6,839
Employee benefit programs.....	6,027,637	3,774	107,528	317	12,570	79,363	15,278
Net loss, noncapital assets.....	351,410	95	13,828	2,822	1,020	4,281	5,705
Other deductions.....	96,429,121	42,736	1,466,761	109,226	36,082	1,220,040	101,413
<b>Total receipts less total deductions.....</b>	<b>25,285,916</b>	<b>50,378</b>	<b>1,413,457</b>	<b>111,871</b>	<b>39,691</b>	<b>1,221,088</b>	<b>40,806</b>
Constructive taxable income from related foreign corporations.....	632,944		4,437			4,437	
Includable income of Controlled Foreign Corporations.....	328,619						
Foreign dividend income resulting from foreign taxes deemed paid.....	304,325		4,437			4,437	
<b>Net income.....</b>	<b>25,566,176</b>	<b>50,378</b>	<b>1,417,552</b>	<b>111,871</b>	<b>39,691</b>	<b>1,225,526</b>	<b>40,464</b>
Income subject to tax.....	20,039,732	36,447	1,185,939	84,577	24,942	1,049,336	27,084
Income tax, total.....	7,102,798	10,932	422,986	30,392	10,118	368,263	14,212
Regular tax.....	6,746,566	10,493	403,045	28,756	8,480	356,612	9,197
Recapture of investment credit.....	592		4		4	(1)	
Alternative minimum tax.....	323,752	455	19,403	1,486	1,752	10,263	5,901
Environmental tax.....	29,211	34	1,671	151	46	1,388	86
Foreign tax credit.....	716,347		313,186	58		313,128	
U.S. possessions tax credit.....	95,131						
Orphan drug credit.....	12,233						
Nonconventional source fuel credit.....	22,984		230			203	26
General business credit.....	181,617	318	2,488	393	704	1,391	
Prior year minimum tax credit.....	89,935	579	6,691	1,696	733	4,263	
<b>Total income tax after credits.....</b>	<b>5,974,550</b>	<b>10,037</b>	<b>100,391</b>	<b>28,245</b>	<b>8,682</b>	<b>49,278</b>	<b>14,186</b>

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

# Corporation Returns/1991

## 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.....	541	*413	34	*95	2,975	128	***	103	61
Total assets.....	2,156,720	*901,815	913,739	*341,166	339,664,109	41,720,477	***	2,882,556	1,050,461
Cash.....	196,798	*97,763	61,091	*37,944	6,519,434	517,957	***	111,320	48,856
Notes and accounts receivable.....	874,697	*459,027	275,166	*140,503	48,367,875	8,133,080	***	530,792	226,815
Less: Allowance for bad debts.....	*7,976	*3	*5,461	*2,512	1,214,116	105,945	***	13,902	*9,330
Inventories.....	48,581	*575	*19,880	*28,126	31,251,971	3,740,682	***	549,329	362,835
Investments in Government obligations.....	35,172	-	35,172	-	194,961	-	***	-	244
Tax-exempt securities.....	*11,923	*2	11,921	-	*156,124	-	***	-	-
Other current assets.....	255,083	*42,296	142,762	*70,025	23,499,676	1,332,961	***	67,059	45,684
Loans to stockholders.....	*25,780	*21	*25,543	*216	538,157	*79,112	***	5,725	*1,054
Mortgage and real estate loans.....	*684	*82	602	-	10,059	5,440	***	-	-
Other investments.....	237,038	*174,153	*62,884	-	87,739,176	10,838,174	***	270,475	*119,855
Depreciable assets.....	743,286	*234,938	416,515	*91,833	138,031,120	9,946,476	***	1,804,327	371,255
Less: Accumulated depreciation.....	366,536	*120,155	195,071	*51,310	62,480,335	3,126,836	***	771,563	194,463
Depletable assets.....	*3,182	-	*3,182	-	10,321,515	2,575	***	-	-
Less: Accumulated depletion.....	*3,007	-	*3,007	-	4,660,134	2,481	***	-	-
Land.....	49,353	*10,629	*36,253	*2,471	9,290,217	618,015	***	19,751	*6,435
Intangible assets (amortizable).....	*20,957	*1,261	750	*18,946	35,204,567	9,444,822	***	72,755	*98,064
Less: Accumulated amortization.....	*3,248	*416	219	*2,612	7,035,237	835,558	***	*12,376	*42,437
Other assets.....	34,954	*1,644	*25,774	*7,536	23,929,078	1,132,007	***	248,864	15,594
Total liabilities.....	2,156,720	*901,815	913,739	*341,166	339,664,109	41,720,477	***	2,882,556	1,050,461
Accounts payable.....	780,546	*513,238	158,460	*108,849	28,327,371	4,136,947	***	216,167	118,189
Mortgages, notes, and bonds payable in less than one year.....	81,349	17,988	*10,357	*53,004	19,525,476	1,842,007	***	118,241	*34,947
Other current liabilities.....	448,206	*172,121	228,505	*47,580	34,054,383	2,841,351	***	278,836	119,830
Loans from stockholders.....	*93,148	*78,629	9,612	*4,907	12,136,902	1,811,697	***	*114,853	*7,494
Mortgages, notes, and bonds payable in one year or more.....	326,218	73,446	*231,258	*21,516	70,061,838	12,566,718	***	824,340	*311,472
Other liabilities.....	51,878	*23,542	*14,581	*13,754	36,156,774	1,412,128	***	100,488	16,905
Capital stock.....	72,143	*1,747	62,006	*8,390	12,965,601	1,235,300	***	216,487	49,805
Paid-in or capital surplus.....	282,166	*100,926	*136,403	*44,837	95,573,257	11,119,374	***	469,943	173,317
Retained earnings, appropriated.....	*4	*4	-	-	336,116	26,179	***	-	-
Retained earnings, unappropriated.....	22,916	*79,792	64,379	*38,329	30,698,720	4,766,745	***	545,723	219,065
Less: Cost of treasury stock.....	*1,855	*35	*1,821	-	172,329	*37,968	***	*2,523	*563
Total receipts.....	4,450,983	*2,257,652	1,471,074	*722,256	282,606,392	34,977,667	***	3,770,389	1,222,810
Business receipts.....	4,246,916	*2,152,173	1,398,851	*695,892	268,228,204	32,135,286	***	3,708,046	1,211,645
Interest.....	21,370	*7,192	10,572	*3,605	5,073,589	1,169,969	***	17,853	*3,061
Interest on Government obligations:							***		
State and local.....	1,155	301	854	-	29,249	*785	***	255	*31
Rents.....	20,737	19,928	809	-	1,647,410	278,362	***	5,300	*548
Royalties.....	*6,668	*6,487	-	*181	1,538,718	272,732	***	197	558
Net short-term capital gain reduced by net long-term capital loss.....	79	-	79	-	26,661	17	***	-	-
Net long-term capital gain reduced by net short-term capital loss.....	*11,742	2,221	*2,138	*7,383	905,440	210,620	***	*1,798	2,625
Net gain, noncapital assets.....	13,529	4,767	*6,830	*1,931	742,203	214,186	***	1,955	*49
Dividends received from domestic corporations.....	28	-	18	10	486,083	282,836	***	664	*33
Dividends received from foreign corporations.....	8,345	1,200	7,145	-	438,902	14,815	***	5,091	-
Other receipts.....	120,413	*63,382	*43,777	*13,254	3,491,932	398,060	***	29,229	*4,261
Total deductions.....	4,287,043	*2,224,996	1,388,873	*673,173	270,929,072	33,743,645	***	3,526,199	1,174,521
Cost of sales and operations.....	3,669,975	*2,013,094	1,151,047	*505,834	181,366,302	20,585,804	***	2,525,605	869,134
Compensation of officers.....	48,926	15,793	*22,386	*10,747	1,282,766	157,540	***	34,348	*10,134
Repairs.....	8,387	4,423	*2,988	*975	2,395,328	229,789	***	11,354	*6,925
Bad debts.....	6,332	642	*1,871	*3,820	506,038	41,816	***	8,884	*1,558
Rent paid on business property.....	23,500	12,707	*5,150	*5,843	3,190,073	487,713	***	25,827	7,309
Taxes paid.....	36,273	*12,867	17,007	*6,400	7,569,170	673,301	***	85,438	24,412
Interest paid.....	53,463	*13,088	25,099	*15,275	10,912,516	2,192,449	***	136,246	37,740
Contributions or gifts.....	402	130	*241	*32	172,557	32,572	***	2,966	*242
Amortization.....	*4,110	482	1,921	*1,707	1,029,284	152,895	***	3,859	*9,825
Depreciation.....	70,880	*25,030	36,253	*9,596	7,751,576	776,648	***	130,166	28,249
Depletion.....	*540	-	*540	-	682,089	20	***	-	-
Advertising.....	4,682	1,288	*2,001	*1,414	5,576,439	1,470,317	***	20,709	10,827
Pension, profit-sharing, stock bonus, and annuity plans.....	9,067	4,189	*4,330	548	1,139,152	128,161	***	25,742	*1,847
Employee benefit programs.....	19,026	7,771	*7,778	*3,477	3,649,846	456,830	***	60,571	20,019
Net loss, noncapital assets.....	*443	-	217	*226	168,695	9,772	***	*6,083	*66
Other deductions.....	331,037	*113,513	110,045	*107,480	43,537,443	6,348,020	***	448,402	146,234
Total receipts less total deductions.....	163,940	*32,656	82,201	*49,083	11,677,319	1,234,021	***	244,189	48,289
Constructive taxable income from related foreign corporations.....	6,022	2,812	3,210	-	245,335	7,329	***	1,569	119
Includable income of Controlled Foreign Corporations.....	1,001	1,001	-	-	89,724	4,444	***	-	-
Foreign dividend income resulting from foreign taxes deemed paid.....	5,021	1,811	3,210	-	155,611	2,884	***	1,569	119
Net income.....	168,807	*35,167	84,557	*49,083	11,893,405	1,240,565	***	245,504	48,377
Income subject to tax.....	86,002	1,348	*50,076	*34,578	9,510,083	783,411	***	202,238	43,454
Income tax, total <sup>2</sup> .....	31,389	1,114	18,467	*11,809	3,369,373	282,031	***	63,099	15,157
Regular tax.....	29,103	458	*17,004	*11,840	3,216,099	266,260	***	59,167	14,744
Recapture of investment credit.....	-	-	-	-	423	*50	***	-	-
Alternative minimum tax.....	2,167	641	1,390	*136	136,887	14,210	***	*3,672	*386
Environmental tax.....	107	12	*62	*32	14,670	1,425	***	262	*29
Foreign tax credit.....	*3,912	251	*3,661	-	181,900	9,190	***	1,382	205
U.S. possessions tax credit.....	-	-	-	-	30,835	4,111	***	152	164
Orphan drug credit.....	-	-	-	-	12,233	-	***	-	-
Nonconventional source fuel credit.....	-	-	-	-	*22,754	-	***	-	-
General business credit.....	*25	8	*17	-	127,147	12,204	***	680	-
Prior year minimum tax credit.....	468	136	332	-	47,768	2,867	***	-	-
Total income tax after credits.....	26,983	719	14,456	*11,809	2,946,937	253,659	***	60,885	14,788

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

# Corporation Returns/1991

## 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	Chemicals and allied products	Petroleum (including integrated) and coal products	Rubber and miscellaneous plastics products	Leather and leather products	Stone, clay, and glass products
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
Number of returns, total.....	*330	***	217	84	208	14	185	***	78
Total assets.....	*501,433	***	2,649,229	11,250,602	67,109,028	115,630,115	2,389,278	***	2,244,705
Cash.....	*24,937	***	47,408	246,386	1,775,588	649,246	103,766	***	100,616
Notes and accounts receivable.....	*66,823	***	385,742	1,347,689	10,513,897	7,049,687	437,868	***	269,964
Less: Allowance for bad debts.....	*1,916	***	11,593	62,907	305,505	109,292	9,658	***	14,799
Inventories.....	*124,061	***	433,567	575,941	7,195,810	3,675,397	351,849	***	359,968
Investments in Government obligations.....	***	***	***	121,357	5,432	25	***	***	4,114
Tax-exempt securities.....	***	***	***	***	*129,350	***	***	***	8,542
Other current assets.....	*21,467	***	68,235	341,005	4,606,138	12,061,076	98,353	***	151,981
Loans to stockholders.....	***	***	*58,775	*3,946	*49,883	*153,684	*11,670	***	*64,202
Mortgage and real estate loans.....	***	***	***	***	*643	440	***	***	*96
Other investments.....	*12,779	***	169,638	855,864	13,916,642	48,209,624	370,472	***	184,858
Depreciable assets.....	*286,334	***	2,102,769	2,987,145	31,541,263	52,883,439	1,091,828	***	1,534,974
Less: Accumulated depreciation.....	*138,908	***	875,973	1,134,014	14,320,419	24,363,751	443,597	***	673,968
Depletable assets.....	*17,549	***	***	114	53,202	10,187,327	5,000	***	*32,274
Less: Accumulated depletion.....	***	***	***	***	34,007	4,813,285	***	***	*8,510
Land.....	*17,138	***	31,519	125,329	1,576,861	1,088,246	21,595	***	64,681
Intangible assets (amortizable).....	*956	***	69,798	4,462,805	5,075,906	*7,059,747	192,634	***	161,137
Less: Accumulated amortization.....	*123	***	27,808	187,297	811,680	3,075,639	31,997	***	*29,697
Other assets.....	*70,338	***	197,039	1,567,354	6,140,224	4,796,143	189,393	***	34,273
Total liabilities.....	*501,433	***	2,649,229	11,250,602	67,109,028	115,630,115	2,389,278	***	2,244,705
Accounts payable.....	*20,691	***	257,041	651,192	4,128,592	8,476,428	227,412	***	142,031
Mortgages, notes, and bonds payable in less than one year.....	*81,737	***	207,816	245,290	4,751,772	4,906,235	208,877	***	135,126
Other current liabilities.....	*28,786	***	187,696	592,611	5,482,907	11,301,642	165,789	***	168,482
Loans from stockholders.....	*19,109	***	*83,133	*470,793	4,223,431	3,351,807	*145,648	***	*67,892
Mortgages, notes, and bonds payable in one year or more.....	*139,925	***	1,224,553	2,009,287	13,933,120	*16,795,118	400,255	***	377,801
Other liabilities.....	*5,176	***	452,101	4,371,618	4,436,034	*11,463,847	197,871	***	133,471
Capital stock.....	*87,414	***	1,012,525	1,146,919	3,167,951	613,655	146,239	***	173,537
Paid-in or capital surplus.....	110,433	***	529,904	1,693,489	19,969,250	38,951,799	730,664	***	883,615
Retained earnings, appropriated.....	***	***	*1,671	1,953	140,722	12,184	***	***	324
Retained earnings, unappropriated.....	*8,162	***	-1,306,107	87,467	6,919,298	19,761,483	173,329	***	167,957
Less: Cost of treasury stock.....	***	***	*1,103	17	44,050	4,044	*8,806	***	*5,332
Total receipts.....	*849,632	***	3,610,001	6,906,876	55,724,418	70,534,941	2,507,154	***	2,145,024
Business receipts.....	*836,210	***	3,498,931	6,555,153	53,030,751	66,505,135	2,439,286	***	2,073,129
Interest.....	*7,129	***	31,296	147,544	945,316	1,463,835	21,924	***	18,261
Interest on Government obligations: State and local.....	152	***	*349	***	14,829	4,743	460	***	619
Rents.....	*733	***	7,938	34,163	142,368	290,887	*1,079	***	5,327
Royalties.....	***	***	2,770	*16,494	239,076	595,632	503	***	223
Net short-term capital gain reduced by net long-term capital loss.....	***	***	*6,712	1,243	3,974	14,480	51	***	***
Net long-term capital gain reduced by net short-term capital loss.....	***	***	*3,818	*9,194	154,964	244,031	6,592	***	*15,436
Net gain, noncapital assets.....	*144	***	*9,319	18,420	25,672	348,837	1,308	***	9,316
Dividends received from domestic corporations.....	***	***	*1,339	*2,970	7,614	169,388	425	***	1,146
Dividends received from foreign corporations.....	***	***	*1,940	1,218	175,979	28,008	*134	***	15
Other receipts.....	*5,264	***	45,590	120,478	983,875	889,905	35,392	***	21,553
Total deductions.....	*830,222	***	3,342,273	6,600,116	52,594,937	68,610,573	2,349,518	***	2,015,786
Cost of sales and operations.....	*644,598	***	2,471,006	2,844,676	28,979,552	50,366,347	1,718,824	***	1,466,083
Compensation of officers.....	*16,080	***	31,416	80,631	253,549	*55,386	31,171	***	26,989
Repairs.....	*4,766	***	8,619	59,288	379,871	1,397,792	5,686	***	4,681
Bad debts.....	*1,143	***	3,439	40,369	107,652	*74,533	6,999	***	6,612
Rent paid on business property.....	*2,762	***	17,680	123,099	701,588	1,004,782	11,963	***	8,468
Taxes paid.....	*17,248	***	71,554	180,691	957,027	3,055,844	45,051	***	42,432
Interest paid.....	*21,766	***	102,762	433,230	1,941,047	2,736,832	65,886	***	55,738
Contributions or gifts.....	*110	***	674	5,153	67,633	27,357	728	***	552
Amortization.....	*1,979	***	13,929	175,079	213,174	195,430	8,567	***	6,559
Depreciation.....	*19,005	***	128,443	257,470	2,170,650	1,619,123	78,245	***	105,953
Depletion.....	***	***	3	***	72,549	480,205	***	***	11,475
Advertising.....	*5,329	***	23,894	96,279	1,886,081	194,726	14,769	***	5,758
Pension, profit-sharing, stock bonus, and annuity plans.....	779	***	12,262	56,227	267,117	*296,470	8,805	***	6,749
Employee benefit programs.....	*7,575	***	55,484	128,722	1,196,357	193,935	32,756	***	30,081
Net loss, noncapital assets.....	888	***	*1,523	*7,197	31,664	*5,742	*1,665	***	*989
Other deductions.....	*86,395	***	399,587	2,113,805	13,369,428	6,906,068	318,306	***	236,667
Total receipts less total deductions.....	*19,410	***	267,728	306,761	3,129,481	1,924,368	157,636	***	129,238
Constructive taxable income from related foreign corporations.....	***	***	*460	927	102,152	34,801	***	***	2
Includable income of Controlled Foreign Corporations.....	***	***	136	***	19,188	32,627	***	***	***
Foreign dividend income resulting from foreign taxes deemed paid.....	***	***	*324	927	82,964	2,174	***	***	2
Net income.....	*19,258	***	267,840	307,688	3,216,804	1,954,426	157,176	***	128,622
Income subject to tax.....	*17,960	***	229,698	150,275	2,821,869	1,666,429	113,314	***	97,297
Income tax, total.....	*6,214	***	80,624	57,844	1,002,570	586,927	40,609	***	36,145
Regular tax.....	*6,017	***	77,868	51,072	959,280	565,226	37,707	***	32,830
Recapture of investment credit.....	***	***	13	1	39	192	***	***	(1)
Alternative minimum tax.....	*185	***	2,627	6,684	39,077	*19,204	2,791	***	3,341
Environmental tax.....	11	***	314	372	4,752	2,305	111	***	110
Foreign tax credit.....	9	***	*364	918	84,016	2,838	30	***	177
U.S. possessions tax credit.....	***	***	***	***	21,174	1,848	204	***	***
Orphan drug credit.....	***	***	***	***	12,233	***	***	***	***
Nonconventional source fuel credit.....	*149	***	***	***	***	22,605	***	***	***
General business credit.....	7	***	*454	1,181	36,054	17,439	*1,474	***	*2,030
Prior year minimum tax credit.....	***	***	*113	11	*1,475	24,231	*1,215	***	*420
Total income tax after credits.....	*6,048	***	79,893	55,734	847,617	517,867	37,688	***	33,519

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

# Corporation Returns/1991

## 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.....	38	171	334	566	36	50	226	103
Total assets.....	5,183,911	10,913,310	7,670,089	25,493,234	3,078,437	2,595,838	13,890,673	11,066,389
Cash.....	160,549	172,086	406,733	901,072	161,535	107,884	410,999	505,844
Notes and accounts receivable.....	975,432	2,643,360	1,988,716	5,350,642	595,609	458,961	2,964,902	1,551,154
Less: Allowance for bad debts.....	24,323	51,670	67,916	264,451	31,257	7,945	78,198	41,135
Inventories.....	1,089,648	913,730	1,782,607	4,111,017	663,920	478,816	2,360,186	1,229,760
Investments in Government obligations.....	-	7,390	*31,169	4,850	-	20,000	579	-
Tax-exempt securities.....	1,514	-	*12,705	4,013	-	-	-	-
Other current assets.....	277,765	574,427	378,809	1,229,776	113,596	539,652	893,920	471,270
Loans to stockholders.....	-	*363	*24,121	*15,442	12,440	2,043	*40,298	15,398
Mortgage and real estate loans.....	-	*2,412	100	903	25	-	-	-
Other investments.....	362,617	3,065,421	303,306	4,885,881	58,045	492,588	1,710,321	1,788,642
Depreciable assets.....	3,081,668	3,814,090	2,619,505	9,338,615	2,207,026	555,539	4,119,612	3,541,622
Less: Accumulated depreciation.....	1,219,945	2,063,318	1,251,717	4,811,080	932,378	238,086	1,881,381	1,651,363
Depletable assets.....	-	258	*93	-	-	-	-	23,123
Less: Accumulated depletion.....	-	21	-	-	-	-	-	1,830
Land.....	61,165	60,877	109,561	194,311	54,047	29,083	172,491	87,143
Intangible assets (amortizable).....	133,815	578,138	1,076,915	2,057,268	120,705	*81,309	3,042,887	1,023,095
Less: Accumulated amortization.....	36,093	44,841	144,676	401,465	*17,707	*28,458	771,183	314,866
Other assets.....	320,100	1,240,608	402,058	2,878,638	72,832	104,452	905,240	2,838,632
Total liabilities.....	5,183,911	10,913,310	7,670,089	25,493,234	3,078,437	2,595,838	13,890,673	11,066,389
Accounts payable.....	576,901	1,534,240	1,075,212	3,655,901	554,560	228,108	1,034,845	820,242
Mortgages, notes, and bonds payable in less than one year.....	584,521	533,557	962,537	2,550,379	364,945	293,399	744,624	890,253
Other current liabilities.....	478,358	961,710	870,018	3,108,118	305,653	701,748	3,659,988	890,545
Loans from stockholders.....	196,422	250,650	229,086	317,153	127,179	*62,201	624,081	*34,273
Mortgages, notes, and bonds payable in one year or more.....	651,897	2,199,821	1,141,444	3,917,277	788,914	379,091	1,737,931	2,055,113
Other liabilities.....	194,987	1,516,297	764,179	1,709,134	40,282	65,965	1,394,214	3,110,403
Capital stock.....	588,010	320,022	655,303	1,521,931	671,357	169,413	118,503	463,211
Paid-in or capital surplus.....	1,174,864	2,985,163	1,455,440	6,987,310	478,911	555,282	5,021,233	2,156,109
Retained earnings, appropriated.....	-	*18,619	*8,475	*76,187	-	-	*8,984	40,742
Retained earnings, unappropriated.....	740,183	598,862	515,176	1,652,739	-250,613	140,632	-448,118	649,518
Less: Cost of treasury stock.....	*2,232	*5,632	*6,780	*2,896	2,752	-	*5,611	*44,021
Total receipts.....	8,493,147	8,722,093	9,722,960	30,563,735	5,534,820	2,544,289	13,931,186	9,313,673
Business receipts.....	8,377,608	8,324,332	9,370,975	29,049,231	5,424,824	2,443,181	13,329,198	8,978,968
Interest.....	35,725	96,965	90,767	356,930	30,021	47,173	195,769	77,384
Interest on Government obligations:								
State and local.....	*40	*240	*2,094	*2,598	20	13	*966	764
Rents.....	6,429	73,159	38,845	573,683	*5,273	1,347	48,263	26,179
Royalties.....	*17,183	22,548	17,442	243,929	*4,330	*2,395	26,004	*46,362
Net short-term capital gain reduced by net long-term capital loss.....	103	89	-	-	-	-	13	-
Net long-term capital gain reduced by net short-term capital loss.....	21,926	53,664	16,890	23,131	500	*91	*105,190	*803
Net gain, noncapital assets.....	*8,479	36,011	39,974	9,513	*1,280	*1,849	*7,555	8,067
Dividends received from domestic corporations.....	481	2,035	*717	3,440	-	1,144	*8,061	771
Dividends received from foreign corporations.....	2,476	24,928	20,261	60,047	4,245	231	38,323	*34,256
Other receipts.....	22,697	88,122	124,893	241,234	64,326	46,866	171,846	140,119
Total deductions.....	8,251,433	8,279,316	9,240,476	29,557,100	5,396,073	2,469,280	13,150,860	8,789,515
Cost of sales and operations.....	7,183,815	6,468,590	6,879,604	21,419,092	4,669,031	1,920,852	8,444,830	5,844,679
Compensation of officers.....	38,644	64,539	100,242	121,285	19,866	18,541	127,293	64,503
Repairs.....	9,019	31,112	28,769	65,101	6,596	12,164	39,701	16,797
Bad debts.....	11,774	20,863	21,422	88,028	8,644	4,200	20,939	27,169
Rent paid on business property.....	27,092	47,427	64,207	306,648	13,117	26,520	155,234	78,007
Taxes paid.....	80,073	131,887	169,571	335,184	48,233	37,558	303,671	185,814
Interest paid.....	107,227	278,685	235,419	655,385	102,892	71,250	482,161	286,170
Contributions or gifts.....	1,008	3,006	2,245	13,195	783	433	5,402	5,013
Amortization.....	26,535	18,678	21,025	62,938	8,912	5,192	49,790	43,446
Depreciation.....	236,408	149,846	212,105	799,377	173,201	48,753	310,272	270,264
Depletion.....	102	-	*4,225	-	-	-	8	1,907
Advertising.....	8,778	54,252	79,601	669,710	13,788	9,367	168,609	161,456
Pension, profit-sharing, stock bonus, and annuity plans.....	23,118	26,624	41,603	84,421	6,561	9,709	62,459	32,969
Employee benefit programs.....	71,629	107,036	142,283	385,296	72,435	41,816	286,850	192,076
Net loss, noncapital assets.....	987	842	8,338	43,236	6,186	*464	33,541	2,839
Other deductions.....	425,223	875,928	1,229,818	4,508,205	245,828	262,460	2,660,101	1,576,407
Total receipts less total deductions.....	241,714	442,777	482,484	1,006,636	138,747	75,009	780,326	524,158
Constructive taxable income from related foreign corporations.....	3,345	13,350	*8,430	34,426	1,116	*2,120	18,184	*14,082
Includable income of Controlled Foreign Corporations.....	2,212	4,541	*1,874	15,462	-	*1,074	3,823	1,439
Foreign dividend income resulting from foreign taxes deemed paid.....	1,133	8,809	*6,557	18,964	1,116	*1,046	14,362	*12,643
Net income.....	245,020	455,887	488,820	1,038,464	139,843	77,116	797,545	537,477
Income subject to tax.....	194,966	365,195	364,267	856,196	78,757	47,563	516,184	488,895
Income tax, total.....	74,539	129,667	126,941	301,698	31,032	17,546	184,478	168,511
Regular tax.....	66,226	123,744	122,346	289,515	26,685	15,728	175,188	165,976
Recapture of investment credit.....	-	123	-	2	(1)	-	3	(1)
Alternative minimum tax.....	7,942	5,281	3,915	10,784	4,176	*1,725	8,422	*1,800
Environmental tax.....	371	492	385	1,240	170	77	864	665
Foreign tax credit.....	-	*7,724	7,872	34,307	1,438	*1,142	*13,381	*15,494
U.S. possessions tax credit.....	-	-	-	-	-	-	2,983	-
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	(1)	-	-	-
General business credit.....	2,546	*3,037	2,088	19,004	36	*39	11,469	2,495
Prior year minimum tax credit.....	3,885	*6,956	*1,873	*183	434	*421	*858	3,025
Total income tax after credits.....	68,108	111,950	115,308	248,204	29,123	15,944	155,787	147,499

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

# Corporation Returns/1991

## 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				
	Total	Transportation	Communication	Electric, gas, and sanitary services	Total	Wholesale trade			
	(34)	(35)	(36)	(37)	(38)	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.....	543	493	9	41	7,074	5,937	366	922	4,650
Total assets.....	12,324,519	6,616,293	4,379,212	*1,329,014	124,627,034	106,821,203	3,882,049	12,918,597	90,020,558
Cash.....	932,056	806,752	97,277	*28,028	5,443,652	4,581,157	218,046	892,759	3,870,352
Notes and accounts receivable.....	1,517,941	1,070,806	320,696	*126,639	40,629,881	38,376,197	701,942	4,934,904	32,739,351
Less: Allowance for bad debts.....	44,899	22,808	19,246	*2,847	765,651	654,508	32,241	87,939	534,327
Inventories.....	152,151	40,899	62,411	*48,841	24,857,813	20,073,816	961,435	2,487,845	16,624,536
Investments in Government obligations.....	*6,649	*6,649	-	-	1,048,921	957,042	-	*3,361	953,681
Tax-exempt securities.....	1,771	-	1,771	-	*52,491	*41,716	-	*11,357	*30,359
Other current assets.....	643,674	552,953	78,690	*12,031	10,456,015	9,991,180	131,298	907,412	8,952,470
Loans to stockholders.....	*55,300	*55,300	-	-	725,915	641,224	*149,127	178,040	316,057
Mortgage and real estate loans.....	*6,406	*170	-	*6,238	64,632	55,969	-	*415	*55,555
Other investments.....	4,031,856	1,603,499	2,089,345	*339,012	15,183,652	13,989,425	250,786	2,116,436	11,622,203
Depreciable assets.....	6,580,158	3,358,762	2,483,713	*737,683	28,072,566	19,547,204	1,455,311	1,743,103	16,348,790
Less: Accumulated depreciation.....	2,471,665	1,352,559	959,105	*160,001	11,172,484	7,996,822	671,330	744,688	6,580,606
Depletable assets.....	4,000	4,000	-	-	*217,749	*125,684	-	-	*125,684
Less: Accumulated depletion.....	150	150	-	-	42,007	20,938	-	-	20,938
Land.....	238,238	198,876	24,446	14,916	1,764,166	1,295,121	82,112	94,586	1,118,423
Intangible assets (amortizable).....	420,470	135,308	202,684	82,478	5,011,849	4,003,866	633,313	154,590	3,215,964
Less: Accumulated amortization.....	95,121	47,686	30,678	16,775	787,486	618,451	86,510	29,029	502,912
Other assets.....	345,685	205,702	27,209	*112,774	3,867,359	2,432,120	88,760	457,444	1,885,916
Total liabilities.....	12,324,519	6,616,293	4,379,212	*1,329,014	124,627,034	106,821,203	3,882,049	12,918,597	90,020,558
Accounts payable.....	1,103,494	922,955	128,328	*52,211	26,204,622	23,569,126	737,150	3,581,365	19,250,612
Mortgages, notes, and bonds payable in less than one year.....	1,131,217	959,914	44,635	*126,667	29,828,762	28,767,008	481,068	2,369,116	25,916,823
Other current liabilities.....	765,821	489,531	160,665	*115,626	12,620,618	11,053,589	388,971	1,247,755	9,416,863
Loans from stockholders.....	114,744	99,511	10,262	*4,971	2,455,814	2,016,873	*27,676	243,673	1,745,524
Mortgages, notes, and bonds payable in one year or more.....	2,973,843	1,775,894	649,998	*547,951	15,968,333	10,446,615	751,228	1,349,035	8,346,351
Other liabilities.....	1,344,579	1,022,377	134,839	*187,363	3,525,196	3,111,021	149,993	1,128,065	1,832,963
Capital stock.....	830,239	693,111	113,655	*23,473	11,261,323	9,622,740	211,786	1,370,900	8,040,054
Paid-in or capital surplus.....	3,908,161	504,686	3,029,917	*373,559	11,466,159	8,814,720	786,894	1,264,984	6,762,842
Retained earnings, appropriated.....	-	-	-	-	19,716	18,822	5,154	*6,145	*7,523
Retained earnings, unappropriated.....	162,157	156,530	108,434	*102,807	11,358,203	9,466,181	345,627	357,919	8,762,635
Less: Cost of treasury stock.....	*9,737	*8,217	1,520	-	81,712	65,490	*3,498	*361	61,631
Total receipts.....	10,818,575	8,638,986	*1,485,678	*693,911	276,752,409	235,161,329	13,922,183	19,814,303	201,424,843
Business receipts.....	9,952,115	8,007,804	*1,361,923	*582,388	270,963,066	230,310,901	13,636,083	19,135,919	197,538,899
Interest.....	283,303	188,147	*63,817	*31,339	2,443,575	2,268,205	24,606	261,439	1,982,160
Interest on Government obligations:									
State and local.....	493	334	159	-	16,664	16,319	-	*2,337	13,982
Rents.....	90,766	89,703	*152	911	538,953	*392,628	16,793	40,536	335,299
Royalties.....	*12,580	37	12,131	*412	180,105	175,051	*885	*5,136	169,029
Net short-term capital gain reduced by net long-term capital loss.....	-	-	-	-	64,191	63,802	-	3,294	60,509
Net long-term capital gain reduced by net short-term capital loss.....	120,921	113,178	6,807	936	181,263	156,496	*23,675	17,876	114,945
Net gain, noncapital assets.....	30,087	29,092	585	410	252,425	202,405	14,361	14,593	173,452
Dividends received from domestic corporations.....	*24,780	*2,517	-	22,263	42,222	41,161	7,292	*1,431	32,438
Dividends received from foreign corporations.....	6,189	5,162	-	1,028	57,038	54,121	1,761	7,876	44,484
Other receipts.....	297,340	203,012	40,104	*54,224	2,032,908	1,480,240	196,726	323,866	959,648
Total deductions.....	9,969,784	8,124,085	*1,214,542	*631,158	272,111,740	231,429,944	13,882,823	19,337,585	196,409,536
Cost of sales and operations.....	5,155,423	4,526,012	*287,927	*341,484	231,528,056	202,269,894	11,770,909	16,396,549	174,102,436
Compensation of officers.....	77,999	66,228	7,968	*3,802	1,003,940	853,963	48,867	138,902	666,194
Repairs.....	220,656	123,226	*92,116	*5,314	421,213	283,352	31,375	22,367	229,611
Bad debts.....	41,642	16,689	*22,666	*2,287	489,213	382,164	18,940	46,559	316,665
Rent paid on business property.....	353,375	317,879	*31,235	*4,261	2,133,286	1,026,483	117,247	98,436	810,800
Taxes paid.....	314,206	261,378	*30,153	*22,676	2,102,159	1,447,766	107,135	153,559	1,187,072
Interest paid.....	382,707	246,508	*65,316	*70,883	4,202,719	3,621,012	129,173	317,141	3,174,698
Contributions or gifts.....	4,466	2,481	251	1,734	46,212	37,110	3,508	1,586	32,016
Amortization.....	31,163	18,116	*3,387	*9,660	278,494	205,381	16,249	16,702	172,429
Depreciation.....	443,318	193,858	*208,706	*40,754	3,214,991	2,473,035	124,179	205,892	2,142,964
Depletion.....	*3,965	*3,963	-	1	8,878	8,878	52	-	8,826
Advertising.....	44,321	33,288	*9,903	*1,132	4,196,893	3,589,682	150,022	125,910	3,313,751
Pension, profit-sharing, stock bonus, and annuity plans.....	47,892	27,420	17,429	3,043	306,833	196,691	22,161	26,731	147,799
Employee benefit programs.....	184,874	121,449	*55,808	*7,817	1,274,876	708,082	101,087	130,734	476,262
Net loss, noncapital assets.....	3,256	1,361	2	*1,892	64,050	36,165	1,566	17,202	17,397
Other deductions.....	2,660,522	2,164,231	*381,874	*114,417	20,839,925	14,290,286	1,040,353	1,639,314	11,610,618
Total receipts less total deductions.....	848,791	514,901	*271,136	*62,753	4,640,669	3,731,384	239,360	476,718	3,015,307
Constructive taxable income from related foreign corporations.....	3	3	-	-	28,983	25,251	*1,104	5,311	18,836
Includable income of Controlled Foreign Corporations.....	-	-	-	-	11,404	10,075	*1,104	755	8,217
Foreign dividend income resulting from foreign taxes deemed paid.....	3	3	-	-	17,579	*15,175	-	4,556	*10,619
Net income.....	848,300	514,570	*270,977	*62,753	4,652,889	3,740,316	240,464	479,891	3,020,161
Income subject to tax.....	639,260	383,086	*227,586	28,588	3,551,478	2,750,988	175,298	335,003	2,240,687
Income tax, total.....	227,312	138,167	*78,527	*10,618	1,274,666	990,887	65,703	119,209	805,975
Regular tax.....	216,837	129,738	*77,379	9,720	1,191,977	921,961	59,458	111,228	751,275
Recapture of investment credit.....	80	67	13	( <sup>1</sup> )	46	3	-	( <sup>1</sup> )	3
Alternative minimum tax.....	9,769	7,925	994	*850	77,694	64,850	6,007	7,465	51,378
Environmental tax.....	802	413	140	48	5,128	3,946	238	429	3,280
Foreign tax credit.....	10,289	*8,345	10	1,934	22,700	18,839	*911	4,819	13,109
U.S. possessions tax credit.....	56,411	-	56,411	-	23	23	-	23	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-
General business credit.....	*3,913	*3,882	14	17	22,388	15,529	1,985	*1,388	12,158
Prior year minimum tax credit.....	-	*794	-	-	18,504	18,281	-	*372	14,246
Total income tax after credits.....	155,905	125,148	*22,092	*8,667	1,211,054	940,215	61,143	112,610	766,462

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

# Corporation Returns/1991

## 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									
	Total	Building materials, garden supplies and mobile home dealers	General merchandise stores	Food stores	Automotive dealers and service stations	Apparel and accessory stores	Furniture and home furnishings stores	Eating and drinking places	Miscellaneous retail stores	Wholesale and retail trade not allocable
	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)
Number of returns, total.....	1,123	*168	*8	267	*44	20	*41	204	374	*14
Total assets.....	17,765,341	*36,975	*601,996	8,359,506	*381,296	1,240,500	*226,565	1,095,071	5,823,432	*40,490
Cash.....	857,959	*694	*57,514	*227,529	*58,608	51,939	*16,357	81,864	363,455	*4,536
Notes and accounts receivable.....	2,248,815	*6,449	*27,737	*353,884	*42,797	257,194	*65,794	105,292	1,389,667	*4,870
Less: Allowance for bad debts.....	111,143	-	*66	*15,711	*1,413	4,327	*241	*2,760	86,626	-
Inventories.....	4,755,748	*21,823	*128,169	2,341,279	*121,320	357,453	*74,640	79,943	1,631,121	*28,249
Investments in Government obligations.....	89,880	-	-	89,880	-	-	-	-	-	-
Tax-exempt securities.....	10,775	-	-	10,775	-	-	-	-	-	-
Other current assets.....	463,858	-	*4,329	*97,637	*5,873	62,604	*24,900	34,256	234,260	*978
Loans to stockholders.....	*84,692	-	-	-	*15	-	*59	*71,216	13,402	-
Mortgage and real estate loans.....	*8,662	-	-	*7,172	-	531	*960	-	-	-
Other investments.....	1,194,141	*4,883	270,429	*397,881	*6,009	*65,031	-	*85,196	364,712	*85
Depreciable assets.....	8,521,009	*16,115	*159,376	6,073,811	*139,510	449,231	*61,806	556,873	1,064,287	*4,353
Less: Accumulated depreciation.....	3,173,229	*12,990	*65,317	2,172,919	*43,240	187,054	*19,506	225,051	447,152	*2,633
Depletable assets.....	92,065	-	-	92,065	-	-	-	-	-	-
Less: Accumulated depletion.....	21,069	-	-	21,069	-	-	-	-	-	-
Land.....	469,045	-	15,418	*322,459	*43,034	20,259	*471	*27,860	39,544	-
Intangible assets (amortizable).....	1,007,982	-	8,457	*34,520	*2,595	*203,509	*4,165	171,128	583,610	-
Less: Accumulated amortization.....	169,035	-	7,282	*3,839	*508	53,486	*2,959	85,759	85,759	-
Other assets.....	1,435,187	*1	*3,233	*524,154	*6,696	17,614	*120	*124,456	758,913	*52
Total liabilities.....	17,765,341	*36,975	*601,996	8,359,506	*381,296	1,240,500	*226,565	1,095,071	5,823,432	*40,490
Accounts payable.....	2,618,276	*6,495	*40,787	*1,360,577	*36,630	108,577	*56,182	130,216	879,812	*16,219
Mortgages, notes, and bonds payable in less than one year.....	1,053,679	*1,675	13,822	*271,717	*83,824	*161,183	*8,596	*98,332	414,529	*8,075
Other current liabilities.....	1,565,211	*1,733	*24,617	757,122	*56,607	71,940	*28,295	130,324	494,573	*1,818
Loans from stockholders.....	438,622	*2,979	*14,269	*10,432	*4,789	-	*49,196	*9,524	347,434	*319
Mortgages, notes, and bonds payable in one year or more.....	5,521,719	*7,236	202,857	*2,819,816	*71,643	*285,338	*42,823	*317,918	1,774,087	-
Other liabilities.....	414,175	-	18,988	*189,224	*6,975	23,285	*3,229	*35,697	136,777	-
Capital stock.....	1,638,541	*3,350	*222,006	396,609	*22,233	53,751	*17,225	163,721	759,646	*42
Paid-in or capital surplus.....	2,641,459	-	*69,958	*993,849	*76,661	519,337	*19,407	*148,348	814,099	*9,980
Retained earnings, appropriated.....	895	-	-	-	-	895	-	-	-	-
Retained earnings, unappropriated.....	1,887,986	*13,507	*5,307	1,560,722	*21,935	23,789	*1,612	64,029	207,699	*4,036
Less: Cost of treasury stock.....	*16,222	-	-	363	-	*7,595	-	3,038	5,226	-
Total receipts.....	41,489,606	*107,054	*407,888	27,018,099	*1,050,026	1,870,345	*466,805	1,837,792	8,731,597	*101,474
Business receipts.....	40,551,027	*105,280	*376,571	26,473,333	*1,021,385	1,805,830	*465,253	1,787,970	8,515,405	*101,139
Interest.....	175,153	*383	*4,499	70,543	*3,668	22,619	*989	*12,486	59,966	*217
Interest on Government obligations:										
State and local.....	*345	-	-	290	-	-	-	*54	-	-
Rents.....	146,325	-	22,501	*77,676	*11,735	2,491	-	*1,644	30,277	-
Royalties.....	5,054	-	-	-	-	3,852	-	36	1,166	-
Net short-term capital gain reduced by net long-term capital loss.....	*389	-	-	-	-	-	-	-	*389	-
Net long-term capital gain reduced by net short-term capital loss.....	4,767	-	22	*507	-	126	-	400	*3,712	-
Net gain, noncapital assets.....	50,020	-	3	*11,704	*32	250	*30	29,718	*8,283	-
Dividends received from domestic corporations.....	1,061	-	85	181	-	(1)	-	367	428	-
Dividends received from foreign corporations.....	2,917	-	-	-	-	2,576	-	341	-	-
Other receipts.....	552,549	*1,390	*4,208	*383,864	*13,207	32,600	*534	*4,776	111,971	*119
Total deductions.....	40,582,317	*106,926	*387,940	26,533,663	*1,037,282	1,780,808	*459,700	1,763,813	8,512,184	*99,479
Cost of sales and operations.....	29,180,507	*64,456	*249,522	20,182,930	*879,570	1,032,165	*378,606	958,556	5,434,701	*77,655
Compensation of officers.....	147,461	*6,751	*2,159	*21,903	*5,866	23,863	*3,633	19,618	63,668	*2,517
Repairs.....	137,722	*565	*2,868	98,068	*1,560	*5,512	*377	*10,302	18,470	*138
Bad debts.....	106,978	*252	*382	*14,575	*1,121	*4,068	*1,030	*1,687	83,864	*71
Rent paid on business property.....	1,104,796	*5,679	*18,396	514,113	*4,208	113,259	*7,963	*90,565	350,623	*2,008
Taxes paid.....	653,509	*4,247	*10,040	356,165	*11,910	61,345	*3,434	60,618	145,750	*885
Interest paid.....	581,456	*1,610	15,257	235,065	*14,499	30,235	*4,195	34,442	246,152	*251
Contributions or gifts.....	9,064	-	165	*5,832	*33	*1,170	*48	*386	1,430	*39
Amortization.....	73,113	-	1,263	*16,420	*650	*9,086	*143	*13,983	31,569	-
Depreciation.....	741,411	*1,687	*5,272	514,607	*9,969	39,011	*4,302	48,971	117,593	*545
Depletion.....	-	-	-	-	-	-	-	-	-	-
Advertising.....	600,418	*3,569	*4,585	242,209	*9,723	34,588	*5,024	*12,709	288,011	*6,793
Pension, profit-sharing, stock bonus, and annuity plans.....	110,142	-	*302	80,293	*5,203	3,669	*292	3,828	16,556	-
Employee benefit programs.....	565,838	-	*4,013	*404,267	*5,832	20,100	*1,461	*60,494	69,669	*957
Net loss, noncapital assets.....	27,885	-	81	2,541	15	*3,868	-	*3,587	17,814	-
Other deductions.....	6,542,019	*18,111	*73,666	3,844,676	*87,122	398,870	*49,193	444,067	1,626,315	*7,620
Total receipts less total deductions.....	907,290	*128	*19,948	484,435	*12,745	89,537	*7,105	73,978	219,413	*1,995
Constructive taxable income from related foreign corporations.....	3,733	-	-	-	-	3,556	-	177	-	-
Includable income of Controlled Foreign Corporations.....	1,329	-	-	-	-	1,329	-	-	-	-
Foreign dividend income resulting from foreign taxes deemed paid.....	2,404	-	-	-	-	2,227	-	177	-	-
Net income.....	910,677	*128	*19,948	484,145	*12,745	93,093	*7,105	74,101	219,413	*1,995
Income subject to tax.....	798,494	*128	17,777	*457,574	*12,745	*83,519	*2,107	*57,157	167,488	*1,995
Income tax, total.....	283,236	*19	6,343	164,689	*4,687	28,652	*1,242	18,920	58,684	*544
Regular tax.....	269,472	*19	6,044	*155,557	*4,260	*28,396	*548	*18,269	56,377	*544
Recapture of investment credit.....	43	-	-	-	-	-	-	-	43	-
Alternative minimum tax.....	12,844	-	274	*8,360	730	*153	*694	*578	*2,056	-
Environmental tax.....	1,182	-	25	771	2	102	-	*73	207	-
Foreign tax credit.....	3,860	-	-	-	-	1,774	-	389	1,698	-
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-	-	-
General business credit.....	6,857	-	67	2,287	*83	259	-	1,914	*2,267	-
Prior year minimum tax credit.....	*2,223	-	544	-	-	1,378	-	-	*301	-
Total income tax after credits.....	270,295	*19	5,732	162,422	*4,604	25,241	*1,242	16,617	54,418	*544

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

# Corporation Returns/1991

## 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	4,240	71	111	129	150	37	2,791	950
Total assets	451,197,503	122,694,090	61,744,535	124,753,220	87,019,857	8,516,955	10,600,626	35,888,220
Cash	28,034,530	18,078,674	4,267,832	1,538,930	1,153,840	577,891	752,646	1,644,718
Notes and accounts receivable	128,095,103	66,557,741	37,837,844	13,659,729	2,428,820	1,848,129	603,943	5,158,896
Less: Allowance for bad debts	3,556,931	1,463,561	2,015,290	*2,325	4,606	*13,939	10,999	26,211
Inventories	269,817	174	13,835	*31,712	71		113,540	110,485
Investments in Government obligations	28,792,153	9,335,467	68,803	8,570,119	10,606,552	*72,030	11,618	137,564
Tax-exempt securities	8,891,881	1,930,373			8,609,859	328,039	25	*25,585
Other current assets	84,572,493	7,437,195	4,384,387	57,624,620	10,129,985	476,812	620,163	3,919,531
Loans to stockholders	10,887,779	10,377	*4,945,243	754,758	44	*465	104,898	5,071,996
Mortgage and real estate loans	25,329,747	8,994,876	3,337,943	379,350	11,418,295		334,120	865,163
Other investments	110,301,238	7,638,755	6,272,397	35,228,089	40,621,077	4,008,926	2,569,645	13,962,349
Depreciable assets	13,262,293	2,101,103	1,803,512	538,723	725,940	617,598	4,582,955	2,891,460
Less: Accumulated depreciation	4,264,790	1,065,876	986,554	209,983	68,380	289,096	1,097,722	547,179
Depletable assets	*138,081						*31,517	*106,563
Less: Accumulated depletion	*17,723						*3,729	13,995
Land	2,438,704	206,360	112,336	*7,996	*7,966	*13,501	1,560,596	529,949
Intangible assets (amortizable)	2,191,227	51,390	155,192	426,319	110,082	1,049,612	62,274	336,359
Less: Accumulated amortization	566,723	19,341	35,960	119,258	30,530	*293,060	24,115	44,458
Other assets	16,398,625	2,920,382	1,583,015	6,323,442	3,310,842	122,248	399,251	1,739,444
Total liabilities	451,197,503	122,694,090	61,744,535	124,753,220	87,019,857	8,516,955	10,600,626	35,888,220
Accounts payable	15,812,698	3,777,324	1,237,009	6,957,695	969,716	2,068,808	195,119	609,025
Mortgages, notes, and bonds payable in less than one year	71,378,422	13,609,325	35,560,072	11,694,153	25,506	*132,382	812,457	9,544,528
Other current liabilities	205,156,601	84,997,792	6,797,275	90,176,608	20,455,266	965,781	394,895	1,368,984
Loans from stockholders	5,886,377	492,509	*210,626	*639,537	*657,120	*20,844	1,261,308	2,604,434
Mortgages, notes, and bonds payable in one year or more	33,925,496	6,714,876	12,229,267	2,553,296	1,714,589	598,796	3,865,223	6,249,449
Other liabilities	62,511,282	3,953,215	2,704,361	8,765,580	45,411,815	209,007	612,792	854,512
Capital stock	10,907,099	2,824,976	893,520	1,016,901	1,232,429	295,666	1,535,368	3,108,240
Paid-in or capital surplus	34,579,132	3,554,469	1,406,490	3,102,120	10,612,406	1,080,045	3,003,636	11,819,966
Retained earnings, appropriated	767,119	68,540	73	379	653,269	1,754		43,105
Retained earnings, unappropriated	10,507,325	2,701,066	705,842	-130,872	5,320,034	3,145,877	-1,016,437	-218,184
Less: Cost of treasury stock	234,048	( <sup>1</sup> )		22,177	32,293	3	*63,737	*115,838
Total receipts	68,769,569	11,404,267	6,059,879	13,053,774	27,471,641	3,323,637	1,948,703	5,507,889
Business receipts	31,115,060	1,216,881	264,675	3,550,869	19,823,499	2,992,316	828,597	2,438,222
Interest	29,336,028	9,256,975	4,667,346	8,158,153	5,067,082	179,666	180,821	1,825,986
Interest on Government obligations:								
State and local	303,451	109,331	6,439	20,854	125,284	*30,055	*404	*11,083
Rents	1,797,688	369,520	660,818	62,871	70,648	*2,041	379,043	252,747
Royalties	36,652	355		65	347		*117	*35,768
Net short-term capital gain reduced by net long-term capital loss	248,207	6,928	3,937	56,362	127,132	10,943	*25,397	17,507
Net long-term capital gain reduced by net short-term capital loss	998,063	14,237	24,001	59,912	321,704	*9,070	282,470	286,669
Net gain, noncapital assets	296,510	132,336	80,491	458	1,861	*4,444	35,102	41,818
Dividends received from domestic corporations	331,888	3,600	5,884	27,009	210,717	*14,730	1,992	67,958
Dividends received from foreign corporations	126,118	1,506	2,904	*17,545	2,910		*1,521	99,732
Other receipts	4,179,905	292,599	343,183	1,099,677	1,720,456	80,372	213,240	430,379
Total deductions	63,373,583	10,599,865	5,674,382	12,411,281	25,832,662	2,789,356	1,545,326	4,520,711
Cost of sales and operations	14,385,346	167	96,867	*1,046,100	11,257,719	*181,149	276,822	1,526,522
Compensation of officers	975,934	251,462	59,800	330,705	110,284	105,802	43,710	74,170
Repairs	127,416	66,495	4,123	8,109	6,309	5,698	26,436	10,246
Bad debts	903,008	619,146	176,489	21,889	48,108	*7,101	9,889	20,387
Rent paid on business property	849,061	235,229	55,162	148,783	188,804	135,156	28,527	57,400
Taxes paid	1,344,020	199,374	68,627	125,769	554,229	135,689	141,870	118,462
Interest paid	19,938,257	6,094,932	4,022,862	7,300,267	568,630	89,306	371,744	1,490,516
Contributions or gifts	36,850	12,207	844	10,649	6,262	4,134	935	1,819
Amortization	245,823	26,335	25,884	33,823	62,135	*29,061	12,323	56,262
Depreciation	1,745,712	670,569	534,476	71,199	111,950	62,631	175,201	119,688
Depletion	*6,741	108	*9	9	( <sup>1</sup> )		*1,805	*4,808
Advertising	150,001	48,024	11,840	9,557	37,444	28,883	2,651	11,601
Pension, profit-sharing, stock bonus, and annuity plans	248,234	66,019	4,980	29,950	71,958	*63,205	*1,245	8,878
Employee benefit programs	450,533	131,678	18,443	48,857	128,151	85,804	3,720	33,879
Net loss, noncapital assets	89,284	22,901	2,850	8,843	8,417	*1,044	*2,254	42,976
Other deductions	21,877,363	2,153,219	591,127	3,216,771	12,672,265	1,854,692	446,192	943,097
Total receipts less total deductions	5,395,987	804,402	385,297	642,493	1,638,979	534,281	403,377	987,158
Constructive taxable income from related foreign corporations	316,266	221	11,303	197,038	1,607	729	482	104,886
Includable income of Controlled Foreign Corporations	222,887		9,878	151,970	1,604	729	482	*58,223
Foreign dividend income resulting from foreign taxes deemed paid	93,379	221	1,425	45,068	3			46,664
Net income	5,408,802	695,293	390,160	818,677	1,515,301	504,955	403,455	1,080,961
Income subject to tax	4,249,135	660,730	365,896	685,818	1,040,518	489,395	199,799	806,979
Income tax, total	1,498,566	258,319	130,165	237,995	358,834	167,043	67,374	279,436
Regular tax	1,423,122	224,650	124,270	232,879	340,852	166,394	63,529	270,549
Recapture of investment credit	38	1	8	29				
Alternative minimum tax	68,484	32,512	*5,330	3,574	14,429	43	2,785	7,810
Environmental tax	6,153	1,208	557	912	1,665	*606	234	971
Foreign tax credit	135,556	3,561	2,636	77,282	616	33	*101	51,327
U.S. possessions tax credit	8,062		8,062					
Orphan drug credit								
Nonconventional source fuel credit								
General business credit	14,746	4,237	8,095	68	471	*1,279	*385	*212
Prior year minimum tax credit	21,838	*7,641	8,968	530	3,093		*292	*1,317
Total income tax after credits	1,318,364	242,880	102,406	159,516	354,655	165,731	66,597	226,579

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

# Corporation Returns/1991

## 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]

Major industry--Continued								
Item	Services							Nature of business not allocable
	Total	Hotels and other lodging places	Personal services	Business services	Auto repair; miscellaneous repair services	Amusement and recreation services	Other services	
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)
Number of returns, total.....	2,848	159	*50	1,506	*212	329	592	*24
Total assets.....	23,053,654	2,960,248	*748,540	12,323,330	*522,201	2,149,451	4,349,884	*115,117
Cash.....	1,559,062	83,752	*22,912	897,362	*14,595	234,043	306,398	*5,704
Notes and accounts receivable.....	4,555,846	84,113	*68,680	2,946,294	*78,691	347,697	1,030,371	*29,655
Less: Allowance for bad debts.....	144,938	8,126	3,585	89,990	*638	*7,979	34,619	*303
Inventories.....	701,442	8,278	*20,779	403,053	*16,026	89,558	163,748	*11,722
Investments in Government obligations.....	412,555	-	-	410,968	-	-	1,587	*124
Tax-exempt securities.....	293	-	-	-	-	-	293	-
Other current assets.....	2,233,901	641,937	*10,484	1,034,685	*6,231	99,222	441,383	*3,441
Loans to stockholders.....	111,319	*43,727	8,577	*33,004	*2,285	*13,539	*12,187	*3,182
Mortgage and real estate loans.....	32,083	*9,173	319	*15,093	-	2,861	4,636	*1,729
Other investments.....	5,255,194	*408,401	*108,414	3,770,090	*209,214	210,971	548,105	*5,872
Depreciable assets.....	6,599,168	766,792	*292,959	2,881,427	*201,118	722,548	1,734,324	*24,284
Less: Accumulated depreciation.....	2,681,081	222,228	*74,115	1,380,919	*44,040	366,851	592,927	*6,185
Depletable assets.....	330	-	-	330	-	-	-	-
Less: Accumulated depletion.....	124	-	-	124	-	-	-	-
Land.....	537,548	90,185	*64,488	106,382	*6,043	164,858	105,593	*5,027
Intangible assets (amortizable).....	1,793,563	*8,000	144,866	839,596	*9,672	*373,471	417,958	*31,519
Less: Accumulated amortization.....	476,313	*2,363	6,845	210,925	*922	*166,541	88,917	*1,344
Other assets.....	2,563,807	1,048,607	*92,427	867,025	*23,926	432,057	299,765	*690
Total liabilities.....	23,053,654	2,960,248	*748,540	12,323,330	*522,201	2,149,451	4,349,884	*115,117
Accounts payable.....	2,053,522	23,274	*22,620	1,339,784	*14,617	166,855	486,371	*5,377
Mortgages, notes, and bonds payable in less than one year.....	2,189,738	*40,507	5,330	1,332,150	*5,220	279,723	526,808	*4,088
Other current liabilities.....	2,737,074	157,088	*90,366	1,958,721	*14,371	90,916	425,611	*6,169
Loans from stockholders.....	1,188,313	*64,509	*6,390	824,452	*21,512	*46,864	224,588	*39,534
Mortgages, notes, and bonds payable in one year or more.....	5,258,512	1,129,306	*271,110	2,470,302	*73,559	340,343	973,893	*15,132
Other liabilities.....	1,331,223	*122,181	28,721	637,752	*24,766	337,033	180,770	*5,019
Capital stock.....	2,620,893	1,303,587	*22,618	488,297	*140,400	63,441	602,551	*24,258
Paid-in or capital surplus.....	6,444,846	*103,997	243,076	3,769,356	*367,100	968,912	992,407	*21,655
Retained earnings, appropriated.....	*12,643	*491	-	*8,583	-	(1)	*3,569	(1)
Retained earnings, unappropriated.....	-691,218	16,640	*58,589	-429,347	*139,273	-142,056	-55,771	*5,995
Less: Cost of treasury stock.....	91,893	*1,332	279	*76,720	71	*2,581	*10,909	*120
Total receipts.....	19,124,983	771,386	*489,603	11,131,478	*486,727	1,481,377	4,764,411	*94,825
Business receipts.....	17,212,071	519,315	*450,151	10,034,473	*465,579	1,267,584	4,474,969	*90,152
Interest.....	608,971	75,868	*22,629	336,042	*15,023	99,648	59,761	*3,275
Interest on Government obligations:								
State and local.....	*1,330	-	-	*1,330	-	-	-	-
Rents.....	270,335	*27,254	*1,748	218,468	*250	*11,105	11,509	-
Royalties.....	196,910	28,958	657	*112,614	-	*45,998	*8,681	-
Net short-term capital gain reduced by net long-term capital loss.....	*2,828	-	-	2,823	-	*6	-	-
Net long-term capital gain reduced by net short-term capital loss.....	104,578	*40,968	29	40,386	878	*2,647	19,669	-
Net gain, noncapital assets.....	58,633	11,733	21	23,995	*4,049	*14,527	4,307	-
Dividends received from domestic corporations.....	1,168	-	-	*698	7	79	*385	-
Dividends received from foreign corporations.....	*56,454	*35,601	-	20,816	-	-	*237	-
Other receipts.....	611,706	31,688	*14,368	340,032	*941	39,782	184,894	*1,399
Total deductions.....	18,038,481	598,863	*471,003	10,566,792	*467,262	1,417,388	4,517,175	*85,951
Cost of sales and operations.....	8,482,115	122,479	*106,798	5,538,436	*203,272	651,849	1,859,282	*62,231
Compensation of officers.....	419,684	5,916	*18,055	220,439	*50,173	15,189	109,911	*2,030
Repairs.....	87,946	10,299	*6,699	32,904	*1,187	5,351	31,506	*169
Bad debts.....	71,361	*977	*6,250	42,011	*394	*2,237	19,491	*325
Rent paid on business property.....	618,044	73,654	*18,967	341,740	*22,500	35,624	125,557	*1,455
Taxes paid.....	507,929	28,783	*16,147	290,089	*10,343	34,566	128,001	*2,074
Interest paid.....	793,920	105,725	*40,330	344,446	*4,087	146,573	152,759	*3,669
Contributions or gifts.....	5,507	*950	2,394	*4	-	581	1,414	*20
Amortization.....	155,716	*607	6,012	56,622	*638	76,079	15,757	*40
Depreciation.....	612,120	31,932	*20,575	353,402	*19,113	64,374	122,724	*1,147
Depletion.....	*9	-	-	6	-	-	*2	-
Advertising.....	165,964	14,770	*6,250	87,855	*5,424	13,983	37,682	*548
Pension, profit-sharing, stock bonus, and annuity plans.....	107,129	*1,122	*1,895	70,797	*144	*6,859	26,312	*806
Employee benefit programs.....	336,543	*2,913	*12,031	181,240	*1,800	16,613	121,947	*838
Net loss, noncapital assets.....	11,758	-	511	7,282	*2,695	*169	1,102	-
Other deductions.....	5,662,735	198,736	*210,318	2,997,129	*145,488	347,338	1,763,726	*10,598
Total receipts less total deductions.....	1,086,502	172,523	*18,601	564,687	*19,464	63,991	247,236	*8,874
Constructive taxable income from related foreign corporations.....	31,898	21,108	-	10,789	-	-	-	-
Includable income of Controlled Foreign Corporations.....	3,603	-	-	3,603	-	-	-	-
Foreign dividend income resulting from foreign taxes deemed paid.....	28,295	21,108	-	7,186	-	-	-	-
Net income.....	1,117,069	193,631	*18,601	574,146	*19,464	63,991	247,236	*8,874
Income subject to tax.....	774,288	*145,118	*17,347	380,382	*6,327	41,436	183,678	*7,102
Income tax, total *.....	265,313	49,504	*5,354	130,174	*2,123	14,457	63,701	*2,261
Regular tax.....	253,630	*49,077	*5,341	122,796	*1,958	13,886	60,573	*2,259
Recapture of investment credit.....	(1)	-	-	(1)	-	-	-	-
Alternative minimum tax.....	10,793	*219	-	6,957	154	*537	2,927	-
Environmental tax.....	845	208	13	377	12	*34	201	2
Foreign tax credit.....	48,805	36,881	-	10,291	*82	-	*1,551	-
U.S. possessions tax credit.....	-	-	-	-	-	-	-	-
Orphan drug credit.....	-	-	-	-	-	-	-	-
Nonconventional source fuel credit.....	-	-	-	-	-	-	-	-
General business credit.....	10,596	*674	66	*5,826	-	*15	3,915	-
Prior year minimum tax credit.....	3,294	*106	-	*1,147	-	*98	*1,943	-
Total income tax after credits.....	202,618	11,843	*5,268	112,810	*2,041	14,344	56,292	*2,261

\* 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.

\* Less than \$500 per return.

\* 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."



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# 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.

Prior to 1991, for certain banking and savings and loan institutions reporting deposits and withdrawable shares in this account, prior-year Corporation Source Book ratios were used to move amounts to Other Current Liabilities. In 1991, the use of prior-year ratios to move amounts from Accounts Payable to Other Current Liabilities was not continued for those certain banking and savings and loan institutions. Thus, due to the change in statistical treatment for 1991, Accounts Payable tends to be overstated while Other Current Liabilities tends to be understated compared to pre-1991 data.

## 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 included advertising identified as part of the cost of sales and operations, or capitalized under section

## Corporation Returns/1991 - Explanation of Terms

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 alcohol fuel credit was the sum of the alcohol mixture credit, the alcohol credit, and the small ethanol producer credit. The amount of the alcohol mixture credit and the alcohol 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 alcohol mixture credit was for alcohol utilized in the production of a qualified mixture fuel used by the producer or sold in trade or business. The small ethanol producer credit was for an ethanol producer in the amount of 10 cents up to 15 million gallons per year.

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, and (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;

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- (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 of personal service corporations only;
- (11) Passive activities;
- (12) Certain loss limitations; and
- (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); and
- (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 adjusted current earnings (ACE) adjustment became the alternative minimum taxable income, or AMTI (the ACE adjustment is designed to recapture overall tax savings enjoyed by corporations with considerable earnings but relatively little taxes). 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 adjustment based on energy preferences and an exemption amount; the maximum exemption 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, the energy preferences adjustment 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, writeoffs, 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 basis 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

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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, that were not reinvested in a U.S. trade or business by the close of the tax year or were divested in a later tax year. 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 rate of tax varied based on the treaty conditions with the country in which the foreign corporation was a resident.

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 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 1120F 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. For 1991, the components of Branch Profits Tax (Part I) are also included separately in the statistics.

### 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.

Business receipts included rents reported as a principal business income by real estate operators as well as by certain types of manufacturing, public utility, wholesale trade, retail trade 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

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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. 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 (REITs) who did not consolidate with qualified REIT subsidiaries; (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) noninsurance 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



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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. Includable income represents the income of foreign corporations that is taxable to the U.S. parent corporation, regardless of whether or not it is actually received. Foreign dividend gross-up is an amount of income, taxable to the U.S. parent, that equals the foreign tax deemed paid based upon both foreign dividends received and includable income from foreign corporations. 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;
- (4) any increase in Controlled Foreign Corporation earnings due to investment in U.S. property; and
- (5) factoring income, or income that arises from the sale or transfer of a receivable.

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"- 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 corpora-

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tion 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 receipts.

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 dividends received schedule.

### Contributions or Gifts

Contributions or gifts to charitable, religious, educational, and similar organizations were deductible under Code sections 170(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) any net operating loss carryback under Code section 172; and
- (5) any capital loss carryback to the tax year under Code section 1212(a)(1).

Also, certain additional adjustments were required in the case of life insurance companies. 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

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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 or capitalized under section 263A, 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. S corporations, Regulated Investment Companies and Real Estate Investment Trusts do not report contributions.

### 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 advertising, amortization, bad debts, compensation of officers, contributions to charitable organizations, contributions to employee benefit programs, contributions to pension plans, depletion, depreciation, intangible drilling costs, interest, and rent of buildings or real estate, 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 25 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 or capitalized under section 263A. Amortization of Intangible Drilling Costs is 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.

Regulated Investment Companies and Real Estate Investment Trusts do not report depletion.

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 depreciated 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 (GDS) or the Alternative Depreciation System (ADS) 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.

### Disabled Access Credit (\*)

The credit was allowed to small businesses that incurred expenses to make their business accessible to disabled individuals. An eligible small business was one with either gross receipts of less than \$1 million for the preceding tax year or not more than 30 full-time employees in the preceding tax year.

An eligible expenditure was one paid or incurred by an eligible small business in order to comply with the requirements of the Americans with Disabilities Act of 1990. Expenditures included: (1) removing architectural, communication, physical, or transportation barriers; (2) providing qualified interpreters or other methods of delivering materials to individuals with hearing impairments; (3) providing qualified readers, taped texts, or other methods of delivering materials to individuals with visual impairments; (4) acquiring or modifying equipment or devices for individuals with disabilities; or (5) providing other similar services, modifications, materials or equipment. The amount of the credit was 50% of the amount of the eligible expenditures for a year that exceeded \$250 but did not exceed \$10,250.

The disabled access credit was claimed as one of the components of the general business credit. For a discussion of the income tax limitations and carryback

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and carryforward provisions of the credit, see General Business Credit, in this section. The disabled access 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.

### 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 dividends out of foreign earnings and profits and 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

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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 sections 419 and 419A. 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 employee benefits; only payments into a fund for employee benefits were included.

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.

For all 1120-A corporations, employee benefit programs identified in Other Deductions or attached schedules were included in the statistics for employee benefit programs.

### Enhanced Oil Recovery Credit (\*)

This credit was allowed to taxpayers who incurred qualified enhanced oil recovery costs and did not elect to decline the credit. An enhanced oil recovery project was any project that was contingent on all the following conditions:

- (1) involved one or more tertiary recovery methods; these methods could reasonably be expected to result in a significant increase in the amount of crude oil which would ultimately be recovered;
- (2) was located in the United States;
- (3) began the injection of liquids, gases, or other matter after December 31, 1990; and
- (4) was certified by a petroleum engineer for credit eligibility.

Enhanced oil recovery costs were costs integral to the project with respect to depreciation and amortization, any intangible drilling costs which were paid or incurred in connection with the qualified project with respect to any election made under section 263(c), or any qualified tertiary injectant expenses which were paid or incurred in connection with the qualified project.

The amount of the credit was an amount equal to 15 percent of the taxpayer's qualified enhanced oil recovery costs for the taxable year. The credit would be phased out as the crude oil prices increased.

The enhanced oil recovery 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 enhanced oil recovery 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.

### 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 0.12 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 1990 overpayments claimed as a credit, 1991 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 Interest Charged Domestic International Sales Corporations (IC-DISC's) and former Domestic International Sales Corporations (former DISC's) could claim a credit for foreign taxes paid by a DISC. However, all FSC's, IC-DISC's and former DISC's are excluded from the SOI sample.

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.

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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, or 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 general business credit consisted of a combination of seven individual credits - investment credit (Form 3468), jobs credit (Form 5884), alcohol fuels credit (Form 6478), research credit (Form 6765), low-income housing credit (Form 8586), disabled access credit (Form 8826), and enhanced oil recovery credit (Form 8830). 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 seven credits was 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

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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) noninsurance 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

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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 consolidated tax returns with the following components:
  - (a) noninsurance 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 disposed 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.

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### 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) actually had been 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 other holding and investment companies (except bank holding companies), and small business investment companies, inventories were included in Other Investments for companies which were nonconsolidated or consolidated with financial subsidiaries (and the inventories were reported by the financial subsidiaries).

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.

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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 ex-convicts; (7) economically disadvantaged youths participating in a qualified cooperative education program; (8) eligible work

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incentive employees; or (9) qualified summer youth employees, age 16 or 17, who first worked for the corporation between May 1 and September 15 for at least 14 days or 20 hours.

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 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. 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's 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 low-income housing credit allowed 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



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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 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 an uncollectible mortgage and real estate loan reserve on a separate schedule, those amounts were moved, in this report, to Allowance for Bad Debts.

### Mortgages, Notes, and Bonds Payable

These liabilities were separated on the balance sheet according to the length of time to maturity of the obligations payable in less than one year or payable in more than one year. The length of time to maturity was based on the date of the balance sheet rather than on the date of issue of the obligations.

Accordingly, long-term obligations, maturing within the coming year were included together with short-term obligations in the statistics for mortgages, notes, and bonds payable in less than one year.

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

### Net Capital Gains

Net 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.

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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.

A corporation can use capital losses for a tax year only to offset capital gains in that year. There is no offset for ordinary income for a corporation. 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 inventorial 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:

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- (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 was an integral part of specified business activities, or which constituted research or storage facilities used in connection with such activities. The business activities qualifying were manufacturing, production, 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

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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 from 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.

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; and (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.

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### 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 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 corpora-

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tions, 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 diseases 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

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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, and 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.

Prior to 1991, for certain banking and savings and loan institutions reporting deposits and withdrawable shares in Accounts Payable, prior-year Corporation Source Book ratios were used to move amounts to Other Current Liabilities. In 1991, the use of prior-year ratios to move amounts from Accounts Payable to Other Current Liabilities was not continued for those certain banking and savings and loans institutions. Thus, due to the change in statistical treatment for 1991, Accounts Payable tends to be overstated while Other Current Liabilities tends to be understated compared to pre-1991 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. 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.

However, beginning in 1990, the Form 1120-PC provided a separate balance sheet line item specifically for the reporting of insurance liabilities (e.g. Losses). For purposes of this report, insurance liabilities were included in Other Current Liabilities. Therefore, the treatment of Losses for mutual property and casualty insurance companies tended to be uniform for all Form 1120-PC filers (returning to a pre-1987 treatment).

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 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, unreal-

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ized 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



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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, inter-company 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.

However, beginning in 1990, the Form 1120-PC provided a separate balance sheet line item specifically for the reporting of insurance liabilities (e.g., Losses). For

purposes of this report, insurance liabilities were included in Other Current Liabilities. Therefore, the treatment of Losses for mutual property and casualty insurance companies tended to be uniform for all Form 1120-PC filers (returning to a pre-1987 treatment).

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 were also included.

See also, Business Receipts.

### Overpaid Windfall Profit 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

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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 1990 that were not refunded. Instead of requesting refunds, certain corporations specifically requested that the tax overpayments be credited towards their 1991 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 elsewhere 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

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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

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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 invest-

ment 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

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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.

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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. Regulated investment companies do not report Repairs.

### Research Activities Credit

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.

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). 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.

Beginning with 1990 and continuing thereafter, the statistics included amounts from Forms 1120S. The data for prior years were shown separately for the Forms 1120S as "Other Retained Earnings, 1120S" in most tables. The components of Other Retained Earnings, 1120S were shown separately in the table limited to Form 1120S returns.

### 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.

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### 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 property rights 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; and
- (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 liable for an income tax. The corporation reported gross income and allowable deductions from its ordinary trade or business activities. The net income (total income less total deductions) from the corporation's ordinary trade or business was passed through (deemed distributed) to its shareholders. In contrast, income from passive activities as well as income from portfolio investments could not be reduced by related expenses before being passed through to the shareholders. Generally, each shareholder's share of the income and expenses and the net income from the trade or business of the corporation was passed through pro-rata on a per-share, daily basis. The income and expenses related to passive activities and portfolio investments and the net income (or loss) from the business operations were reported on Schedule K of the Form 1120S.

The Tax Reform Act of 1986 required that all S corporations use a permitted tax year, regardless of when they became S corporations. 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. The permitted tax year was effective for tax years which began after December 31, 1986. 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. Other items that were separately stated on Schedule K included: section 1231 net gain or loss; charitable contributions; health insurance premiums; section 179 expense deduction; low-income housing credit, qualified rehabilitation expenses, and other credits; investment interest expense; and tax preference and adjustment items for shareholders to compute their alternative minimum tax.

For corporations which elected to be S corporations after December 31, 1986, a tax was imposed on built-in capital gains. An S corporation could be liable for the built-in gains tax if:

- (1) it were 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, or
- (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, the S corporation may incur a tax liability for income tax imposed on certain capital gains. Other corporations which filed an election during 1987 and 1988 to become an S corporation may qualify for a partial transitional relief from the built-in gains tax and instead be liable for the capital gains tax. Any portion of the capital gains not subject to tax at the corporate level were passed through to the shareholders on a pro-rata per-share basis and included in their income subject to tax. 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 portion of net long-term capital gain (reduced by net short-term capital loss) that exceeded \$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, or (3) a net capital gain from property with a substituted basis (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.) Total income tax in the statistics also includes taxes paid by S corporations for the recapture of LIFO inventory and for recomputing a prior year investment credit. Also, see Excess Net Passive Income Tax for a description of that tax as provided under Subchapter S of the Code.

### 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



## Corporation Returns/1991 - Explanation of Terms

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, 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.

## Corporation Returns/1991 - Explanation of Terms

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 inter-corporate 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 pre-

ferred 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. Generally, 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;

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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 corpora-

tions 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

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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 or capitalized under section 263A. 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 and Total Liabilities

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

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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 1120F); 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 and Investment Credit.

## Corporation Returns/1991 - Explanation of Terms

### 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 S Corporations. Short-term capital gains were also 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 1991 this item differed from net income (less deficit) for tax purposes in that it included nontaxable Interest on State and local Government Obligations and excluded Constructive Taxable Income from Related Foreign Corporations. As such, it included all of the income actually (as opposed to constructively) received by the corporation and reported on the income tax return.

### 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 (Form 1120F) (\*)

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). Beginning in Tax Year 1991, U.S. income tax paid or withheld at source was shown separately for effectively and non-effectively connected income in Tables 10 and 11. 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.

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### 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. However, balance sheet data for foreign insurance companies filing on Form 1120L or Form 1120-PC were included in the statistics, so such foreign corporations were classified by the size of the reported total assets. Balance sheet data for most foreign insurance corporations filing on Form 1120F were included in the statistics as well. Prior to 1990, balance sheet data for U.S. branches of foreign insurance companies (except for life and mutual 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**

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Form 8827 (1991)

Prior Year Minimum Tax Credit, 291

**Form 1120** U.S. Corporation Income Tax Return

OMB No. 1545-0123

For calendar year 1991 or tax year beginning 1991, ending 1991

Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

**A** Check if—  
 1 Consolidated return attach Form 990  
 2 Personal holding company attach Form 970  
 3 Personal service corporation as defined in Regs. 1.441-1 through 1.441-4 attach Form 970

**Use** IRS label, other-wise, please print or type.

**B** Employer identification number

**C** Date incorporated

**D** Total assets (see Specific instructions)

**E** Check applicable boxes (1) Initial return (2) Final return (3) Change in address

**Income**

1a Gross receipts or sales 1c  
 2 Cost of goods sold (Schedule A, line 7) 2  
 3 Gross profit. Subtract line 2 from line 1c 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 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  
 21 Less depreciation claimed on Schedule A and elsewhere on return 21a  
 22 Depletion 22  
 23 Advertising 23  
 24 Pension, profit-sharing, etc., plans 24  
 25 Employee benefit programs 25  
 26 Other deductions (attach schedule) 26  
 27 Total deductions. Add lines 12 through 26 27  
 28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 28  
 29 Less: a Net operating loss deduction (see instructions) 29a  
 b Special deductions (Schedule C, line 20) 29b  
 30 Taxable income. Subtract line 29c from line 28 30  
 31 Total tax (Schedule J, line 10) 31

**Tax and Payments**

32a Payments: a 1990 overpayment credited to 1991 32a  
 b 1991 estimated tax payments 32b  
 c Less 1991 refund applied for on Form 4466 32c  
 d Tax deposited with Form 7004 32d  
 e Credit from regulated investment companies (attach Form 2439) 32e  
 f Credit for Federal tax on fuels (attach Form 4136). See instructions 32f  
 33 Estimated tax penalty (see page 4 of instructions). Check if Form 2220 is attached 33  
 34 Tax due. If the total of lines 31 and 33 is larger than line 32h, enter amount owed 34  
 35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid 35  
 36 Enter amount of line 35 you want: Credited to 1992 estimated tax Refunded 36

**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 an information of which preparer has any knowledge.

Signature of officer Date Title

Preparer's signature Date Check if self-employed E1 No

Firm's name (or yours if self-employed) and address ZIP code

Lat No. 114500

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**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 (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) ☐ Yes ☐ No

**c** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ☐ Yes ☐ No

**d** Do the rules of section 263A (for 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) 41.176  
 4 Dividends on certain preferred stock of less-than-20%-owned public utilities 47.059  
 5 Dividends on certain preferred stock of 20%-or-more-owned public utilities 70  
 6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction 80  
 7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction 100  
 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 100  
 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 (d) Common (e) Preferred (f) Amount of compensation

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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

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**Schedule J Tax Computation**

- 1 Check if you are a member of a controlled group (see sections 1551 and 1553): ☐
- 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 13): ☐
- 4a Foreign tax credit (attach Form 1118):
- 4b Possessions tax credit (attach Form 5735):
- 4c Orphan drug credit (attach Form 6765):
- 4d Credit for fuel produced from a nonconventional source (see instructions):
- e General business credit. Enter here and check which forms are attached:
 

<input type="checkbox"/> Form 3800	<input type="checkbox"/> Form 3468	<input type="checkbox"/> Form 5884	<input type="checkbox"/> Form 6478
<input type="checkbox"/> Form 6765	<input type="checkbox"/> Form 8586	<input type="checkbox"/> Form 8830	<input type="checkbox"/> Form 8826
- f Credit for prior year minimum tax (attach Form 8827):

- 5 Total. Add lines 4a through 4f:
- 6 Subtract line 5 from line 3:
- 7 Personal holding company tax (attach Schedule PH (Form 1120)):
- 8 Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611
- 9a Alternative minimum tax (attach Form 4626). See instructions:
- b Environmental tax (attach Form 4626):

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

**Schedule K Other Information (See page 15 of the instructions.)**

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1 Check method of accounting:           <ol style="list-style-type: none"> <li>a <input type="checkbox"/> Cash</li> <li>b <input type="checkbox"/> Accrual</li> <li>c <input type="checkbox"/> Other (specify) <u>          </u></li> </ol> </li> <li>2 Refer to the list in the instructions and state the principal:           <ol style="list-style-type: none"> <li>a Business activity code no. <u>          </u></li> <li>b Business activity <u>          </u></li> <li>c Product or service <u>          </u></li> </ol> </li> <li>3 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).) <u>          </u><br/>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.</li> <li>4 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 and b: <u>          </u></li> <li>a Attach a schedule showing name, address, and identifying number: <u>          </u></li> <li>b Enter percentage owned <u>          </u></li> <li>5 Did one foreign person (see instructions for definition) at any time during the tax year own at least 25% of:           <ol style="list-style-type: none"> <li>a The total voting power of all classes of stock of the corporation entitled to vote, or</li> <li>b The total value of all classes of stock of the corporation? <u>          </u><br/>If "Yes," the corporation may have to file Form 5472.<br/>If "Yes," enter owner's country(ies): <u>          </u><br/>Enter number of Forms 5472 attached <u>          </u></li> </ol> </li> </ol> | <ol style="list-style-type: none"> <li>6 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) <u>          </u><br/>If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached <u>          </u></li> <li>7 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 page 15 of the instructions for more information, including filing requirements for Form TD F 90-22.1.) <u>          </u><br/>If "Yes," enter name of foreign country <u>          </u></li> <li>8 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? <u>          </u><br/>If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.</li> <li>9 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.) <u>          </u><br/>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.</li> <li>10 Check this box if the corporation issued publicly offered debt instruments with original issue discount: <input type="checkbox"/> <u>          </u><br/>If so, the corporation may have to file Form 8281.</li> <li>11 Enter the amount of tax-exempt interest received or accrued during the tax year <u>          </u></li> <li>12 If there were 35 or fewer shareholders at the end of the tax year, enter the number <u>          </u></li> </ol> |
|---|--|

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**Schedule L Balance Sheets**

Assets	Beginning of tax year				End of tax year			
	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(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 Depreciable assets								
b Less accumulated depreciation								
12 Land (net of any amortization)								
13a Intangible assets (amortizable only)								
b Less accumulated amortization								
14 Other assets (attach schedule)								
15 Total assets								
<b>Liabilities and Stockholders' Equity</b>								
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):	
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 \$			
c Travel and entertainment \$		9 Add lines 7 and 8	
		10 Income (line 28, page 1)—line 6 less line 9	
6 Add lines 1 through 5		<b>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.)</b>	
1 Balance at beginning of year		5 Distributions:	
2 Net income per books		a Cash	
3 Other increases (itemize):		b Stock	
		c Property	
		6 Other decreases (itemize):	
4 Add lines 1, 2, and 3		7 Add lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	

**1120-A** U.S. Corporation Short-Form Income Tax Return

OMB No. 1545-0090

Instructions are separate. See them to make sure you qualify to file Form 1120-A.

For calendar year 1991 or tax year beginning 1991, ending 1991

Use Name \_\_\_\_\_

IRS label \_\_\_\_\_

Other: \_\_\_\_\_

City or town, state, and ZIP code \_\_\_\_\_

Employer identification number \_\_\_\_\_

Date incorporated \_\_\_\_\_

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 \_\_\_\_\_

2 Cost of goods sold (see instructions) \_\_\_\_\_

3 Gross profit. Subtract line 2 from line 1c \_\_\_\_\_

4 Domestic corporation dividends subject to the 70% deduction \_\_\_\_\_

5 Interest \_\_\_\_\_

6 Gross rents \_\_\_\_\_

7 Gross royalties \_\_\_\_\_

8 Capital gain net income (attach Schedule D (Form 1120)) \_\_\_\_\_

9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797) \_\_\_\_\_

10 Other income (see instructions) \_\_\_\_\_

11 Total income. Add lines 3 through 10 \_\_\_\_\_

**Deductions**

12 Compensation of officers (see instructions) \_\_\_\_\_

13a Salaries and wages \_\_\_\_\_ b Less jobs credit \_\_\_\_\_ c Balance \_\_\_\_\_

14 Repairs \_\_\_\_\_

15 Bad debts \_\_\_\_\_

16 Rents \_\_\_\_\_

17 Taxes \_\_\_\_\_

18 Interest \_\_\_\_\_

19 Contributions (see instructions for 10% limitation) \_\_\_\_\_

20 Depreciation (attach Form 4562) \_\_\_\_\_

21 Less depreciation claimed elsewhere on return \_\_\_\_\_

22 Other deductions (attach schedule) \_\_\_\_\_

23 Total deductions. Add lines 12 through 22 \_\_\_\_\_

24 Taxable income before net operating loss deduction and special deductions. Subtract line 23 from line 11 \_\_\_\_\_

25a Less: a Net operating loss deduction (see instructions) \_\_\_\_\_ b Special deductions (see instructions) \_\_\_\_\_

26 Taxable income. Subtract line 25c from line 24 \_\_\_\_\_

27 Total tax (from page 2, Part I, line 7) \_\_\_\_\_

**Tax and Payments**

28 Payments:

a 1990 overpayment credited to 1991 \_\_\_\_\_

b 1991 estimated tax payments \_\_\_\_\_

c Less 1991 refund applied for on Form 4465 \_\_\_\_\_

d Tax deposited with Form 7004 \_\_\_\_\_

e Credit from regulated investment companies (attach Form 2439) \_\_\_\_\_

f Credit for Federal tax on fuels (attach Form 4136). See instructions \_\_\_\_\_

g Total payments. Add lines 28d through 28g \_\_\_\_\_

29 Estimated tax penalty (see page 4 of instructions). Check if Form 2220 is attached \_\_\_\_\_

30 Tax due. If the total of lines 27 and 29 is larger than line 28h, enter amount owed \_\_\_\_\_

31 Overpayment. If line 28h is larger than the total of lines 27 and 29, enter amount overpaid \_\_\_\_\_

32 Enter amount of line 31 you want. Credited to 1992 estimated tax \_\_\_\_\_ Refunded \_\_\_\_\_

**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 \_\_\_\_\_

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed \_\_\_\_\_ Preparer's social security number \_\_\_\_\_

Preparer's name (for your use only) \_\_\_\_\_ self-employed and address \_\_\_\_\_

For Paperwork Reduction Act Notice, see page 1 of the instructions. Cat. No. 11456E Form 1120-A (1991)

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**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) \_\_\_\_\_

2a General business credit. Check if from \_\_\_\_\_ Form 3800 \_\_\_\_\_ Form 3468 \_\_\_\_\_ Form 5984 \_\_\_\_\_ Form 6478 \_\_\_\_\_ Form 6765 \_\_\_\_\_ Form 6586 \_\_\_\_\_ Form 8230 \_\_\_\_\_ Form 2926 \_\_\_\_\_

2b Credit for prior year minimum tax (attach Form 8827) \_\_\_\_\_

3 Total credits. Add lines 2a and 2b \_\_\_\_\_

4 Subtract line 3 from line 1 \_\_\_\_\_

5 Recapture taxes. Check if from \_\_\_\_\_ Form 4255 \_\_\_\_\_ Form 8611 \_\_\_\_\_

6 Alternative minimum tax (attach Form 4626). See instructions \_\_\_\_\_

7 Total tax. Add lines 4 through 6. Enter here and on line 27, page 1 \_\_\_\_\_

**Part II Other Information** (See page 15 of the instructions.)

1 Refer to the list in the instructions and state the principal:

a Business activity code no. \_\_\_\_\_

b Business activity \_\_\_\_\_

c Product or service \_\_\_\_\_

2 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.

3 Enter the amount of tax-exempt interest received or accrued during the tax year \_\_\_\_\_

4 Enter amount of cash distributions and the book value of property (other than cash) distributions made in this tax year \_\_\_\_\_

5a If an amount is entered on line 2, page 1, see the worksheet on page 11 for amounts to enter below:

(1) Purchases (see instructions) \_\_\_\_\_

(2) Additional sec. 263A costs (see instructions—attach schedule) \_\_\_\_\_

(3) Other costs (attach schedule) \_\_\_\_\_

6 Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? Yes \_\_\_\_\_ No \_\_\_\_\_

7 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 page 15 of the instructions for filing requirements for Form TD F 90-22.1.) Yes \_\_\_\_\_ No \_\_\_\_\_

If "Yes," enter the name of the foreign country \_\_\_\_\_

**Part III 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 IV Reconciliation of Income per Books With Income per Return** (Must be completed by all filers.)

1 Net income per books \_\_\_\_\_

2 Federal income tax \_\_\_\_\_

3 Excess of capital losses over capital gains \_\_\_\_\_

4 Income subject to tax not recorded on books this year (itemize) \_\_\_\_\_

5 Expenses recorded on books this year not deducted on this return (itemize) \_\_\_\_\_

6 Income recorded on books this year not included on this return (itemize) \_\_\_\_\_

7 Deductions on this return not charged against book income this year (itemize) \_\_\_\_\_

8 Income (line 24, page 1). Enter the sum of lines 1 through 5 less the sum of lines 6 and 7 \_\_\_\_\_

U.S. GPO 1991-O-285-248

1991


 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 the IRS
1120	68 hr., 10 min.	39 hr., 51 min.	70 hr., 39 min.	6 hr., 2 min.
1120-A	43 hr., 3 min.	24 hr., 13 min.	42 hr., 44 min.	4 hr., 50 min.
Sch. D (1120)	6 hr., 28 min.	3 hr., 41 min.	6 hr., 45 min.	48 min.
Sch. PH (1120)	15 hr., 19 min.	6 hr., 6 min.	8 hr., 29 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, TFP; 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 Where To File.

## Voluntary Contributions To Reduce the Public Debt

A corporation may make a contribution to reduce the public debt. If the corporation wishes to do so, enclose 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.

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#### When To File

#### Where To File

#### Who Must Sign

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### Backup Withholding

### Estimated Tax Payments

### Interest and Penalties

### Other Required Forms, Returns, and Statements

### Income

### Deductions

## Avoid Common Mistakes

To speed the processing of your return, be sure to do the following:

1. If the corporation does not use a calendar tax year, enter the beginning and ending dates of its fiscal year in the space at the top of the form.

2. Unless the corporation changed its name since it last filed, enter the name the way it appeared on the last filed return.

3. Enter the correct employer identification number (EIN) in item B if you are not using the label.

4. Enter total assets in item D.

5. If you are reporting gross receipts or sales on line 1, complete lines 1a, 1b, and 1c.

6. If you are reporting salaries and wages on line 13, complete lines 13a, 13b, and 13c.

7. Complete line 32d (line 28d, Form 1120-A).

8. If the corporation is a qualified personal service corporation, check the box on Schedule J, line 3 (Part I, line 1, Form 1120-A).

9. Enter your business activity code number on Schedule K, line 2a (Part II, line 1a, Form 1120-A).

10. To avoid interest and penalties, file your return on time and pay any tax when due. See pages 3 and 4.

## Important Change

**Enhanced Oil Recovery Credit.**—Corporations may take a credit on Form 8830, Enhanced Oil Recovery Credit, for 15% of qualified enhanced oil recovery costs paid or incurred in tax years beginning after 1990. These costs

generally include amounts paid or incurred in connection with a qualified enhanced oil recovery project for:

• Certain tangible property for which the corporation can claim a deduction for depreciation or amortization.

• Intangible drilling and development costs eligible for the election under section 263(c) or required to be capitalized under section 251(b)(1).

• Qualified tertiary injectant expenses for which a deduction is allowed under section 193.

If a corporation takes this credit, limitations apply to amounts otherwise deductible (or required to be capitalized and recovered through depreciation, depletion, or amortization), that were used in figuring the credit. For more information, see section 43 and Form 8830.

## General Instructions

Notes: In addition to the publications listed throughout these instructions, taxpayers may wish to get: Pub. 534, Depreciation; Pub. 535, Business Expenses; and Pub. 542, Tax Information on Corporations.

## Purpose of Form

Form 1120, U.S. Corporation Income Tax Return, and Form 1120-A, U.S. Corporation Short-Form Income Tax Return, are used by corporations to report income, gains, losses, deductions, credits, and to figure their income tax liability.

## Filing Requirements

### Who Must File

Unless exempt under section 501, all domestic corporations (including corporations in bankruptcy) must file,

whether or not they have taxable income. Domestic corporations must file Form 1120, or, if they qualify, Form 1120-A, unless they are required to file a special return (see Special Returns for Certain Organizations below).

Notes: 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, page 1) must be under \$500,000.
- Its total income (line 11, page 1) must be under \$500,000.
- Its total assets (line 12, column (b), Part III 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 (none of which represents debt-financed securities) is from domestic corporations, 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(d)(3) or 453A(c) (relating to certain installment sales) or installment payments of tax under section 1363(d).
- It has no liability for interest due under the look-back method of section 460(b)(2).
- It is not required to file Form 9881, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund.
- It is not required to file one of the special tax returns listed below.

### Special Returns for Certain Organizations

Certain organizations, as shown below, have to file special returns.

If the organization is:	File Form	If the corporation's principal business, office, or agency is located in:	Use the following Internal Revenue Service Center address
Foreign corporation other than life and property and casualty insurance company filing Form 1120L or 1120-PC	1120F	New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Hortville, NY 05505
Foreign sales corporation (sec. 922)	1120-FSC		
Life insurance company (sec. 801)	1120L	New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05507
Property and casualty insurance company (sec. 831)	1120-PC		
Farmers' cooperative (sec. 1361)	990-C	Florida, Georgia, South Carolina	Atlanta, GA 30301
Exempt organization with unrelated trade or business income	990-T	Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45209
S corporation (sec. 1361)	1120S	Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Interest charge domestic international sales corporation (sec. 992)	1120-IC-DISC	Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yuba, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Ogden, UT 84201
Fund set up to pay for nuclear decommissioning costs (sec. 468A)	1120-NED		
Designated settlement fund (sec. 468B)	1120-DSF		
Real estate investment trust (sec. 856)	1120-REIT	California (all other counties), Hawaii	Fresno, CA 93888
Entity that elects to be treated as real estate mortgage investment conduit (REMIC) under sec. 859	1088	Illinois, Iowa, Minnesota, Missouri, Wisconsin	Kansas City, MO 64606
Registered investment company (sec. 851)	1120-RIC	Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
		District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

## 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 a 6-month extension of time to file.

Where To File

Use the preaddressed envelope, if you do not use the envelope, file your return at the applicable IRS address listed below.

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.

If the principal office of the managing corporation of a group of corporations located in several service center regions is located in the books and records, the income tax returns of the corporations may be filed with the service center for the region in which this principal office is located.

## Who Must Sign

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 filed 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 the IRS.

## Figuring and Paying the Tax Accounting Information

**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 million. 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 1991 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 after July 10, 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.

**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 1125, 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 A on page 6) must adopt a calendar year unless:

• The corporation can establish to the satisfaction of the Commissioner that there is a business purpose for having a different tax year, or

• 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 9716, Election To Have a Tax Year Other Than a Required Tax Year. Generally, Form 9716 must be filed by the earlier of:

- 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
- 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 9716), Section 280H Limitations for a Personal Service Corporation (PSC), to figure the required minimum distributions and the maximum deductible amount, if applicable.

**Timing change in deducting accrued expenses.**—Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that (1) all events have occurred that determine the liability and (2) the amount of the liability can be figured with reasonable accuracy. However, the events that establish liability for the amount are generally treated as occurring only when economic performance takes place. There are exceptions for recurring items. See section 481(h).

**Rule of 78's.**—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 Rev. Proc. 84-27, 84-28, 84-29, and 84-30 (1984-1 C.B.) to change their method.

## Rounding Off to Whole-Dollars

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.

## Depository 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). Do not submit deposits directly to an IRS office. Mail or deliver the completed Federal Tax Deposit Coupon (Form 8109) and the payment to a qualified depository for Federal taxes or to the Federal Reserve Bank (FRB) servicing your geographic area. Make checks or money orders payable to the depository or FRB. 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. Be sure to darken the "1120" box on the coupon. Records of deposits will be sent to the IRS for crediting to the corporation's account.

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A penalty may be imposed for failure to deposit the required amount of tax. See section 6656. This penalty may also apply if you mail or deliver deposits to IRS offices rather than to authorized depositories or FRBs.

For more information about deposits, see the instructions contained in the coupon book (Form 8109) and Pub. 583, Taxpayers Starting a Business.

## 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." On Form 1120, show the amount withheld in the blank space in the right hand column between lines 31 and 32h, page 1, 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.

## Estimated Tax Payments

Generally, a corporation must make installment payments of estimated tax if it expects its estimated tax (income tax minus credits) to be \$500 or more. For a calendar or fiscal year corporation, the installments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday. Use Form 1120-W, Corporation Estimated Tax, as a worksheet to compute estimated tax. Use the deposit coupons (Forms 8109) to make 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 (line 28b, Form 1120-A). Write "T" and the amount of the payment on the dotted line next to the entry space.

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 at least 10% of the expected income tax liability and at least \$500. To apply for a quick refund, file Form 4466 before the 16th day of the 3rd month after the end of the tax year, but before the corporation files its income tax return. Do not file Form 4466 before the end of the corporation's tax year.

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## Interest and Penalties

**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.

**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. The penalty will not be imposed if the taxpayer can show that failure to file a timely return is due to reasonable cause. Those filing late (after the due date, including extensions), must attach a statement to the return explaining the reasonable cause.

**Late payment of tax.**—The penalty for late payment of taxes is usually 1/2 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.

**Estimated tax penalty.**—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 the 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:

- The annualized income or adjusted seasonal installment method is used, or
- The corporation is a "large corporation" computing its first required installment based on the prior year's tax. (See the instructions for Form 2220 for the definition of a "large corporation.")

If you attach Form 2220, be sure to check the box on line 33, Form 1120 (line 29, Form 1120-A), and enter the amount of any penalty on this line.

**Other penalties.**—Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

## Other Forms, Returns, and Statements That May Be Required

### Forms

The corporation may have to file any the following:

**Forms W-2 and W-3, Wage and Tax Statement and Transmittal of Income and Tax Statements.**

**Form 720, Quarterly Federal Excise Tax Return.** Use Form 720 to report a 10% excise tax that applies to the first resale 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 998, Corporate Dissolution or Liquidation.**

**Forms 1042 and 1042-S, 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 United States (see sections 861 through 865). For more information, see sections 1441 and 1442, and Pub. 818, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

**Form 1088, Annual Summary and Transmittal of U.S. Information Returns.**

**Form 1088, Mortgage Interest Statement.** This form is used to report the receipt from any individual of \$600 or more of mortgage interest and points in the course of the corporation's trade or business for any calendar year.

**Forms 1099-A, B, DIV, INT, MISC, ODI, PATR, R, and S.** Information returns for reporting abandonment, acquisitions through foreclosure, proceeds from broker and better exchange transactions, certain dividends and distributions, interest payments, payments for certain fishing boat crew members, medical and dental health care payments, miscellaneous income payments for resale, miscellaneous compensation, nonemployee compensation, original issue discount, patronage dividends, 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 and Pub. 837, Business Reporting.

**Note:** Every corporation must file Form 1099-MISC 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 5482, 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 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 5284, 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. Taxpayers who have acquired an interest in a tax shelter which is required to be registered use this form to report the tax shelter's registration number. Form 8271 must be attached to any tax return (including an application for tentative refund (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 in a series of related transactions.

Form 8584, 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 8897, 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)(2) on certain long-term contracts entered into after February 28, 1990, 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 8897 to the tax return if the corporation owes interest but not if interest is to be refunded. See the instructions for Form 8897.

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. Taxable cooperatives with gross receipts of \$10 million or more that have both patronage and nonpatronage source income and deductions must complete and attach this form to its return.

#### Consolidated Return

The parent corporation of an affiliated group of corporations must attach Form 991, 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.

#### 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.

#### 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-Owned U.S. Corporation or a Foreign 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.

#### Attachments

Attach Form 4138, 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 4138.

Please complete every applicable entry space on Form 1120. Do not attach statements and write "See attached" instead of completing the entry spaces.

If more space is needed on the forms or schedules, attach separate sheets showing at the top of each attachment the form number or schedule letter of

the form or schedule being continued. Also, show the 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.

#### Specific Instructions

**Period covered.**—File the 1991 return for calendar year 1991 and fiscal years that begin in 1991 and end in 1992. For a fiscal year, fill in the tax year space at the top of the form.

**Note:** The 1991 Form 1120 may also be used if: (1) the corporation has a tax year of less than 12 months that begins and ends in 1992; and (2) the 1992 Form 1120 is not available by the time the corporation is required to file its return. However, the corporation must show its 1992 tax year on the 1991 Form 1120 and incorporate any tax law changes that are effective for tax years beginning after December 31, 1991.

**Address.**—Include the suite, room, or other unit number after the street address. If a preaddressed 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.

**Note:** If a change in address occurs after the return is filed, the corporation should use Form 8822, Change of Address, to notify the IRS of the new address.

**Item A—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 (a corporation in its first tax year). The testing period for a new corporation 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 B—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 D—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.

**Item E—Initial return, final return, or change in address.**—If this is the corporation's first return, check the "Initial return" box. If the corporation ceases to exist, file Form 1120 and check the "Final return" box. Do not file Form 1120-A.

If the corporation has changed its address since it last filed a return, check the box for "Change in address."

#### 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 7. 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(f) for details and exceptions. For dealer disposition of property before March 1, 1988, 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 line 1 the gross profit on collections 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, gross profits, (c) percentage of gross profits to gross sales, (d) amount collected, and (e) gross profit on an installment sale reported under the installment method. The corporation's income tax is increased by the interest payable under section 453(f)(3). To 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 if on the basis of their experience, they are collected (section 448(d)(5)). This provision does not apply to any amount if interest is required to be paid on 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, the amount accrued as a result of the application of section 448(d)(5), and net amount accrued. Enter the net amount 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.**  
Enter the cost of goods sold on line 1a of Form 1120 or Form 1120-A. Before making this entry, a Form 1120 filer must first complete Schedule C, page 2 of Form 1120. Form 1120-A filers may use the worksheet on page 1 to figure the amount to enter on line 1a. Both Form 1120 and Form 1120-A should see the instructions on page 11.

#### Line 3

**Dividends.**  
Form 1120 filers.—Complete Schedule C and enter the amount from Schedule C, line 19.  
Form 1120-A filers.—Enter the dividends received (that are not for

#### Line 4

**Dividends.**  
Form 1120 filers.—Complete Schedule C and enter the amount from Schedule C, line 19.

Form 1120-A filers.—Enter the dividends received (that are not for

debt-financed stock) from domestic corporations that qualify for the 70% dividends-received deduction.

#### 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

**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 million 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 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 that must 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.

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.

**Section 291 limitations.**—Corporations may be required to adjust deductions for depletion of iron ore and coal, intangible drilling and exploration and development costs, certain deductions for financial institutions, and the amortizable basis of pollution control facilities. See section 291 to determine the amount of adjustment. Also see section 43.

**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.

**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.

**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 Item A—Personal service corporation, on page 6.) 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 five 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 the activity involves research or experimental expenditures that 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 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.

If a consolidated return is filed, each member of an affiliated group must furnish this information.

#### Line 13 Salaries and Wages

Enter 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 job 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.

**Caution:** A cash basis taxpayer may not claim a bad debt deduction unless the amount was previously included in income.

#### 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 4686, 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 begins	And the vehicle's fair market value on the first day of the lease exceeds
After 12/31/80	\$13,400
After 12/31/88 but before 1/1/91	\$12,800
After 4/2/89 but before 1/1/97	\$28,000
After 6/16/94 but before 4/3/98	\$40,000

See Pub. 917, Business Use of a Car, for instructions on how to figure the 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 (these 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 184(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 more than one purpose (e.g., to purchase a portfolio investment, acquire an interest in a passive activity, or an interest allocation must be made. Temporary Regulations section 1.163-8T for the interest allocation rules.

Do not include interest on indebtedness incurred or continuing to purchase or carry obligations if interest is wholly exempt from tax. For exceptions, see section 163. Mutual savings banks, building loan associations, and cooperative banks can deduct the amounts credited to the accounts of depositors as dividends, interest, or earnings section 591.

Generally, a cash basis taxpayer cannot deduct prepaid interest a to years following the current tax year. For example, a cash basis taxpayer who in 1991 prepaid interest on a loan for 1992 through 1994 can deduct only the amount allocable to 1991.

Generally, the interest and charges on straddles cannot be deducted and must be capitalized section 263(g).

See section 163(e)(5), which prescribes special rules for the disqualification of original issue discount on a high discount obligation.

Certain interest paid or accrued on a corporation (directly or indirectly) related person may be limited if imposed on that 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 property produced by a corporation is its own use or for sale must be capitalized. A corporation must also capitalize any interest on debt allocated to an asset used to produce the property. See section 263A and Notice 88-99 for definitions and more information.

See section 7872 for special rules regarding the deductibility of foreign interest on certain below-market rate loans.

#### Line 19 Contributions

Enter contributions or gifts actually within the tax year to or for the use of charitable and governmental organizations described in section 501(c)(3) and any unused contributions carried over from prior years.

The total amount claimed may not more than 10% of taxable income (line 30, Form 1120, or line 26, Form 1120-A) computed without regard to the following:



- Any deduction for contributions.
- The special deductions on line 29b, Form 1120 (line 25b, Form 1120-A).
- The deduction allowed under section 249.
- Any net operating loss (NOL) carryback to the tax year under section 172, and
- 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 an NOL used in an intervening year (i.e., a year to which an NOL is carried but not fully absorbed). For this purpose, taxable income is computed by determining the NOL deduction for the year without regard to the NOL 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 an NOL carryover, a contributions carryover is not allowed. See section 170(c)(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 such 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 to determine its fair market value. Closely held corporations and personal service corporations must complete Form 990-B, Noncash Charitable Contributions, and attach it to their returns. All other corporations generally must complete and attach Form 990-B 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(e), 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:

- The ordinary income, short-term capital gain that would have resulted if the property were sold at its fair market value, and

- 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:

- Contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption, and

- 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 1991 or carried over from 1990. 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(f), 618, 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

Enter the deduction for contributions to pension, profit-sharing, or other funded deferred compensation plans. Employers who maintain such a plan generally are required to file one of the forms listed below, even if the plan is not a "qualified" plan under the Internal Revenue Code. The filing requirement applies even if no deduction is claimed for the current tax year. 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 5500-EZ.—Complete this form for a one-participant plan.

#### Line 26 (Form 1120 only)

##### Employee Benefit Programs

Enter the amount of contributions to employee benefit programs not claimed elsewhere on the return (e.g., insurance, health and welfare programs) that are not an incidental part of a pension, profit-sharing, etc., plan included on line 24.

#### Line 28, Form 1120 (Line 22, Form 1120-A)

##### Other Deductions

Attach a separate sheet listing all allowable deductions that are not deductible elsewhere on Form 1120 or Form 1120-A. Form 1120-A filers should include amounts described in the instructions above for lines 22, 24, and 25 of Form 1120. Enter the total on line 28, Form 1120 (line 22, Form 1120-A).

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.

**Notes:** 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.

**Notes:** Do not deduct penalties such as those listed under Interest and Penalties on page 4.

#### Line 28, Form 1120 (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 any section 465(d) losses. These losses are limited to the amount for which the 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 (Line 25a, Form 1120-A)

##### Net Operating Loss Deduction

The "net operating loss deduction" is the amount of the net operating loss (NOL) 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 an NOL 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 an NOL to or from any tax year to which a section 444 election applies.

A corporation may carry back 10 years the part of the NOL attributable to a product liability loss (section 172(b)(1)(C)). 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 an NOL 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). Also see section 172(b)(1)(E) 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 NOL 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 an NOL, 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 service center where the corporation files its income tax return.

For carryback claims filed later than 12 months after the end of the tax year, file Form 1120X instead of Form 1139.

See section 172 for special rules, limitations, and definitions pertaining to NOL 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 NOL 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 (Line 25b, Form 1120-A)

##### Special Deductions

Form 1120 filers.—See the instructions for Schedule C on page 11.

Form 1120-A filers.—Generally, enter 70% of line 4, page 1, on line 29b. 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 an NOL 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 (Line 28g, Form 1120-A)

Include on line 32g (line 28g, Form 1120-A) any credit the corporation is claiming under section 4682(g)(3) for ozone-depleting chemicals used in the manufacture of rigid foam insulation. Write "ODC" to the left of the entry space.

**Line 32h, Form 1120  
(Line 28h, Form 1120-A)**

If the corporation has backup withholding, read Backup Withholding on page 4 to see how to report this amount. Include any backup withholding in the total for line 32h, Form 1120 (line 28h, Form 1120-A).

**Schedule A, Form 1120  
(Worksheet, Form 1120-A)****Cost of Goods Sold**

All filers should see Section 263A uniform capitalization rules on page 7 before completing Schedule A or the worksheet on this page. The instructions for lines 4a through 6 below apply to both Schedule A and the worksheet.

**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. Make the change 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. 653.

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) unusable 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 with the year of the LIFO election (section 472(d)).

**Notes:** If inventories are not an income-determining factor, enter -0- on lines 1 and 6 of Schedule A or the worksheet below.

**Cost of Goods Sold Worksheet  
Form 1120-A  
(keep for your records)**

- Inventory at start of year. Enter here and in Part III, line 3, column (a), Form 1120-A.
- Purchases. Enter here and in Part II, line 58d(1), Form 1120-A.
- Cost of labor. Enter here and include in total in Part II, line 58d(3), Form 1120-A.
- Additional section 263A costs. Enter here and in Part II, line 58d(2), Form 1120-A (see instructions).
- Other costs. Enter here and include in Part II, line 58d(3), Form 1120-A.
- Subtotal—Add lines 1 through 4b.
- Inventory at end of year. Enter here and in Part III, line 3, column (b), 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.

**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 246A(c2).

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 (e.g., 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 to Form 1120 showing 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. Also include 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 United States (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 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 United States (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 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:

- All of its outstanding stock is owned (directly or indirectly) by the domestic corporation receiving the dividends, and
- All of its gross income from all sources is effectively connected with the conduct of a trade or business within the United States.

**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 an NOL 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 598 for the special limitation on the dividends-received deduction.

**Worksheet for Schedule C, line 9  
(keep for your records)**

- 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(b)(1).
- Complete lines 10, 11, and 12 of column (c) and enter the sum of these lines.
- Subtract line 2 from line 1.
- Multiply the amount on line 3 by 80%.
- 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.
- Enter the smaller 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).
- 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 (c).
- Subtract line 7 from line 3.
- Multiply line 8 by 70%.
- Subtract line 5 above from line 8 of column (c).
- Enter the smaller of line 9 or line 10.
- Dividends-received deduction after limitation (see section 246(b)). Add lines 6 and 11 and enter the result on line 9, 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 those dividends. To claim a 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 it received 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 qualify under section 243(b) for the 100% dividends-received deduction described in section 243(a)(3). Corporations taking this deduction 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 I 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 982(a)) to the extent the dividend:

- Is paid out of the corporation's accumulated IC-DISC income or previously taxed income, or
- Is a deemed distribution under section 985(b)(1).

**Line 17, Column (a)**

Include the following:

- Dividends (other than capital gain dividends and exempt-interest dividends) received from regulated investment companies and that are not subject to the 70% deduction.
- Dividends from tax-exempt organizations.
- Dividends (other than capital gain dividends) received from a real estate investment trust that, for the tax year 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:

(a) If the corporation held it 45 days or less (see section 248(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 858(h)(4)).

If patronage dividends or per-unit return allocations are included on line 17, identify the total of these amounts in a schedule attached to Form 1120.

#### Line 19, Column (c)

Section 247 allows public utilities a deduction of 41.178% 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 an NOL occurs, compute this deduction without regard to section 247(a)(1)(B). See section 172(d).

#### Schedule J, Form 1120 (Part I, Form 1120-A)

##### Tax Computation

#### Line 3, Form 1120 (Line 1, Form 1120-A)

Members of a controlled group should use the Worksheet for Members of a Controlled Group on this page to figure their tax. Qualified personal service corporations should use the instructions below the Tax Rate Schedule to figure their tax.

All other corporations should figure the tax to enter on line 3 (line 1, Form 1120-A) using the tax rate schedule below.

##### Tax Rate Schedule

If taxable income (line 28, Form 1120, or line 28, Form 1120-A) on page 1 is:

Over—	But not over—	Tax is:	Of the amount over—
0	\$50,000	10%	0
50,000	75,000	17% + 2%	50,000
75,000	100,000	24% + 3%	75,000
100,000	335,000	34% + 3%	100,000
335,000	.....	35%	0

**Qualified personal service corporations.**—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 1.648-17(c) for details.

**Notes:** If the corporation is a qualified personal service corporation, be sure to check the box on line 3, Schedule J, Form 1120 (line 1, Part I, Form 1120-A). Members of a controlled group (Form 1120 only).—A member of a controlled group, as defined in section 1563, must check the box on line 1 and complete lines 2a and 2b of Schedule J, Form 1120.

Members of a controlled group 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. This 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.

**Special 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.

#### Worksheet for Members of a Controlled Group (Keep for your records)

**Notes:** Each member of a controlled group (except a qualified personal service corporation) must compute the tax using the worksheet below.

- Enter taxable income line 28, page 1, Form 1120.
- Enter line 1 or the corporation's share of the \$50,000 taxable income bracket, whichever is less.
- Subtract line 2 from line 1.
- Enter line 3 or the corporation's share of the \$25,000 taxable income bracket, whichever is less.
- Subtract line 4 from line 3.
- Enter 19% of line 2.
- Enter 24% of line 4.
- Enter 34% of line 5.
- If the taxable income of the controlled group exceeds \$100,000, enter the member's share of the greater of: (a) 5% of the excess over \$100,000; (b) \$11,788. (See instructions for additional 5% tax credit.)
- Total of lines 6 through 9. Enter the 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(d). 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.

**Mutual savings bank conducting life insurance business.**—The tax under section 954 consists of the sum of (a) a partial tax computed on Form 1120 on the taxable income of the bank determined without regard to income or deduction allocations to the life insurance department; and (b) a partial tax on the taxable income computed on Form 1120-L of the life insurance department. Enter the combined tax on line 3 of Schedule J, Form 1120. Attach Form 1120-L as a schedule and identify it as such.

**Discovered tax amount of a shareholder in a passive foreign investment.**—If the company (section 1291)—if the

corporation was a shareholder in a passive foreign investment company (PFIC), and the corporation 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 entered on line 3, Schedule J, Form 1120. On the dotted line next to line 3, Schedule J, write "Section 1291—\$(amount)."

Do not include on line 3 any interest due under section 1291(c)(3). Instead, write the amount of interest owed in the bottom margin of page 1, Form 1120, and label it "Section 1291 interest." See Form 6251, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, for details.

#### Line 4a (Form 1120 only)

##### Foreign Tax Credit

See Form 1110, 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 (Form 1120 only)

##### Possecomens Tax Credit

See Form 8712, Election To Be Treated as a Possecomens Corporation Under Section 938, for rules on how to elect to claim the possecomens tax credit (section 938). Compute the credit on Form 6753, Possecomens Corporation Tax Credit Allowed Under Section 938.

#### Line 4c (Form 1120 only)

##### Orphan Drug Credit

See section 28 and Form 6753, 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 (Form 1120 only)

##### Credit for Fuel Produced from a Nonconventional Source

A credit is allowed for the tax on qualified fuels produced from a nonconventional source. Section 28 contains a definition of qualified fuels, provisions for figuring the credit, and other special rules. Attach a schedule to the return showing the computation of the credit. Also see Form 8827 if any of the 1980 credit was disallowed solely because of the tentative minimum tax limitation. See section 53(d).

#### Line 4e, Form 1120 (Line 2a, Form 1120-A)

##### General Business Credit

Complete this line if the corporation can take any of the following credits. If the corporation has two or more of these credits, a credit carryforward or carryback (including an ESOP credit), or a passive activity credit, Form 3600 must also be completed. Enter the amount of the general business credit on line 4a (line 2a, Form 1120-A), and check the box for Form 3600. If the corporation has only one credit, enter on line 4a (line 2a, Form 1120-A), the amount of the credit from the form. Also be sure to check the appropriate box for that form.

**Investment credit.** This credit was generally repealed for property placed in service after 1986. See Form 3233, Investment Credit, for exceptions.

**Jobs credit.** The corporation may qualify to take this credit if it hired members of special targeted groups during the tax year. See Form 8324, Jobs Credit, for more information.

**Notes:** The corporation may 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 tax (section 30(c)). Credit for chemical used as fuel. A corporation may be able to take a credit for chemical used as fuel. Use Form 6470, Credit for Alcohol Used as Fuel, to figure the credit.

**Credit for increasing research activities.** See Form 6753, Credit for Increasing Research Activities, and section 41.

**Low-income housing credit.** See Form 6253, Low-Income Housing Credit, and section 42.

**Unincurred oil recovery credit.** A corporation may claim a credit for 15% of its qualified unincurred oil recovery costs. Use Form 6250 to figure the credit.

**Stocked excess credit.** A corporation may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See Form 6253, Disabled Access Credit, and section 44.

#### Line 4f, Form 1120 (Line 2b, Form 1120-A)

**Credit for Prior Year Minimum Tax**  
Use Form 6257, Credit for Prior Year Minimum Tax—Corporations, to figure the minimum tax credit and any carryforward of that credit.

#### Line 7 (Form 1120 only)

##### 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 five individuals.

See section 542(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 6, Form 1120 (Line 3, Form 1120-A)

##### Research Tax

**Research credit.** This credit was generally repealed for property placed in service after 1986. See Form 6253, Investment Credit, for exceptions.

**Research credit.** The corporation may qualify to take this credit if it hired members of special targeted groups during the tax year. See Form 8324, Jobs Credit, for more information.

**Research of low-income housing credit.** The corporation may owe the tax computed on Form 6211, Recapture of Low-Income Housing Credit, if it disposed of property for which it was a reduction in the qualified basis of the property on which it took the low-income housing credit. See Form 6211 and section 42(f) for details.

#### Line 6a, Form 1120 (Line 3a, Form 1120-A)

##### Alternative Minimum Tax

Use Form 6253, Alternative Minimum Tax—Corporations, if taxable income or (loss) before the NOL deduction when combined with adjustment items and is preferred items (including the adjusted current earnings adjustment) is more than the smaller of (a) \$40,000, or (b) the corporation's allowable exemption amount. See Form 4626 for details.

**Reduce alternative minimum tax by any amount on Form 3600.** Schedule A line 34. On the dotted line next to line 6a (line 3a, Form 1120-A), write "Section 3600—\$(amount)."

#### Line 6b (Form 1120 only)

##### Unincurred Oil Tax

The corporation may be able for the unincurred oil tax if the modified alternative minimum taxable income of the corporation exceeds \$2 million. See Form 6250 for details.

#### Line 10 (Form 1120 only)

**Interest on tax attributable to payments received on installment.** Enter the amount of interest on the amount of each installment and related fees. 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(j)(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, "Section 453(j)(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, "Section 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, "Form 8897" and the amount of interest due.

Deferred tax and interest on undistributed earnings of a qualified electing fund under section 1294. Complete Form 8621 to determine the corporation's share of 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 a section 1294 election. Follow the instructions for Form 8621 to figure the amount of tax to include in or subtract from the total on line 10. Form 8621 also explains how to report any interest due under section 1294 on the deferred tax. 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 four 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 through 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 ( $\frac{1}{4}$  of the additional tax) must first be subtracted to arrive at line 10 total tax. Write this deferral amount in parentheses on the dotted line to the left of line 10, Schedule J, as "Section 1363(d) deferral—\$(amount)." Attach a schedule showing the computation.

*Notes: The remaining three 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 K, Form 1120 (Part II, Form 1120-A)

### Other Information

The following instructions apply to questions 1 through 12 on Form 1120, page 3, Schedule K, or questions 1 through 6 on Form 1120-A, page 2, Part II. Be sure to answer all of the questions.

### Question 5 (Form 1120 only)

Foreign person.—The term foreign person means:

- A foreign citizen or nonresident alien;
- A foreign partnership;
- A foreign corporation; or
- 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.

### Question 7, Form 1120 (Question 6, Form 1120-A)

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
- e. The combined value of the accounts was more than \$10,000 at any time during the year; AND

e. 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, 1992, 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.

### Question 11, Form 1120 (Question 3, Form 1120-A)

In the space provided, show any tax-exempt interest received or accrued. Include any exempt-interest dividends received as a shareholder in a mutual fund or other regulated investment company.

## Schedule L, Form 1120 (Part III, 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 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.

## Schedule M-1, Form 1120 (Part IV, Form 1120-A)

### Reconciliation of Income per Books With Income per Return

### Line 5c, Form 1120 (Line 5, Form 1120-A)

#### Travel and Entertainment

Include on line 5c (line 5, Form 1120-A) 20% of the 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.





**1120F****U.S. Income Tax Return of a Foreign Corporation**

OMB No. 1545-0126

For calendar year 1991, or tax year beginning 1991, and ending 1991

**1991**Department of the Treasury  
Internal Revenue Service

Name \_\_\_\_\_  
 Number, street, and room or suite no. (see instructions) \_\_\_\_\_  
 City or town, state and ZIP code, or country \_\_\_\_\_

Employer identification number \_\_\_\_\_

Check 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 instructions 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  | 1990 overpayment credited to 1991   | 6a |
| b  | 1991 estimated tax payments   | 6b |
| c  | Less 1991 refund applied for on Form 4466   | 6c |
| d  | Tax deposited with Form 7004  | 6d |
| e  | Credit from regulated investment companies (attach Form 2439)   | 6e |
| f  | Credit for Federal tax on fuels (attach Form 4136)  | 6f |
| g  | 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)) | 6g |
| h  | Total payments—Add lines 6d through 6h  | 6h |
| 7  | Enter any penalty for underpayment of estimated tax—Check if Form 2220 is attached <input type="checkbox"/>                             | 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 1992 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>              | 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 \_\_\_\_\_

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.

Cat. No. 114701

Form 1120F (1991)

Form 1120F (1991)

Page 2

**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. (see instructions)**

If you are required to complete Section II or are using Form 1120F as a claim for refund of tax withheld at source, include below ALL income from U.S. sources that is NOT effectively connected with the conduct of a trade or business in the U.S. Otherwise, include only those items of income on which the U.S. income tax was not fully paid at the source. The rate of tax on each item of gross income — no deductions are allowed against these types of income — stated below is 30% (4% for the gross transportation tax or such lower rate specified by tax treaty. Fill in treaty rates where applicable. If the corporation claimed a lower treaty rate, also complete item O, page 5.

Name of treaty country, if any: \_\_\_\_\_

	(a) Nature of income	(b) Gross income	(c) Rate of tax (%)	(d) Amount of tax	(e) Amount of U.S. income tax paid or withheld at the source
1	Interest				
2	Dividends				
3	Rents				
4	Royalties				
5	Annuities				
6	Gains from disposal of timber, coal, or domestic iron ore with a retained economic interest (attach supporting schedule)				
7	Gains from sale or exchange of patents, copyrights, etc.				
8	Fiduciary distributions (attach supporting schedule)				
9	Gross transportation income (see instructions)		4		
10	Other fixed or determinable annual or periodic gains, profits, and income				
11	Total—Enter here and on line 1, page 1				
12	Total—Enter here and include on line 6h, page 1				



**SECTION II.—Income Effectively Connected With the Conduct of a Trade or Business in the U.S.** (see instructions)**IMPORTANT**—If an applicable line and schedule, you need more space, see General instruction B3.

1a	Gross receipts or sales	b	Less returns and allowances	c	Net sales
2	Cost of goods sold (Schedule A, line 7)				
3	Gross profit (subtract line 2 from line 1a)				
4	Dividends (Schedule C, line 14)				
5	Interest				
6	Gross rents				
7	Gross royalties				
8	Capital gain net income (attach Schedule D, Form 1120)				
9	Net gain or loss from Form 4797, Part II, line 18 (attach Form 4797)				
10	Other income (see instructions—attach schedule)				
11	<b>Total income</b> —Add lines 3 through 10 and enter here				
12	Compensation of officers (Schedule E, line 4). Deduct only amounts connected with a U.S. business				
13a	Salaries and wages	b	Less: goods credit	c	Net
14	Repairs				
15	Bad debts				
16	Rents				
17	Taxes				
18	Interest deduction allowable under Regulations section 1.163-2				
19	Contributions (see instructions for 10% limitation)				
20	Depreciation (attach Form 4562)				
21	Less depreciation claimed on Schedule A and elsewhere on return				
22	Balance (subtract line 21 from line 20)				
23	Depletion				
24	Advertising				
25	Pension, profit-sharing, etc., plans				
26	Employee benefit programs				
27	Other deductions (attach schedule)				
28	<b>Total deductions</b> —Add lines 12 through 27 and enter here				
29	<b>Taxable income before net operating loss deduction and special deductions</b> (subtract line 28 from line 11)				
30	Less: a Net operating loss deduction	b	Special deductions (Schedule C, line 15)		
31	<b>Taxable income or (loss)</b> —Subtract line 30c from line 29				

**Schedule A Cost of Goods Sold** (see instructions)

1	Inventory at beginning of year	
2	Purchases	
3	Cost of labor	
4a	Additional section 263A costs (see instructions—attach schedule)	
4b	Other costs (attach schedule)	
5	<b>Total</b> —Add lines 1 through 4b	
6	Inventory at end of year	
7	<b>Cost of goods sold</b> —Subtract line 6 from line 5. Enter here and on Section II, line 2	
8a	Check all methods used for valuing closing inventory:	
	(i) <input type="checkbox"/> Cost	
	(ii) <input type="checkbox"/> Lower of cost or market as described in Regulations section 1.471-4 (see instructions)	
	(iii) <input type="checkbox"/> Write-down of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)	
	(iv) <input type="checkbox"/> Other (Specify method used and attach explanation: _____)	
8b	Check if the LIFO inventory method was adopted this tax year for any goods	
	If checked, attach Form 970	
8c	If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO	
8d	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation?	Yes No
8e	Was there any change in determining quantities, cost, or value between opening and closing inventory?	Yes No

**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 2454)	Instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	47.176	
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	<b>Total</b> —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	10-DISC and former 20-DISC dividends not included on line 1, 2, or 3 (section 246(d))		
12	Other dividends		
13	Deduction for dividends paid on certain preferred stock of a public utility		
14	<b>Total dividends</b> —Add lines 1 through 12. Enter here and on line 4, page 3		
15	<b>Total deductions</b> —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	(d) Percent of corporation stock owned		(e) Amount of compensation
			(i) Common	(ii) Preferred	
1		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
		%	%	%	
2	<b>Total compensation of officers</b>				
3	<b>Less: Compensation of officers claimed on Schedule A and elsewhere on this return</b>				
4	<b>Compensation of officers deducted on line 12, page 3</b>				

**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)	
4a	Foreign tax credit (attach Form 1118)	
b	Credit for fuel produced from a nonconventional source (see instructions)	
c	Orphan drug credit (attach Form 6765)	
d	General business credit. Enter here and check which forms are attached: Form 3800 Form 3468 Form 5884 Form 6478 Form 6765 Form 8586 Form 8830 Form 8826	
e	Credit for prior year minimum tax (attach Form 6627)	
5	<b>Total</b> —Add lines 4a through 4e	
6	Subtract line 5 from line 3	
7	Recapture taxes. Check Form _____ Form 4265 Form 6611	
8a	Alternative minimum tax (attach Form 4626). See instructions	
b	Environmental tax (attach Form 4626)	
9	<b>Total tax under section 6821a</b> —Add lines 6 through 8b. Enter here and on line 4, page 3	



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**SECTION III.—Branch Profits Tax and Tax on Excess Interest****Part I—Computation of Branch Profits Tax**

- 1 Enter the amount from line 29, Section II on page 3
- 2 Enter the amount of adjustments to arrive at effectively connected earnings and profits. (See instructions for types of adjustments as well as exceptions for certain types of income included in effectively connected taxable income but not taken into account when computing effectively connected earnings and profits; and the treatment of deductions apportioned to that income. Attach a schedule showing the nature and amount of these adjustments.)
- 3 Effectively connected earnings and profits. Combine line 1 and line 2 and enter the result here. Attach a historical summary (see instructions). If you are a foreign insurance company, see the regulations under section 884 for a special rule for the computation of effectively connected earnings and profits. If the special rule applies, attach a supporting schedule showing the computation.)
- 4a Enter U.S. net equity at the end of the current tax year and attach schedule (see instructions)
- 4b Enter U.S. net equity at the end of the prior tax year. Attach schedule (see instructions)
- 4c Increase in U.S. net equity. If line 4a is greater than or equal to line 4b, subtract line 4b from line 4a. Enter the result here and skip to line 4e
- 4d Decrease in U.S. net equity. If line 4b is greater than line 4a, subtract line 4a from line 4b and enter the result here
- 4e Non-previously taxed accumulated effectively connected earnings and profits. Enter excess, if any, of effectively connected earnings and profits for tax years beginning after 1986 over any dividend equivalent amounts for those tax years.
- 5 Dividend equivalent amount. If an amount is entered on line 4c, subtract that amount from line 3 and enter the result here. Enter -0- if the result is equal to or less than zero. If no increase is entered on line 4c, add the lesser of line 4d or line 4e to line 3 and enter the total here. Attach a historical summary (see instructions)
- 6 Branch profits tax. Multiply the amount on line 5 by 30% (or lower treaty rate if the corporation is a qualified resident or otherwise qualifies for treaty benefits). Enter here and include on line 3, page 1. See instructions for the requirements for qualification for treaty benefits; the definition of qualified resident; and special rules for foreign corporations that have completely terminated their U.S. trade or business during the tax year. If treaty benefits apply, attach a statement explaining why the corporation is a qualified resident or otherwise qualifies for treaty benefits and describe the benefits that apply. Also complete Item O below

**Part II—Computation of Tax on Excess Interest**

- 1 Enter the interest allowable as a deduction under Regulations section 1.882-5 (line 18, Section II on page 3)
- 2 Enter the interest paid by the foreign corporation's U.S. trade or business (other than nondeductible interest). (See instructions for definition.) If the interest paid by the foreign corporation's U.S. trade or business was increased because 80% or more of the foreign corporation's assets are U.S. assets, check this box ☐
- 3a Excess interest. Subtract line 2 from line 1. Enter -0- if the result is equal to or less than zero
- b If the foreign corporation is a bank, enter the amount of excess interest treated as interest on deposits. Otherwise, enter -0-
- c Subtract line 3b from line 3a
- 4 Tax on excess interest. Multiply line 3c by 30% or lower treaty rate (if the corporation is a qualified resident or otherwise qualifies for treaty benefits). Enter here and include on line 3, page 1. If treaty rate applies, attach a statement explaining why the corporation is a qualified resident or otherwise qualifies for treaty benefits. Also complete Item O below

**Additional Information Required (continued from page 1)****N** Business description (see last page of instructions):

- (1) Business activity code number ☐
  - (2) Business activity ☐
  - (3) Product or service ☐
- O** Check method of accounting: (1) ☐ Cash (2) ☐ Accrual  
(3) ☐ Other (specify): ☐
- P** Enter amount of tax-exempt interest received or accrued during the tax year (see instructions): ☐
- Q** Are you taking a position on this return that any Internal Revenue law is overruled or otherwise modified by a treaty:

between the U.S. and a foreign country? (See instructions.) ☐ Yes ☐ No

If "Yes," enter the treaty country

and article(s)  
Also attach a statement describing each treaty-based position taken.**R** Are you claiming a reduction in, or exemption from, the branch profits tax due to a complete termination of all U.S. trades or businesses, the tax-free liquidation or reorganization of a foreign corporation, or the tax-free incorporation of a U.S. trade or business? ☐ Yes ☐ No

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**Additional schedules to be completed with respect to Section II or Section III (see instructions)****Schedule L—Balance Sheets**

	Beginning of tax year	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		
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 Mtes., notes, bonds payable in less than 1 year		
18 Other current liabilities (attach schedule)		
19 Loans from stockholders		
20 Mtes., 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		8 Deductions on this 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 on this return (itemize):		b Contributions carryover \$	
a Depreciation \$			
b Contributions carryover \$			
c Travel and entertainment \$			
6 Total of lines 1 through 5		9 Total of lines 7 and 8	
		10 Income (line 29, page 3) minus line 9	

**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)	

1991



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 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	102 hr., 7 min.
Learning about the law or the form	36 hr., 47 min.
Preparing the form	64 hr., 16 min.
Copying, assembling, and sending the form to the IRS	6 hr., 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, TFP; 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.

### Changes To Note:

1. A foreign corporation is generally allowed the deductions and credits listed in Section II, relating to taxable income that is effectively connected with the conduct of a trade or business in the U.S., only if it timely files Form 1120F in a true and accurate manner. See the last section of General Instruction B3 for details.

2. **Enhanced Oil Recovery Credit.**—Corporations may take a credit on Form 8830, Enhanced Oil Recovery Credit, for 15% of qualified enhanced oil recovery costs paid or incurred in tax years beginning after 1990. These costs generally include amounts paid or incurred in connection with a qualified enhanced oil recovery project for:

a. Certain tangible personal property for which the corporation can claim a deduction for depreciation or amortization;

b. Intangible drilling costs eligible for the election under section 263(c) or required to be capitalized under section 291(b)(1); and

c. Qualified tertiary injectant expenses for which a deduction is allowed under section 193.

If a corporation takes this credit, limitations apply to amounts otherwise deductible (or required to be capitalized and recovered through depreciation, depletion, or amortization), that were used in figuring the credit.

For more information, see section 43 and Form 8830.

### 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 8th 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 8th month after the end of its tax year, the corporation must pay interest on the late payment and is subject to the penalty for late payment of tax 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:

(i) It may utilize the 3-month extension of time to file described in Regulations section 1.6061-5 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 penalty for late payment of tax described in General Instruction D3.

(ii) 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 penalty for late payment of tax described in General Instruction D3.

Form 1120F must be filed on a timely basis or else the foreign corporation may be denied the benefit of certain deductions and credits. A foreign corporation is generally allowed the deductions and credits listed in Section II, relating to taxable income that is effectively connected with the conduct of a trade or business in the U.S., only if it timely files Form 1120F in a true and accurate manner.

For these purposes, Form 1120F is generally considered to be timely filed if it is filed no later than 18 months after the due date of the current year's return. An exception may apply to foreign corporations that have yet to file Form 1120F for the preceding tax year.

A foreign corporation is allowed the following deductions and credits regardless of whether Form 1120F is timely filed:

a. The contributions deduction (line 19, Section II, on page 3 of Form 1120F);

b. The credit from regulated investment companies (line 6f on page 1 of Form 1120F);

c. The credit for Federal tax on fuels (line 6g on page 1 of Form 1120F); and

d. U.S. income tax paid or withheld at source (line 6h on page 1 of Form 1120F).

See Regulations section 1.882-4 for details.

4. **Where To File.**—File Form 1120F with the Internal Revenue Service Center, Philadelphia, PA 19255.

5. **Who Must Sign.**—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 filed 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 the 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 million. 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 1.448-17(g) and (h) for more information. Include the amount reported as income in 1991 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. 535, 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 after July 10, 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.**

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 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(c)(2) are met.

(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 M (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-Dollars

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 depository 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 depository 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, do not submit deposits directly to an IRS office. Mail or deliver the completed Federal Tax Deposit Coupon (Form 8109) and the payment to a qualified depository (FRB) servicing your geographic area. Make checks or money orders payable to that depository or FRB. 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. Be sure to darken the "1120F" box on the coupon. Records of deposits will be sent to the IRS for crediting to the foreign corporation's account.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656. This penalty may also apply if you mail or deliver deposits to IRS offices rather than to authorized depositories or FRBs.

For more information about deposits, see the instructions contained in the coupon book (Form 8109) and 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 right-hand column between lines 5 and 6, page 1, and label the amount as "backup withholding." Also include the amount in the total for line 6. Note: "Backup withholding" does not include amounts reportable on line 5a for taxes paid or withheld at source.

### 5. Estimated Tax Payments

Generally, a foreign corporation must make installment payments of estimated tax if it expects its "estimated tax" (as defined in Regulations section 1.882-1(e)) to be \$500 or more. For a calendar or fiscal year corporation, the installments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday. 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 at least 10% of expected income tax liability and at least \$500. To apply for a quick refund, file Form 4466 before the 16th day of the 3rd month after the end of the tax year, but before Form 1120F is filed. Do not file Form 4466 before the end of the corporation's tax year.

### 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

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. **Penalty for 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. The penalty will not be imposed if the taxpayer can show that failure to file a timely tax return is due to reasonable cause. Those filing late (after the due date, including extensions), must attach to the return a statement explaining the reasonable cause.

3. **Penalty for Late Payment of Tax.**—The penalty for late payment of taxes is usually 1/2 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. **Penalty for 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 the 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. (See the instructions for Form 2220 for the definition of a "large corporation.")

If you attach Form 2220, be sure to check the box on line 7, page 1, Form 1120F and enter the amount of any penalty on that line.

5. **Other Penalties.**—Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6652 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-Owned U.S. Corporation or a Foreign 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 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 1042-B.—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 withhold 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. 815, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1088.—Annual Summary and Transmittal of U.S. Information Returns.

Form 1088.—Mortgage Interest Statement. This form is used to report the receipt from any individual of \$600 or more of mortgage interest and points 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 and Pub. 937, Business Reporting.

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 6284.—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 6271.—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 6271 must be attached to any tax return (including an application for tentative refund (Form 1139) 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 6300.—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 in a series of related transactions.

Form 6594.—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 6521.—Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. This form is used by a corporation that is a shareholder in a passive foreign investment company (as defined in section 1296) at any time during the tax year.

Form 6537.—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)(2) 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 6597 to the tax return if the corporation owes interest but not if interest is to be refunded. See the instructions for Form 6597.

Form 6810.—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 4138, Credit for Federal Tax on Fuels, after page 6, Form 1120F. Attach schedules in alphabetical order and other forms in numerical order after Form 4138.

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 and indicate 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, 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(c), (d), and (e) for exceptions for inventory, depreciable personal property, and unguaranteed. 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 United States. 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, 1991, 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 "5/15/91" (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 moneys belonging to such foreign government or international organization; or (3) investments in the U.S. in 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 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**

**Period covered.**—File the 1991 return for calendar year 1991 and fiscal years that begin in 1991 and end in 1992. For a fiscal year, fill in the tax year space at the top of the form.

**Note:** The 1991 Form 1120F may also be used if: (1) the corporation has a tax year of less than 12 months that begins and ends in 1992; and (2) the 1992 Form 1120F is not available by the time the corporation is required to file its return. However, the corporation must show its 1992 tax year on the 1991 Form 1120F and incorporate any tax law changes that are effective for tax years beginning after December 31, 1991.

**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.

**Note:** If a change in address occurs after the return is filed, the foreign corporation can use Form 8822, Change of Address, to notify the IRS of the new address.

**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 of the corporation on any day of the testing period and 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 transportation that either begins or ends in the U.S. (as treated as from sources in the U.S. However, see section 863(c)(2)(B) for a special rule for personal service income).

• 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 disposition (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(f) 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(d)(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 that, on the basis of their experience, will not be collected (section 448(d)(5)). This provision does not apply to any amount of interest 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, the amount not accrued as a result of the application of section 448(d)(5), and the net amount accrued. Enter the net amount on line 1a. For more information and guidelines on this "non-accrual expense 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 8478, 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 the conduct of a trade or business in the United States. Charitable contributions, however, may be deducted whether or not they are so connected. See section 882(c) and Regulations section 1.882-4(b) 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 million 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 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 that must 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 United States. 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, certain deductions for financial institutions, and the amortizable basis of pollution control facilities. See section 291 to determine the amount of adjustment. Also see section 43.

**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 five 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 the activity involves research or experimental expenditures that 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 deductible officers' compensation on line 12, complete Schedule E on page 4 if total receipts (line 1a, plus lines 4 through 10, 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 5894, 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.

**Caution:** A cash basis taxpayer may not claim a bad debt deduction unless the amount was previously included in income.

**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:

And the vehicle's fair market value on the first day of the lease exceeded:

The lease term began:	exceeded:
After 12/31/90	\$13,400
After 12/31/86 but before 1/1/91	\$12,800
After 4/2/85 but before 1/1/87	\$28,000
After 8/18/84 but before 4/3/85	\$40,500

See Pub. 917, Business Use of a Car, for instructions on how to figure the 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 alternative 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. Note: This deduction is allowed for all contributions, whether or not connected with income that is effectively connected with the conduct of a trade or business in the U.S. (see section 882(c)(7)).

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. The deduction allowed under section 249;

4. Any net operating loss (NOL) 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 an NOL used in an intervening year (i.e., a year to which an NOL is carried but not fully absorbed). For this purpose, taxable income is computed by determining the NOL deduction for the year without regard to the NOL 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 an NOL 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 such 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 to determine 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:

Contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the purposes of its exemption, and

Contributions of any property (except for which market quotations are readily available—see section 170(e)(5)) to or for the benefit of certain private foundations. See section 170(e) and Regulations section 1.170A-4.

Special rules for contributions of intangible and other property to certain organizations. See section 170(e)(3) and Regulations section 1.170A-4A.

Writable contributions of scientific property used for research. A corporation or a personal holding company or a trust organization can receive a larger deduction for contributing scientific property to research to an institution of higher education. See section 170(e).

**20. Depreciation.—**Besides depreciation, include on line 20 the part of cost (up to \$10,000) that the corporation used to expense for certain tangible property placed in service during tax year 1, or carried over from 1990. See the instructions for Form 4562, Depreciation and Amortization.

**23. Depletion.—**See sections 613 and 48 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 oil).

Foreign intangible drilling costs and foreign exploration and development costs must be added to the corporation's basis for depletion purposes or be deducted only over a 10-year period. See sections 41, 616, and 617 for more information. Attach Form T (Timber), Forest Industries Schedules, if a deduction for depletion of timber is claimed.

**25. Pension, profit-sharing, etc.—**Enter the amount of contributions to pension, profit-sharing, or other funded deferred compensation plans. Employers who maintain any such plan are generally required to file one of the forms listed below, even if the plan is not a "qualified plan" under the Internal Revenue Code. The filing requirement applies even if no deduction is claimed for the current tax year. There are penalties for failure to file these forms on time and for failing to state the pension plan deduction. For more information, see sections 6652(e) and (f).

**n 5500.—**Complete this form for each plan with 100 or more participants.

**n 5500-C/R.—**Complete this form for each plan with fewer than 100 participants.

**n 5500-EZ.—**Complete this form for a participant plan.

**26. Employee benefit programs.—**Enter the amount of contributions to employee benefit programs not claimed where on the return (e.g., insurance, health, and welfare programs) that are not an integral part of a pension, profit-sharing, plan included on line 25.

**27. Other deductions.—**Attach a schedule listing all allowable deductions not deductible elsewhere on Form 1120.

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 allowable 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. 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. **Notes:** 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.

**Notes:** 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 (NOL) 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 an NOL 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 an NOL to or from any tax year to which a section 444 election applies.

A corporation may carry back 10 years that part of the NOL attributable to a product liability loss (section 172(b)(1)(C)). 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 an NOL 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 NOL 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 an NOL, 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.

For carryback claims filed later than 12 months after the end of the tax year, file amended Form 1120F instead of Form 1139.

See section 172 for special rules, limitations, and definitions pertaining to NOL 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 NOL carryovers. Also see Temporary Regulations section 1.382-2(f)(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

**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 5.—**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 5a. 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. 583.

On line 5a, check the method(s) used for valuing inventories. Enter "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 with the year of the LIFO election (see 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 (e.g., 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 an NOL 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 553(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 line 1 by 80% \_\_\_\_\_
3. Enter the sum of 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 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. 245(b)). Add lines 4 and 9 and enter the result here and on line 8, 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) 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)

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 an NOL occurs, compute the dividends 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 that are not 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:

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(a) for details.

**Note:** If the corporation is a qualified personal service corporation, be sure to check the box on line 3, Schedule J.

**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, 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 8827 if any of the 1990 credit is disallowed solely because of the tentative minimum tax limitation. See section 53(c).

**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. General business credit.**—Complete this line if the corporation can take any of the credits listed below. Complete Form 3800, General Business Credit, if the corporation has: (1) more than one of the credits listed below, (2) a credit carryforward or carryback (including an ESOP credit), OR (3) a passive activity credit. Enter the amount of the general business credit on line 4d, and check the box for Form 3800.

Form 3800 is not required if the corporation has only one of the credits listed below and items (2) and (3) above do not apply. Instead, attach the applicable credit form to the return and enter on line 4d the amount of the credit from the form. Also be sure to check the appropriate box for that form.

**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.

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**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.

**Enhanced oil recovery credit.** A corporation may claim a credit for 15% of its qualified enhanced oil recovery costs. Use Form 8830 to figure the 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 Form 8826, Disabled Access Credit, and section 44.

**Line 4e. Credit for prior year minimum tax.**—Use Form 8827, Credit for Prior Year Minimum Tax—Corporations, 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 8814, 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 the amount on Form 3800, Schedule A, line 34. Write on the dotted line to the left of the entry space on line 8a, Schedule J, "Section 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 million. 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(c)(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, "Section 453(c)(3) interest—\$(amount)." Attach a schedule showing the computation.

**Interest on tax deferred under the installment method for certain nondebt 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, "Section 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 864(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 reinvested 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 reinvested 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 reinvestment 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 United States. 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)(ii)), 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 stock owners.

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 R. 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 for 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 in 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 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.

#### Item Q

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 partnership, 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 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.

#### Schedule M-1

**Reconciliation of income per Books With Income per Return**

**Line 5c. Travel and entertainment expenses.**—Include on line 5c: 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

0400 Agriculture production.  
0400 Agriculture services (except governmental, forestry, fishing, hunting, and trapping).

## Mining

1010 Iron ores.  
1070 Copper, lead and zinc, gold and silver ores.  
1080 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 Dimensional, crushed and broken stone, sand and gravel.  
1490 Other nonmetallic minerals, except fuels.

## Construction

General building contractors and demolition builders:  
1510 General building contractors.  
1531 Operative builders.  
1600 Heavy construction contractors.  
Specialty trade contractors:  
1711 Plumbing, heating, and air conditioning.  
1731 Electrical work.  
1798 Other specialty 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.  
2080 Sugar and confectionery products.  
2081 Malt liquors and malt.  
2088 Alcoholic beverages, except malt liquors and malt.  
2089 Bottled soft drinks, and flavorings.  
2098 Other food and kindred products.  
2100 Textile mill products.  
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 Lumber, sawmills, and planing mills.  
2430 Millwork, plywood, and related products.  
2488 Other wood products, including wood buildings and mobile homes.  
2500 Furniture and fixtures.  
Paper and allied products:  
2625 Pulp, paper, and board mills.  
2688 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.  
2888 Agricultural and other chemical products.  
Petroleum refining and related industries (including those integrated with extraction):  
2910 Petroleum refining (including integrated).  
2988 Other petroleum and coal products.  
Rubber and plastic products:  
3050 Rubber products, plastic footwear, hose and tubing.  
3070 Miscellaneous plastic products.  
Leather and leather products:  
3140 Footwear, except rubber.  
3188 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, except 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.  
3480 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 Machineworking 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.  
3688 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.  
3890 Photographic equipment and supplies.  
3898 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 Petroleum 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.  
4980 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.  
5080 Structural goods.  
5070 Hardware, plumbing and heating equipment and supplies.  
5088 Other durable goods.  
Non-durable:  
5110 Paper and paper products.  
5128 Drugs, drug paraphernalia, 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 textile home dealers:  
5220 Building materials dealers.  
5251 Hardware stores.  
5285 Garden supplies and mobile home dealers.  
5300 General merchandise stores.  
Food stores:  
5410 Grocery stores.  
5480 Other food stores.  
Automotive dealers and service stations:  
5515 Motor vehicle dealers.  
5541 Gasoline service stations.  
5588 Other automotive dealers.  
5608 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.  
5985 Other retail stores.

## Finance, Insurance, and Real Estate

Banking:  
6000 Mutual savings banks.  
6080 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 foreign companies.  
6298 Commodity contracts brokers and dealers; security and commodity exchanges; and allied services.  
Insurance:  
6355 Life insurance.  
6358 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.  
7388 Business services, except advertising.  
Auto repair and 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.  
8090 Hospitals.  
8071 Medical laboratories.  
8098 Other medical services.  
8111 Legal services.  
8200 Educational services.  
8300 Social services.  
8303 Membership organizations.  
8311 Architectural and engineering services.  
8330 Accounting, auditing, and bookkeeping.  
8398 Miscellaneous services (including veterinarians).

**1120L U.S. Life Insurance Company Income Tax Return** OMB No. 1545-0128  
For calendar year 1991 or tax year beginning 1991 and ending 1991

Department of the Treasury Internal Revenue Service

Instructions are separate. See page 1 For Paperwork Reduction Act Notice.

Name \_\_\_\_\_ A Employer identification number \_\_\_\_\_  
B Date incorporated \_\_\_\_\_  
C Check if a consolidated return (attach Form 951). ☐  
D Check if nonlife insurance companies are included. ☐  
Number, street, 1<sup>st</sup> or room or suite no., if a P.O. box, see page 4 of instructions.  
City or town, state, and ZIP code \_\_\_\_\_  
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) \_\_\_\_\_  
2 Limitation on noninsurance losses (Schedule P, line 9) \_\_\_\_\_  
3 Amount subtracted from policyholder surplus account (Schedule N, line 3) \_\_\_\_\_  
4 **Total taxable income.** Add lines 1, 2, and 3, however, the total may not be less than line 3 \_\_\_\_\_  
5 Check if you are a member of a controlled group (see sections 1561 and 1563) ☐  
If the above box is checked:  
a Enter your share of the \$50,000 and \$25,000 taxable income bracket amount (in that order):  
(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) \_\_\_\_\_  
7a Foreign tax credit (attach Form 1118) \_\_\_\_\_  
7b Other credits (see instructions) \_\_\_\_\_  
7c General business credit. Enter here and check which forms are attached:  
☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478  
☐ Form 6765 ☐ Form 8586 ☐ Form 8830 ☐ Form 8826  
7d Credit for prior year minimum tax (attach Form 8827) \_\_\_\_\_  
8 **Total** (add lines 7a through 7d) \_\_\_\_\_  
9 Line 6 less line 8 \_\_\_\_\_  
10 Foreign corporations—tax on income not connected with U.S. business \_\_\_\_\_  
11 Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611 \_\_\_\_\_  
12a **Alternative minimum tax** (attach Form 4626) (see instructions) \_\_\_\_\_  
b Environmental tax (attach Form 4626) \_\_\_\_\_  
13 **Total tax.** Add lines 9 through 12b \_\_\_\_\_  
14a 1990 overpayment credited to 1991 \_\_\_\_\_  
b 1991 estimated tax payments \_\_\_\_\_  
c Less 1991 refund applied for on Form 4466 \_\_\_\_\_  
d Sum of lines 14a and 14b minus line 14c \_\_\_\_\_  
e Tax deposited with Form 7004 \_\_\_\_\_  
f Credit from regulated investment companies (attach Form 2439) \_\_\_\_\_  
g Credit for Federal tax on fuels (attach Form 4136) \_\_\_\_\_  
h U.S. income tax paid or withheld at source \_\_\_\_\_  
15 **Total credits** (combine lines 14d through 14h) \_\_\_\_\_  
16 Estimated tax penalty (see page 3 of instructions). Check if Form 2220 is attached ☐  
17 **TAX DUE.** If the total of lines 13 and 16 is larger than line 15, enter AMOUNT OWED \_\_\_\_\_  
18 **OVERPAYMENT.** If line 15 is larger than the total of lines 13 and 16, enter AMOUNT OVERPAID \_\_\_\_\_  
19 Enter amount of line 18 you want credited to 1992 estimated tax ☐ Refunded ☐

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

**Please Sign Here**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_  
Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed ☐ Preparer's social security no. \_\_\_\_\_  
Paid Preparer's Use Only: Firm's name or your 1545-0128-0101 (Rev. 11-90) \_\_\_\_\_ E.I. No. \_\_\_\_\_ ZIP Code \_\_\_\_\_

Cat. No. 11480E

**SCHEDULE A Life Insurance Company Taxable Income (LICTI) (Section 801(b)) (See instructions.)**

1 Gross premiums, etc., less return premiums, etc. Enter balance \_\_\_\_\_  
2 Decrease in reserves \_\_\_\_\_  
3 10% of any decrease in reserves under section 807(f)(1)(B)(ii) \_\_\_\_\_  
4 3 1/4% of end of year balance of reserves under section 807(e)(7)(B) \_\_\_\_\_  
5 Investment income (Schedule C, line 8) \_\_\_\_\_  
6 Net capital gain (line 10, Schedule D (Form 1120)) \_\_\_\_\_  
7 Other amounts (attach schedule) \_\_\_\_\_  
8 **Life insurance company gross income.** Add lines 1 through 7 \_\_\_\_\_  
9 Death benefits, etc. \_\_\_\_\_  
10 Increase in reserves (Schedule B, line 12) \_\_\_\_\_  
11 10% of any increase in reserves under section 807(f)(1)(B)(i) \_\_\_\_\_  
12 Deductible policyholder dividends (Schedule E, line 7) \_\_\_\_\_  
13 Consideration paid for assumption by another person of liabilities \_\_\_\_\_  
14 Dividends reimbursable by taxpayer \_\_\_\_\_  
15a Interest ☐ b Less tax-exempt interest exp \_\_\_\_\_ c Bal ☐  
16 Other deductions (attach schedule) \_\_\_\_\_  
17 Dividends-received deduction (Schedule G, column (c), line 15)—enter here and on Schedule M, line 2c \_\_\_\_\_  
18 Operations loss deduction (attach schedule) \_\_\_\_\_  
19 Total deductions (add lines 9 through 18) \_\_\_\_\_  
20 Gain or (loss) from operations (Line 8 less line 19), enter here and on Schedule H, line 1 \_\_\_\_\_  
21 Small life insurance company deduction (Schedule H, line 10), enter here and on Schedule M, line 2b \_\_\_\_\_  
22 **LICTI.** Line 20 less line 21, enter here and on page 1, line 1 \_\_\_\_\_

**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 <b>Total</b> (add lines 1 through 6)	7	
8 <b>Increase (decrease) in reserves</b> (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 <b>Less:</b> Adjustment to reserves of mutual insurance company per section 809(a)(2) (Schedule E, line 8)	11	
12 <b>Net increase (decrease) in reserves.</b> (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) \_\_\_\_\_  
2 Gross taxable dividends (Schedule G, column (a), line 15) \_\_\_\_\_  
3 Gross rents \_\_\_\_\_  
4 Gross royalties \_\_\_\_\_  
5 Leases, terminations, etc. \_\_\_\_\_  
6 Excess of net short-term capital gain over net long-term capital loss (line 9, Schedule D (Form 1120)) \_\_\_\_\_  
7 Gross income from trade or business other than insurance (attach schedule) \_\_\_\_\_  
8 Investment income (add lines 1 through 7), enter here and on Schedule A, line 5 \_\_\_\_\_  
9 Tax-exempt interest, enter here and on Schedule K, line 5 and on Schedule M, line 2d \_\_\_\_\_  
10 Add lines 8 and 9 \_\_\_\_\_  
11 100% qualifying dividends \_\_\_\_\_  
12 **Gross investment income.** Line 10 less line 11, enter here and on Schedule K, line 1 \_\_\_\_\_

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**SCHEDULE E Policyholder Dividends (Section 808)**

1	Amounts paid or accrued	1
2	Excess interest	2
3	Premium adjustments	3
4	Experience-rated refunds	4
5	Total (add lines 1 through 4)	5
6	Differential earnings amount for mutual companies only (Schedule F, line 13)	6
7	Deductible policyholder dividends (line 5 less line 6, but not less than zero); enter here and on Schedule A, line 12 and Schedule K, line 10	7
8	Adjustment to reserves of mutual insurance company (excess of line 6 over line 5); enter here and on Schedule B, line 11	8
9	Deductible percentage (line 7 divided by line 5)	9 %

**SCHEDULE F Differential Earnings Amount—Mutual Companies Only (Section 809)**

	(a) End of preceding tax year	(b) End of this tax year
1	Annual statement surplus and capital	
2	Nonadmitted financial assets (attach schedule)	
3	Excess of statutory reserves over tax reserves on section 807(c) items	
4	Deficiency reserves	
5	Mandatory securities valuation reserve	
6	Other voluntary reserves	
7	50% of the amount of any provision for policyholder dividends payable in the next tax year	
8a	Subtotal (add lines 1 through 7)	
b	Adjustment for equity allocable to noncontiguous Western Hemisphere countries and other adjustments	
c	Combine lines 8a and 8b, both columns	
9	Total of line 8c, columns (a) and (b)	
10	Tentative average equity base—Enter 50% of line 9	
11	Other adjustments (attach schedule)	
12	Average equity base (line 10 plus line 11)	
13	Differential earnings amount (line 12 times the differential earnings rate); enter here and on Schedule E, line 6 (see instructions.)	

**SCHEDULE G Dividend Income and Dividends-Received Deduction (See instructions.)**

Dividends subject to proration		
	(a) Dividends received	(b) %
1	Domestic corporations, less-than-20%-owned (other than debt-financed stock)	70
2	Domestic corporations, 20%-or-more-owned (other than debt-financed stock)	80
3	Debt-financed stock of domestic and foreign corporations	see instructions
4	Public utility corporations, less-than-20%-owned	41.176
5	Public utility corporations, 20%-or-more-owned	47.059
6	Foreign corporations, less-than-20%-owned, and certain FSCs	70
7	Foreign corporations, 20%-or-more-owned, and certain FSCs	80
8	Wholly owned foreign corporations	100
9	Certain affiliated company dividends	100
10	Gross dividends-received deduction (add lines 1 through 9 of column (c))	
11	Company share percentage (Schedule K, line 25)	
12	Prorated amount (line 10 times line 11)	
Dividends not subject to proration		
13	Affiliated company dividends	see instructions
14	Other corporate dividends	
15	Total (add lines 1 through 14 in column (a) and lines 12 and 13 in column (c)). (Reduce the deduction as provided in section 805(a)(4)(D)(iii).) Enter the amount from line 15, column (a), on Schedule C, line 2, and enter the amount from line 15, column (c), on Schedule A, line 17	

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**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	Noninsurance income	2a
b	Noninsurance deductions	2b
3a	Gain or loss from insurance operations (line 1 less line 2a plus line 2b)	3a
b	Adjustments (attach schedule)	3b
c	Tentative LICI (total of lines 3a and 3b)	3c
4	Controlled group tentative LICI (Schedule I, line 8)	4
5	Combined tentative LICI (line 3c plus line 4). If \$15,000,000 or more, skip lines 6 through 8, enter zero on line 10 below, and on Schedule A, line 21	5
6	Enter 60% of line 5, but not more than \$1,800,000.	6
7a	Maximum statutory amount	7a 3,000,000
b	Line 5 less line 7a, but not less than zero	7b
c	Enter 15% of line 7b, but not more than \$1,800,000	7c
8	Tentative small life insurance company deduction (line 6 less line 7c)	8
9	Taxpayer's share (line 8c, 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 LICI	
	(a) Income	(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 LICI. 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)	20
21	Net investment income (see instructions)	21
22	Policyholder share amount (from line 19)	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 %

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**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 LICIT (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
e 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 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 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 16) 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 2)	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

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**SCHEDULE O Other Information** (See instructions.)

	Yes	No
<b>1</b> Check method of accounting: a <input type="checkbox"/> Accrual b <input type="checkbox"/> Other (specify) _____		
<b>2</b> Check if the corporation is a: a <input type="checkbox"/> Legal reserve company—if checked: Kind of company: <input type="checkbox"/> Stock <input type="checkbox"/> Mutual Principal business: <input type="checkbox"/> Life insurance <input type="checkbox"/> Health and accident insurance b <input type="checkbox"/> Fraternal or assessment association c <input type="checkbox"/> Burial or other insurance company		
<b>3</b> 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.		
<b>4</b> Does the corporation have any variable annuity contracts outstanding?		
<b>5</b> 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 of such corporation for the tax year ending with or within your tax year.		
<b>6</b> 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).) a Attach a schedule showing name, address, and identification number. b Percentage owned ▶ _____		
<b>7</b> Did one foreign person (see instructions for definition) at any time during the tax year own at least 25% of: a the total voting power of all classes of stock of the corporation entitled to vote, or b the total value of all classes of stock of the corporation? If "Yes," the corporation may have to file Form 5472. If "Yes," enter the owner's country(ies) ▶ _____ Enter number of Forms 5472 attached ▶ _____		
<b>8</b> Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957) If "Yes," attach Form 5471 for each corporation. Enter number of Forms 5471 attached ▶ _____		
<b>9</b> 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 more information including filing requirements for form TD F 90-22.1.) If "Yes," write the name of the foreign country: ▶ _____		
<b>10</b> Was the corporation 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? If "Yes," the corporation may be required to file Form 926, 3520, or 3520-A.		
<b>11</b> Enter the amount of tax-exempt interest received or accrued during the tax year \$ _____		
<b>12</b> Has the corporation elected to use its own payout pattern for discounting unpaid losses and unpaid loss adjustment expenses?		
<b>13</b> Does the corporation discount any of the loss reserves shown on its annual statement?		
<b>14a</b> Enter the total unpaid losses shown on the corporation's annual statement: (1) for the current year: \$ _____ (2) for the previous year: \$ _____		
<b>b</b> Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement: (1) for the current year: \$ _____ (2) for the previous year: \$ _____		

**SCHEDULE R Reconciliation** (See instructions.)**SCHEDULE S Compensation of Officers** (See instructions.)

1991



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 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** 75 hr., 34 min.  
**Learning about the law or the form** 24 hr., 21 min.  
**Preparing the form** 38 hr., 46 min.  
**Copying, assembling, and sending the form to the IRS** 3 hr., 29 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 Response Clearance Officer, TFP; 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 **Where To File** on page 2.

### Important Change

**Enhanced Oil Recovery Credit.**—Corporations may take a credit on Form 8830, Enhanced Oil Recovery Credit, for 15% of qualified enhanced oil recovery costs paid or incurred in tax years beginning after 1990. These costs generally include amounts paid or incurred in connection with a qualified enhanced oil recovery project for:

- certain tangible personal property for which the corporation can claim a deduction for depreciation or amortization,
- intangible drilling and development costs eligible for the election under section 263(c) or required to be capitalized under section 291(b)(1), and
- qualified tertiary injectant expenses for which a deduction is allowed under section 193.

If a corporation takes this credit, limitations apply to amounts otherwise deductible for required to be capitalized and recovered through depreciation, depletion, or amortization, that were used in figuring the credit.

For more information, see section 43 and Form 8830.

### General Instructions

#### 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.

#### Filing Requirements

**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 Form 1120L. This includes organizations described in section 501(c)(1) that provide commercial-type life insurance.

A life insurance company is an insurance company in the business of issuing life insurance and annuity contracts either separately or combined with health and accident insurance, or noncancelable contracts of health and accident insurance and meets the reserves test specified in section 816(a). Guaranteed renewable life, health, and accident insurance that the corporation cannot cancel but reserves the right to adjust premium rates by classes, according to experience under the kind of policy involved, are treated as noncancelable.

"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 reserves test requires that life insurance reserves, as defined in 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, must make up more than 50% of 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 must 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 must 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 591 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 and identify Form 1120L as a schedule.

**Insurance companies other than life insurance companies.**—Insurance companies other than 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.

#### 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)	Holtzville, NY 08051
New York (all other counties), Connecticut, Maine, Massachusetts, Rhode Island, Vermont	Andover, MA 02501
Florida, Georgia, South Carolina	Atlanta, GA 30601
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45209

Kansas, New Mexico, Oklahoma, Texas Austin, TX 78701

Alaska, Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin, Wyoming

California (all other counties): 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 corporation tax credit (section 936) must file with the Internal Revenue Service Center, Philadelphia, PA 19255.

If the principal office of the managing corporation of a group of corporations located in several Service Center regions keeps all the books and records, the income tax returns of the corporations may be filed with the Service Center for the region in which this principal office is located.

#### Who Must Sign

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 filed 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.

### Figuring and Paying the Tax Accounting Information

**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.

**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).

**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.

**Depository 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). Do not submit deposits directly to an IRS office. Mail or deliver the completed Federal Tax Deposit Coupon (Form 8109) and the payment to a qualified depository for Federal taxes or to the Federal Reserve Bank (FRB) servicing your geographic area. Make checks or money orders payable to that depository or FRB. To help ensure proper crediting to your account, write your employer identification number, the type of return, "Form 1120L," and the tax period to which the deposit applies on your check or money order. Be sure to darken the "1120" box on the coupon. Records of deposits will be sent to the IRS for crediting to the corporation's account.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656. This penalty may also apply if you mail or deliver deposits to IRS offices rather than to authorized depositories or FRBs.

For more information about deposits and penalties, see the instructions contained in the coupon book (Form 8109) and Pub. 583, Taxpayers Starting a Business.

**Payments of Estimated Tax.**—Generally, a corporation must make installment payments of estimated tax 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) to make deposits of estimated tax.

If the corporation overpaid estimated tax, it may be able to get a "quick refund" using Form 4466, Corporation Application for Quick Refund of Overpayment of Estimated Tax. The overpayment must be at least 10% of expected income tax liability, and at least \$500. To apply for a quick refund, file Form 4466 before the 16th day of the third month after the end of the tax year, but before the corporation files its income tax return. Do not file Form 4466 before the end of the corporation's tax year.

**Caution:** Foreign insurance companies see Notice 90-13, 1990-1 CB 321 before computing estimated tax.

### 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 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.

**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. The penalty will not be imposed if the taxpayer can show that failure to file a timely return is due to reasonable cause. Those filing late (after the due date, including extensions), must attach a statement to the return explaining the reasonable cause.

**Late Payment of Tax.**—The penalty for late payment of taxes is usually 1/10% 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.

**Estimated tax penalty.**—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 the 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. (See the instructions for Form 2220 for the definition of a "large corporation.") If you

attach Form 2220. Be sure to check the box on line 16, and enter the amount of any penalty on that line.

**Other penalties.**—Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

### Other Forms, Returns, Schedules, and Statements That May Be Required

**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.

**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. 915, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

**Form 1039.** Annual Summary and Transmittal of U.S. Information Returns.

**Form 1039.** Mortgage Interest Statement. This form is used to report the receipt from any individual of \$600 or more of mortgage interest and points in the course of the corporation's trade or business for any calendar year.

**Forms 1039-A, B, DIV, INT, MISC, OID, PATR, R, and S.** Information returns for reporting abandonments, acquisitions through foreclosure, proceeds from brokers and broker 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, 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 and Pub. 937, Business Reporting.

**Note:** Every corporation must file Form 1099-MISC 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 962.** Corporate Report of Nondiscriminatory Distributions.

**Form 6233.** 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 6264.** 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 6271.** Investor Reporting of Tax Shelter Registration Number. Taxpayers who have acquired an interest in a tax shelter, which is required to be registered, use this form to report the tax shelter's registration number. Form 6271 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 6231.** 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 6200.** 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 6230.** 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, to gather information to compute the "differential earnings rate."

**Form 6294.** 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 6216.** 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.

**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 551, 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 non-life 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.

**Pension, Profit-Sharing, etc. Plans.**—

Employers who maintain a pension, profit-sharing, or other funded deferred compensation plan generally are required to file one of the forms listed below, even if the plan is not a "qualified" plan under the Internal Revenue Code. The filing requirement applies even if no deduction is claimed for the current tax year. 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 5800.**—Complete this form for each plan with 100 or more participants.

**Form 5800-C/R.**—Complete this form for each plan with fewer than 100 participants.

**Form 5800-CE.**—Complete this form for a one-participant plan.

**Statements**

**NAIC Annual Statement.**—Regulations section 1.8012-2(c) requires that the NAIC Annual Statement be filed with Form 1120L. A late filing of return penalty may be imposed for not including the annual statement when the return is filed.

**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 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-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business.

**Transfers to a corporation controlled by the transferor.**—If a corporation 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.

**Attachments.**—Please complete every applicable entry space on Form 1120L. Do not attach statements and write "See attached" instead of completing the entry spaces on Form 1120L.

If more space is needed on the forms or schedules, attach separate sheets showing at the top of each attachment the form number or schedule letter of the form or schedule being continued. Also, show the 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 them separately, 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." 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

**Period Covered.**—File the 1991 return for calendar year 1991. 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.

**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 a change in address occurs after the return is filed, the corporation can use Form 6822, Change of Address, to notify the IRS of the new 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 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. For more information concerning an EIN, see Pub. 583.

#### Item D

Check the box if this is a consolidated return and non-life insurance companies are included. See Regulation section 1.1502-47(b) 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.

#### 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 will apply to the tax year for which made and to all subsequent tax years unless revoked with the consent of the Secretary. 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 (LICIT) (Section 801(b)) Income

**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 insurance.

"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 Percentages; and (3) complete Schedule B. After completing steps 1 through 3, above, cross 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(h)(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 that item, 10% of the decrease must be included in life insurance company gross income for each of the 10 succeeding tax years.

**Note:** If a corporation elects to qualify as a life insurance company, section 807(h)(2) provides that the balance of any adjustments under section 807(f) must be taken into account in the last tax year the corporation is qualified to file Form 1120L.

**Line 4.** 3 1/4% of end of year balances of reserves under certain CBIT(h)(3).—For tax years beginning on or after September 30, 1990, and before September 30, 1995, life insurance companies are required to include in gross income an amount equal to 3 1/4% of the company's closing balances 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 other income not included on lines 1 through 6, if those items are includible in life insurance company gross income. Include the total amount of income for noninsurance business (defined in section 806(b)(3)). Attach a schedule of all items included in the entry on line 7. Income attributable to noninsurance business should be segregated from all other income.

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 that tax year, include the excess 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.

For life insurance companies, section 818(b)(1) provides that, for section 1231(a), "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 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

**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. "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 for those losses together with estimates of salvage and reinsurance that may be recovered on those 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) must be the amount of the discounted unpaid losses as defined in section 846. See the instructions for Schedule B, line 2 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 that item, then

10% of the increase will be allowed as a deduction in computing LICI 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) must 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 that 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. No deduction is allowed under section 163 for interest on the items described in section 807(c).

**Line 15b. Less tax-exempt interest expense.**—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 those items are deductible in computing LICI. Include the total amount of deductions for a noninsurance business (defined in section 806(b)(3)). Attach a schedule of all items included on line 16. Deductions attributable to a noninsurance business should be segregated from all other deductions.

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 that tax year, include the excess on line 16 as a deduction in computing LICI for the current tax year.

If the corporation claims a deduction for depreciation or amortization, attach Form 4562, Depreciation and Amortization.

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(f), 616, and 671.

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 amount to be amortized is the portion of the corporation's "general deductions" that does not exceed the sum of the following percentages of net premiums on specified

insurance contracts for the tax year: Annuities 1.75%, Group life 2.05%. Other (including noncancelable or guaranteed renewable accident and health) 7.75%. **General.**

**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.**—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 LICI computed without regard to:

1. any 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, for 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), 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

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.**—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 LICI computed without regard to:

1. any 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, for 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), 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:

• The ordinary income or short-term capital gain that would have resulted if the property had been sold at its fair market value, and

• 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:

• Contributions of tangible personal property for use by an exempt organization for a purpose or function unrelated to the basis for its exemption; and

• 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 50% of the amount otherwise allowable for meals and entertainment expenses paid or incurred in its trade or business. In addition, meals must 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(e)(2) for exceptions. If the corporation claims a deduction for allowable 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 not 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.

**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. Also see section 43.

**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.

**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.

**Schedule B—Increase or (Decrease) in Reserves (Section 807)**

Section 807 requires life insurance companies to determine if 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 in computing LICI.

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) 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. 268.

**Line 2. Unearned premiums and unpaid losses.**—For sections 807 and 805(a)(1) the amount of the unpaid losses (other than losses on life insurance contracts) must 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 must be computed separately by each line of business (multiple peril lines must be treated as a single line of business) and by each accident year and must be equal to the present value of those 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 insurance), unpaid losses are assumed to be paid in the middle of the year following the accident year.

As a rule, the amount of 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 caused by that 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 total 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. The applicable interest rate, 42%, and applicable loss payment patterns for 1991 are published in Rev. Rul. 91-42, 1991-31 I.R.B. 6. Applicable interest rates and payment patterns for prior years are published in Rev. Rul. 90-26, 1990-1 C.B. 24; Rev. Rul. 89-66A, 1989-1 C.B. 220; Rev. Rul. 86-63, 1986-2 C.B. 130; and Rev. Rul. 87-34, 1987-1 C.B. 168. However, under section 846(e), corporations having sufficient historical experience to determine a loss payment pattern may, under certain circumstances, elect to use their own. If this 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 section under section 846(e) will 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 12 in Schedule Q. Other 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 compute 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 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) must be taken into account. In addition, the portion of the net adjustments required to be taken into account, must be taken into account over a period not to exceed 4 years beginning with the corporations first tax year beginning after December 31, 1989.

If salvage recoverable was taken into account in determining losses incurred for the insurance company's 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 will be allowed as a deduction proportionately 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 overstatements 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 on page 12 for line 14b on 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 the obligations do not involve (at the time with respect to which the computation is made) life, accident, or health contingencies. For this item, the appropriate rate of interest is the higher of the prevailing SAIR at the time the obligation first did not involve life, accident, or health contingencies or the rate of interest assumed by the corporation (at that time) in determining the guaranteed benefit. In no case, however, may the amount

so determined for any contract be less than the net surrender value of the contract.

**Line 4. Dividend accumulations and other amounts.**—Enter the total dividends, 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 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 for 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 reasonable, and (b) in all other cases, in accordance with regulations prescribed by the Secretary. Market discount is not required to be accrued under 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 18, 1984, and acquired on or before September 25, 1985.

**Line 3. Grace periods.**—Enter the gross rates 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. Grace royalties.**—Enter the gross royalties received or accrued during the tax year. Report the depletion deduction on line 16, Schedule A.

**Line 5. Leases, termholders, etc.**—Enter the gross income received from renting into, leasing, 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 a trade or business other than insurance earned 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 5. Report expenses related to any trade or business other than insurance on line 16, Schedule A.

**Line 9. Tax-exempt interest.**—Enter the total 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 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 803)

"Policyholder dividend" is 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. In addition, under 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 and returned by the policyholder to the company as a premium. When this happens, those amounts must be reported as income on line 1, Schedule A.

Generally, a deduction for policyholder dividends is the amount actually paid or accrued during the tax year. However, mutual life insurance companies must reduce this amount (but not below zero) 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)

The differential earnings rate and the recomputed differential earnings rate for each tax year are determined by the Secretary on the basis of information submitted by the 50 largest domestic stock life insurance companies and all mutual life insurance companies. Neither rate can be a negative rate. See Notice 88-106, 1988-2 C.B. 444. Both the tentative and final differential earnings rates for 1990, and the recomputed differential earnings rate for 1989 are zero. See Rev. Rul. 91-52, 1991-39 I.R.B. 4. For 1989, both the tentative and final differential earnings rates are 4.06%. See Announcement 90-42, 1990-13 I.R.B. 24, and Rev. Rul. 90-73, 1990-2 C.B. 164.

To compute the differential earnings amount for 1991, multiply the average equity base (line 12, Schedule F) by the differential earnings rate for 1991. 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

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 G.

**Line 1, column (a).**—Enter dividends (except those received on debt-financed stock) acquired after July 18, 1984—see Section 248A) 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 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 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), 243(c), or 245(a). Generally, debt-financed stock is stock that the corporation acquired by incurring a debt (e.g., 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 for dividends paid.

**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 include dividends received from a less-than-20%-owned 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 that qualify for the 80% deduction under section 245(a). Also enter 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 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). 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 United States. 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, column (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. Instead, 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 245A. 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 amount on line 3, column (c), was figured must be attached.

#### Line 10, column (c)

##### Limitation on dividends-received deduction

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 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 smaller 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 (c).
8. Subtract line 7 from line 3.
9. Multiply line 8 by 70%.
10. Subtract line 9 from line 10 of column (c).
11. Enter the smaller 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 the result on line 10, 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 8, 7, 8, or 13. Exclude distributions of amounts constructively taxed in the current year or in prior years under Subpart F (sections 951 through 964).
- Income constructively received from controlled foreign corporations under Subpart F. This amount should equal the total amounts reported on Schedule I, Form 5471.
- Gross-up of dividends for taxes deemed 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 holding period of the stock or an obligation to make corresponding payments with respect to similar stock.

- Any other taxable dividend income not properly reported above, 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 808(a))

Schedule H is used to compute the small life insurance company deduction under section 808(a). To qualify, a life insurance company must have less than: (a) \$15 million of tentative life insurance company taxable income (tentative LICTI), and (b) \$500 million in assets.

In computing the deduction, the tentative LICTI for any tax year must be determined without regard to all items attributable to noninsurance businesses. Generally, "noninsurance business" means any activity which is not an insurance business. However, under section 808(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 the activity (other than 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 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 million. To the extent that tentative LICTI exceeds \$3 million, 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 million.

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 1985 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 used in determining the company's share of the dividends-received deduction under section 805(a)(4); and (2) the policyholders' share percentage used in determining the policyholders' share of tax-exempt interest for determining the increase or decrease in reserves under section 807.

In figuring the policyholders' and company's share percentages, carry 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.

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.

Line 21.—Multiply 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%. Enter the result on line 21.

#### 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 company 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 (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).

Line 4.—In determining the tax liability shown on this line, proper adjustments must be made for any year in which the alternative minimum tax is imposed or the minimum tax credit has been taken.

Line 6.—Enter 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 (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 to any policyholders' surplus account for which there was a balance as of December 31, 1983.

Amounts 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.—If the balance at the end of the preceding tax year differs 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 Act of 1984), attach a schedule showing the adjustments made. Prior to 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 this 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 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 section 815(d)(2) as it was in effect prior to 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 at the end of the last tax year that the corporation was a life insurance company must be included in taxable income for that 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 Schedule O, "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.

##### 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 by the Secretary. The Secretary determines the percentage from data supplied by domestic insurance companies in Schedule O, Part II. See section 842.

For Schedule O, "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 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. For more information on either the computation of the allowable loss deduction or on applicable carryback provisions, see section 1503(c).

#### Schedule Q—Other Information

Be sure to answer questions 1 through 14 on page 7, Form 1120L. The instructions that follow apply to those questions.

Question 7. 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.

Question 8. 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

(b) The combined value of the accounts was more than \$10,000 at any time during the year; AND

(c) The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

(d) 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, the form TD F 90-22.1, by June 30, 1992, 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.

Question 11.—In the space provided, show any tax-exempt interest received or accrued. 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—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 an amount is 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.

Members of a controlled group.—A member of a controlled group, as defined in section 1563, must check the box on line 5 and complete lines 5a(i) and 5a(ii) on page 1.

Members of a controlled group 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 and corporation B are entitled to \$25,000 (one-half of \$50,000) in the taxable income bracket on line 5a(i) and to \$12,500 (one-half of \$25,000) in the taxable income bracket on line 5a(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:

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. 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 the portion of the smaller 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 5a 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.

Members of a controlled group should use the Worksheet for Members of a Controlled Group above to figure their tax. All other corporations should figure the tax to enter on line 6 using the tax rate schedule below.

#### 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

Deferred tax amount of shareholder in passive foreign investment company (section 1291). If the corporation was a shareholder in a passive foreign investment company (PFIC) and the corporation 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 9821, Return by a Shareholder of a Passive Foreign

Investment Company or Qualified Electing Fund, for details.

Line 7a. Foreign tax credit.—See Form 1118, 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, Possessions Corporation Tax Credit 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. Also see Form 8827 if any of the 1990 credit is disallowed solely because of the tentative minimum tax limitation. Also see section 53(c).

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 7c. General business credit.—Completes this line if the corporation can take any of the following credits. If the corporation has two or more of these credits, a credit carryforward or carryback (including an ESOP credit), or a passive activity credit, Form 3800 must also be completed. Enter the amount of the general business credit on line 7c, and check the box for Form 3800. If the corporation has only one credit, enter on line 7c the amount of the credit from the form. Also be sure to check the appropriate box for that form.

Investment credit.—The investment credit was generally reserved for property placed in service after 1965. See Form 3468, Investment Credit, for exceptions.

Jobs credit.—The corporation may qualify to take this credit if it hired members of special targeted groups during the tax year. See Form 8864, Jobs Credit, for more information.

Note: The corporation may 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)).

Credit for alcohol used as fuel.—A corporation may be able to take a credit for alcohol used as fuel. Use Form 8478, 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 4.

Low-income housing credit.—See Form 8586, Low-Income Housing Credit, and section 42.

Enhanced oil recovery credit.—A corporation may claim a credit for 15% of its qualified enhanced oil recovery costs. Use Form 8830 to figure the 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 Form 8826, Disabled Access Credit, and section 44.

Line 7d. Credit for prior year minimum tax.—See Form 8827, Credit for Prior Year Minimum Tax—Corporations, to figure the minimum tax credit and any carryover of that credit.

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 CB 417, for more information. See Notice 90-13 1990-1 CB 321 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). 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 the mean of the 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 this election is made, 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. The corporation may owe the tax computed on Form 4255, Recapture of Investment Credit, if it disposed of investment credit property or changed its use before the end of its useful life or recovery period. See Form 4255 for details.

• Recapture of Low-Income Housing Credit. The corporation may owe the tax computed on Form 8611, Recapture of Low-Income Housing Credit, if it disposed of property (or there was a reduction in the qualified basis of the property) on which it took the low-income housing credit. See Form 8611 and section 42(j) for details.

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 items and tax preference items including the adjusted current earnings adjustment is more than the lesser of: (a) \$40,000 or (b) the allowable exemption amount. See Form 4626 for details. Reduce alternative minimum tax by any amount on Form 3800, Schedule A, line 34. This is the credit allowed under section 38(c)(2) (as in effect before November 5, 1990, i.e., before the date of enactment of the Revenue Reconciliation Act of 1990). On the dotted line to the left of line 12a, write "Sec. 38(c)(2)—\$(amount)."

Note: See section 56(g)(4)(B)(iii) 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 million. See Form 4626 for details.

Line 13. Total Tax.—Interest on tax deferred under the installment method for certain nondebt 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 interest due under section 453A(c) must be included in the amount entered on line 13. Write on the dotted line to the left of line 13 "Sec. 453A(c) interest—\$(amount)." Attach a schedule showing the computation.

Line 14b. 1991 estimated tax payments.—Enter 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.

Form **1120-PC****U.S. Property and Casualty Insurance Company  
Income Tax Return**

OMB No. 1545-1027

**1991**Department of the Treasury  
Internal Revenue ServiceFor calendar year 1991, or tax year beginning in 1991, and ending in 1991.  
Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

**A** Employer identification number \_\_\_\_\_

**B** Date incorporated \_\_\_\_\_

**C** Check if this is a consolidated return (Attach Form 851) ☐

**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 1361: (1) ☐ 953(c)(3)(C) (2) ☐ 953(d)

**F** Check box for kind of company: (1) ☐ Mutual (2) ☐ Stock

**1** Taxable income (Schedule A, line 37) \_\_\_\_\_

**2** Taxable investment income for electing small companies (Schedule B, line 21) \_\_\_\_\_

**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)  $\rightarrow$  \$ \_\_\_\_\_

**4** Income tax—See instructions to figure the tax \_\_\_\_\_

**5** Enter amount of tax that a reciprocal must include \_\_\_\_\_

**6** Total. Add lines 4 and 5 \_\_\_\_\_

**7a** Foreign tax credit (attach Form 1118) \_\_\_\_\_

**b** Other credits (see instructions) \_\_\_\_\_

**c** General business credit. Check if from: ☐ Form 3800 ☐ Form 3468 ☐ Form 5884 ☐ Form 6478 ☐ Form 6765 ☐ Form 8586 ☐ Form 8826 ☐ Form 8830

**d** Credit for prior year minimum tax (attach Form 8827) \_\_\_\_\_

**e** Total. Add lines 7a through 7d \_\_\_\_\_

**8** Line 6 less line 7e \_\_\_\_\_

**9** Foreign corporations—Tax on income not connected with U.S. business \_\_\_\_\_

**10** Recapture taxes. Check if from: ☐ Form 4255 ☐ Form 8611

**11a** Alternative minimum tax (attach Form 4626) (See instructions) \_\_\_\_\_

**b** Environmental tax (attach Form 4626) \_\_\_\_\_

**12** Personal holding company tax (attach Schedule PH (Form 1120)) \_\_\_\_\_

**13** Total tax. Add lines 8 through 12 \_\_\_\_\_

**14a** 1990 overpayment credited to 1991 \_\_\_\_\_

**b** Prior year's special estimated tax payments to be applied \_\_\_\_\_

**c** 1991 estimated tax payments (See instructions) \_\_\_\_\_

**d** 1991 special estimated tax payments (See instructions) \_\_\_\_\_

**e** 1991 refund applied for on Form 4466 \_\_\_\_\_

**f** Enter the total of lines 14a through 14c less line 14e \_\_\_\_\_

**g** Tax deposited with Form 7004 \_\_\_\_\_

**h** Credit by reciprocal for tax paid by attorney-in-fact under section 835(d) \_\_\_\_\_

**i** Other credits and payments \_\_\_\_\_

**j** Total credits and payments (add lines 14f through 14i) \_\_\_\_\_

**15** Estimated tax penalty (see page 2 of instructions). Check if Form 2220 is attached ☐ \_\_\_\_\_

**16** **TAX DUE.** If the total of lines 13 and 15 is larger than line 14j, enter AMOUNT OWED \_\_\_\_\_

**17** **OVERPAYMENT.** If line 14j is larger than the total of lines 13 and 15, enter AMOUNT OVERPAID \_\_\_\_\_

**18** Enter amount of line 17 you want: Credited to 1992 estimated tax  $\rightarrow$  \$ \_\_\_\_\_ Refunded  $\rightarrow$  \$ \_\_\_\_\_

Please  
Sign  
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Preparer's signature \_\_\_\_\_ Date \_\_\_\_\_ Check if self-employed ☐ Preparer's social security no. \_\_\_\_\_

Firm's name (or yours if self-employed) and address \_\_\_\_\_ E.I. No.  $\rightarrow$  \_\_\_\_\_

ZIP code  $\rightarrow$  \_\_\_\_\_

Cat. No. 84270G

Form 1120-PC (1991)

Page **2****Schedule A Taxable Income—Section 832 (See instructions.)**

**1** Premiums earned (Schedule E, line 7) \_\_\_\_\_

**2** Dividends (Schedule C, line 14, column (c)) \_\_\_\_\_

	(a) Interest received	(b) Amortization of premium	(c) Balance (a) less (b)
<b>3a</b> Gross interest _____			
<b>b</b> Interest exempt under section 103 _____			
<b>c</b> Taxable interest (line 3a less line 3b) _____			

**4** Rents \_\_\_\_\_

**5** Royalties \_\_\_\_\_

**6** Capital gain net income (attach Schedule D (Form 1120)) \_\_\_\_\_

**7** Net gain or (loss) from Form 4797, line 18, Part II (attach Form 4797) \_\_\_\_\_

**8** Certain mutual fire or flood insurance companies (section 832(b)(1)(D)) \_\_\_\_\_

**9** Income on account of special income and deduction accounts \_\_\_\_\_

**10** Income from protection against loss account (Schedule K, line 2e) \_\_\_\_\_

**11** Mutual interinsurers or reciprocal underwriters—decrease in subscriber accounts \_\_\_\_\_

**12** Income from a special loss discount account (attach Form 8816) \_\_\_\_\_

**13** Other income (attach schedule) \_\_\_\_\_

**14** Gross income. Add lines 1 through 13 \_\_\_\_\_

**15** Compensation of officers (Schedule I) \_\_\_\_\_

**16a** Salaries and wages  $\rightarrow$  \_\_\_\_\_ **b** Less jobs credit  $\rightarrow$  \_\_\_\_\_ **c** Balance  $\rightarrow$  \_\_\_\_\_

**17** Agency balances and bills receivable that became worthless during the tax year \_\_\_\_\_

**18** Rents \_\_\_\_\_

**19** Taxes \_\_\_\_\_

**20a** Interest  $\rightarrow$  \_\_\_\_\_ **b** Less tax-exempt interest exp.  $\rightarrow$  \_\_\_\_\_ **c** Bal.  $\rightarrow$  \_\_\_\_\_

**21** Contributions (see instructions for 10% limitations) \_\_\_\_\_

**22** Depreciation (attach Form 4562) \_\_\_\_\_

**23** Depletion \_\_\_\_\_

**24** Pension, profit-sharing, etc., plans \_\_\_\_\_

**25** Employee benefit programs \_\_\_\_\_

**26** Losses incurred (Schedule F, line 13) \_\_\_\_\_

**27** Additional deduction (attach Form 8816) \_\_\_\_\_

**28** Other capital losses (Schedule G, line 12, column (g)) \_\_\_\_\_

**29** Dividends to policyholders \_\_\_\_\_

**30** Mutual interinsurers or reciprocal underwriters—increase in subscriber accounts \_\_\_\_\_

**31** Other deductions (attach schedule) \_\_\_\_\_

**32** Total deductions. Add lines 15 through 31 \_\_\_\_\_

**33** Subtotal (line 14 less line 32) \_\_\_\_\_

**34a** Special deduction for section 833 organizations (Schedule H, line 6) \_\_\_\_\_

**b** Deduction on account of special income and deduction accounts \_\_\_\_\_

**c** Total. Add lines 34a and 34b \_\_\_\_\_

**35** Subtotal (line 33 less line 34c) \_\_\_\_\_

**36a** Dividends-received deduction (Schedule C, line 27) \_\_\_\_\_

**b** Net operating loss deduction \_\_\_\_\_

**c** Total. Add lines 36a and 36b \_\_\_\_\_

**37** Taxable income (line 35 less line 36c). Enter here and on page 1, line 1 \_\_\_\_\_

**Schedule B** **Part I—Taxable Investment Income of Electing Small Companies—Section 834**  
(See instructions.)

Page 3

	(a) Interest received	(b) Amortization of premium	(c) Balance ((a) less (b))	
<b>Income</b>	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
<b>Deductions</b>	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
	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. Line 19 less line 20. Enter here and on page 1, line 2.			21	

**Part.II—Invested Assets Book Values**

(Complete only if claiming a deduction for general expenses allocated to investment income.)

	(a) Beginning of tax year	(b) End of tax year
22 Real estate	22	
23 Mortgage loans	23	
24 Collateral loans	24	
25 Policy loans, including premium notes	25	
26 Bonds of domestic corporations	26	
27 Stock of domestic corporations	27	
28 Government obligations, etc.	28	
29 Bank deposits bearing interest	29	
30 Other interest-bearing assets (attach schedule)	30	
31 Total. Add lines 22 through 30.	31	
32 Add columns (a) and (b), line 31		32
33 Mean of the invested assets for the tax year (enter one-half of line 32)		33
34 Multiply line 33 by .0025		34
35 Income base. Line 1b, column (c) plus line 8 less line 16.	35	
36 Multiply line 33 by .0375	36	
37 Line 35 less line 36. Do not enter less than zero.	37	
38 Multiply line 37 by .25		38
39 Limitation on deduction for investment expenses. Add lines 34 and 38		39

**Schedule C Dividends and Special Deductions**  
(See instructions.)

Page 4

Schedule C Dividends and Special Deductions (See instructions.)		Dividends Received		Total dividends received (a) plus (b)
Income		(a) Not subject to section 832(b)(5)(B)	(b) Subject to section 832(b)(5)(B)	
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock)	1		
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock)	2		
3	Dividends on debt-financed stock of domestic and foreign corporations	3		
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	4		
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	5		
6	Dividends on stock of certain less-than-20%-owned foreign corporations and certain FSCs	6		
7	Dividends on stock of certain 20%-or-more-owned foreign corporations and certain FSCs	7		
8	Dividends on stock of wholly owned foreign subsidiaries and FSCs	8		
9	Dividends from affiliated companies	9		
10	Other dividends from foreign corporations not included on lines 6, 7, and 8	10		
11	Income from controlled foreign corporations under sub-part F (attach Forms 5471)	11		
12	Foreign dividend gross-up (section 78)	12		
13	Other dividends (attach schedule)	13		
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	14		
Deduction		Dividends-Received Deduction		Total dividends-received deduction (a) plus (b)
		(a) Not subject to section 832(b)(5)(B)	(b) Subject to section 832(b)(5)(B)	
15	Multiply Line 1 by 70%	15		
16	Multiply Line 2 by 80%	16		
17	Deduction for line 3 (see instructions)	17		
18	Multiply Line 4 by 41.176%	18		
19	Multiply Line 5 by 47.059%	19		
20	Multiply Line 6 by 70%	20		
21	Multiply Line 7 by 80%	21		
22	Multiply Line 8 by 100%	22		
23	Total. Add lines 15 through 22. (See instructions for limitation.)	23		
24	Multiply Line 9 by 100%	24		
25	Total. Add line 23, column (a), and line 24, column (a)	25		
26	Total. Add line 23, column (b), and line 24, column (b). Enter here and on Schedule F, line 10.	26		
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.	27		

## Schedule E Premiums Earned—Section 832 (See instructions.)

- 1 Net premiums written
- 2 Plus: Unearned premiums on outstanding business at the end of the preceding tax year:
  - a Enter 100% of life insurance reserves included in unearned premiums (section 832(c)(7)(A)) and all unearned premiums of section 833 organizations 2a
  - b Enter 90% of unearned premiums attributable to insuring certain securities 2b
  - c Discounted unearned premiums attributable to title insurance 2c
  - d Enter 80% of all other unearned premiums 2d
  - e Total. Add lines 2a through 2d
- 3 Line 1 plus line 2e
- 4 Less: Unearned premiums on outstanding business at the end of the current tax year:
  - a Enter 100% of life insurance reserves included in unearned premiums (section 832(b)(7)(A)) and all unearned premiums of section 833 organizations 4a
  - b Enter 90% of unearned premiums attributable to insuring certain securities 4b
  - c Discounted unearned premiums attributable to title insurance 4c
  - d Enter 80% of all other unearned premiums 4d
  - e Total. Add lines 4a through 4d
- 5 Line 3 less line 4e
- 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 Multiply Line 6a by .033333
  - c Unearned premiums attributable to insuring certain securities as of 12/31/86 6c
  - d Multiply Line 6c by .016667
  - e Adjustment for corporations terminating as an insurance company taxable under section 1
  - f Total. Add lines 6b, 6d, and 6e
- 7 Premiums earned. Line 5 plus line 6f. Enter here and on Schedule A, line 1

**Schedule F** **Losses Incurred—Section 632 (See instructions.)**

- |    |  |    |
|----|--|----|
| 1  | Losses paid during the tax year (attach schedule)  |    |
| 2  | Plus the balance outstanding at the end of the current tax year for:   |    |
|    | a Unpaid losses on life insurance contracts  | 2a |
|    | b Discounted unpaid losses   | 2b |
| 3  | Total. Add lines 2a and 2b.  |    |
|    | Line 1 plus line 2c  |    |
| 4  | Less the balance outstanding at the end of the preceding tax year for:   |    |
|    | a Unpaid losses on life insurance contracts  | 4a |
|    | b Discounted unpaid losses   | 4b |
| 5  | Total. Add lines 4a and 4b.  |    |
|    | Line 3 less line 4c  |    |
| 6  | Estimated salvage and reinsurance recoverable as of the end of the preceding tax year                          |    |
| 7  | Estimated salvage and reinsurance recoverable as of the end of the current tax year                            |    |
| 8  | Losses incurred (line 5 plus line 6 less line 7)   |    |
| 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 |
| 11 | Total. Line 9 plus line 10   |    |
| 12 | Reduction of deduction under section 832(b)(5)(B). Multiply Line 11 by .15                                     |    |
| 13 | Losses incurred deductible under section 832(c)(4). Line 8 less line 12. Enter here and on Schedule A, line 26 |    |

**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   |   |
| 2 | Losses paid   |   |
| 3 | Expenses paid   |   |
| 4 | Total. Add lines 1, 2, and 3  |   |
|   | Adjust lines 5 through 8 to cash method if necessary.   |   |
| 5 | Interest received   | 5 |
| 6 | Dividends received (Schedule C, line 14, column (c))  | 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) | 7 |
| 8 | Net premiums received   | 8 |
| 9 | Total. Add lines 5 through 8  |   |

- 10** Limitation on gross receipts from sales of capital assets. Line 4 less line 9. If zero or less, enter zero.

(a) Description of capital asset	(b) Date acquired	(c) Gross sales price	(d) Cost or other basis	(e) Expense of sale	(f) Depreciation allowed (or allowable)	(g) Loss (d) plus (e) less the sum of (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—Special Deduction

- 1 Health care claims incurred during the tax year.
- 2 Expenses incurred during the tax year in connection with the administration, adjustment, or settlement of health care claims.
- 3 Total. Add lines 1 and 2
- 4 Multiply Line 3 by .25
- 5 Beginning adjusted surplus (see instructions)
- 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.)

### Part II—Ending Adjusted Surplus

- |    |   |
|----|---|
| 7  | Beginning adjusted surplus (line 5, Part I) . . . . .         |
| 8  | Special deduction (line 6, Part I) . . . . .                  |
| 9  | Net operating loss deduction (Schedule A, line 36b) . . . . . |
| 10 | Net exempt income (see instructions):                         |
| a  | Adjusted tax-exempt income . . . . .                          |
| b  | Adjusted dividends-received deduction . . . . .               |
| 11 | Taxable income (Schedule A, line 37) . . . . .                |
| 12 | Ending adjusted surplus. Add lines 7 through 11 . . . . .     |

**Schedule I Compensation of Officers (See instructions.)****Schedule J Other Information****1 Check method of accounting:**

- ☐ Cash  
☐ Accrual  
☐ Other (specify) ▶

**2 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 of such corporation for the tax year ending with or within your tax year.

**3 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 and b.**

- a Attach a schedule showing name, address, and identification number.  
 b Enter percentage owned ▶

**4 Did one foreign person (See instructions for definition) at any time during the tax year own at least 25% of:**

- a The total voting power of all classes of stock of the corporation entitled to vote, or  
 b The total value of all classes of stock of the corporation?

If "Yes," the corporation may have to file Form 5472.

If "Yes," enter owner's country(ies) ▶

Enter number of Forms 5472 attached ▶

**5 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

Enter number of Forms 5471 attached ▶

**6 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 more information including filing requirements for form TD F 90-22.1.)**

If "Yes," enter the name of the foreign country. ▶

**7 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 Form 3520, 3520-A, or 826.)****8 Has the corporation elected to use its own payout pattern for discounting unpaid losses and unpaid loss adjustment expenses?****9a Enter the total unpaid losses shown on the corporation's annual statement:**

- (1) for the current tax year: \$  
 (2) for the previous tax year: \$

**b Enter the total unpaid loss adjustment expenses shown on the corporation's annual statement:**

- (1) for the current tax year: \$  
 (2) for the previous tax year: \$

**10 Does the corporation discount any of the loss reserves shown on its annual statement?****11 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$**

Yes No

**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 the beginning of the year****2 Subtractions (attach computation of any items on lines 2a through 2d):****a Section 824(d)(1)(B)****b Section 824(d)(1)(C)****c Section 824(d)(1)(D)****d Section 824(d)(1)(E)****e Total. Add lines 2a through 2d. Enter here and on Schedule A, line 10****3 Balance at the end of the year. Line 1 less line 2e**

2a

2b

2c

2d

2e

3

**Schedule L Balance Sheets (All filers are required to complete this schedule.)**

Assets	Beginning of tax year				End of tax year			
	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(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 Depreciable 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								
<b>Liabilities and Stockholders' Equity</b>								
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 \$		c Travel and entertainment \$	
b Contributions carryover \$		9 Total of lines 7 and 8	
c Travel and entertainment \$		10 Income (Schedule A, line 35)—line 6 less line 9	
6 Total of lines 1 through 5			

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 25, 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		F Distributions:	
2 Net income per books		a Cash	
3 Other increases (itemize)		b Stock	
		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)	



1991



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 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	106 hr., 25 min.
Learning about the law or the form	33 hr., 47 min.
Preparing the form	55 hr., 37 min.
Copying, assembling, and sending the form to the IRS	5 hr., 22 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 below.

### Important Change

**Enhanced Oil Recovery Credit.**—Corporations may take a credit on Form 8830, Enhanced Oil Recovery Credit, for 15% of qualified enhanced oil recovery costs paid or incurred in tax years beginning after 1990. These costs generally include amounts paid or incurred in connection with a qualified enhanced oil recovery project for:

- Certain tangible personal property for which the corporation can claim a deduction for depreciation or amortization.
- Intangible drilling costs eligible for the election under section 263(c) or required to be capitalized under Section 291(b)(1), and
- Qualified tertiary injectant expenses for which a deduction is allowed under section 193.

If a corporation takes this credit, limitations apply to amounts otherwise deductible (or required to be capitalized and recovered through depreciation, depletion, or

amortization), that were used in figuring the credit.

For more information, see section 43 and Form 8830.

### General Instructions

#### 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.

#### Filing Requirements

##### Who Must File

Every domestic nonlife insurance company 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 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 a 6-month extension of time to file.

#### Where To File

If the corporation's principal business office, or agency is located in:

New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	Holtzville, NY 00501
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New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Andover, MA 05501
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Florida, Georgia, South Carolina

Atlanta, GA 30601
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Kansas, New Mexico, Oklahoma, Texas

Austin, TX 73301
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Indiana, Kentucky, Michigan, Ohio, West Virginia

Cincinnati, OH 45209
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Illinois, Iowa, Minnesota, Missouri, Wisconsin

Kansas City, MO 64608
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Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee

Memphis, TN 37501
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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, Butte, Tehama, Trinity, Yuba, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming

Ogden, UT 84201
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California (all other counties), Hawaii

Fresno, CA 93888
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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 930) must file with the Internal Revenue Service Center, Philadelphia, PA 19255.

If the principal office of the managing corporation of a group of corporations located in several Service Center regions keeps all the books and records, the income tax returns of the corporations may be filed with the Service Center for the region in which this principal office is located.

**Who Must Sign**

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 filed 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.

### Figuring and Paying the Tax

#### Accounting Information

**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. Also see Pub. 538, Accounting Periods and Methods.

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 million. 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-PC 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 of the section 481(a) adjustment on line 13, Schedule A.

#### Timing Change in Deducting Accrued Expenses

Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that (1) all events have occurred that determine the liability, and (2) the amount of the liability can be determined with reasonable accuracy. However, all the events that establish liability for the amount are generally treated as occurring only when economic performance takes place. There are exceptions. See section 461(h).

#### Rounding Off to Whole-Dollars

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.

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### Depository 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). Do not submit deposits directly to an IRS office. Mail or deliver the completed Federal Tax Deposit Coupon (Form 8109) and the payment to a qualified depository for Federal taxes or to the Federal Reserve Bank (FRB) servicing your geographic area. Make checks or money orders payable to that depository or FRB. To help ensure proper crediting to your account, write your employer identification number, "Form 1120-PC," and the tax period to which the deposit applies on your check or money order. Be sure to darken the "1120" box on the coupon. Records of deposits will be sent to the IRS for crediting to the corporation's account.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656. This penalty may also apply if you mail or deliver deposits to IRS offices rather than to authorized depositories or FRBs.

For more information about deposits and penalties, see the instructions in the coupon book (Form 8109) and Pub. 583, Taxpayers Starting a Business.

### Estimated Tax Payments

Generally, a corporation must make installment payments of estimated tax if it can expect its estimated tax (income tax minus credits) to be \$500 or more. For a calendar year corporation, the installments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday. Use Form 1120-W, Corporation Estimated Tax, as a worksheet to compute estimated tax. Use the deposit coupons (Form 8109) to make 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 at least 10% of expected income tax liability, and at least \$500. To apply for a quick refund, file Form 4466 before the 15th day of the 3rd month after the end of the tax year, but before the corporation files its income tax return. Do not file Form 4466 before the end of the corporation's tax year.

**Caution:** Foreign insurance companies see Notice 90-13, 1990-1 C.B. 321 before computing estimated tax.

### Interest and Penalties

**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.

**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 tax return that is more than 60 days late is the smaller of the tax due or \$100. The penalty will not be imposed if the taxpayer can show that failure to file a timely return is due to reasonable cause. Those filing late (after the due date, including extensions) must attach a statement to the return explaining the reasonable cause.

**Late payment of tax.**—The penalty for late payment of taxes is usually 1/2 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.

**Estimated tax penalty.**—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 6656 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. (See the instructions for Form 2220 for the definition of a "large corporation.") If you attach Form 2220, be sure to check the box on line 15, and enter the amount of any penalty on that line.

**Other penalties.**—Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6602 and 6603.

### Other Forms, Returns, and Statements That May Be Required

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.

Forms 1042 and 1042-S, 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

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more information, see sections 1441 and 1442, and Pub. 815, Withholding of Tax on Nonresident Aliens and Foreign Corporations. Form 1098, 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 and points in the course of the corporation's trade or business for any calendar year.

Forms 1099-A, B, DIV, INT, MISB, ODI, PATR, R, and S, information returns for reporting abandonments, acquisitions through foreclosures, 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 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 and Pub. 937, Business Reporting.

Notes: Every corporation must file Form 1099-MISC 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 5492, 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 8284, 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. Taxpayers who have acquired an interest in a tax shelter, which is required to be registered, use this form to report the tax shelter's registration number. Form 8271 must be attached to any tax return, including an application for tentative refund (Form 1136, 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 for 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 9816, 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.

#### Consolidated Return

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 991, 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.

Notes: 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.

#### Statements

MAIC annual statement.—Regulations section 1.6012-2(c) requires that the MAIC annual statement be filed with Form 1120-PC. A penalty for the late filing of a return may be imposed for not including the annual statement when the return is filed.

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 8471, 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 8472, Information Return of a Foreign-Owned U.S. Corporation or a Foreign 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.

#### Attachments

Please complete every applicable entry space on Form 1120-PC. Do not attach statements and write "See attached" instead of completing the entry spaces on Form 1120-PC.

If more space is needed on the forms or schedules, attach separate sheets showing at the top of each attachment the form number or schedule letter of the form or schedule being continued. Also, show the 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

Period Covered.—File the 1991 return for calendar year 1991.

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 nearest 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.

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Item D.—Indicate a final return, change of address, or amended return by checking the appropriate box. If a change in address occurs after the return is filed, the corporation should use Form 8822, Change of Address, to notify the IRS.

Item E.—Check the applicable 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.

Notes: Once either election is made, it will apply to the tax year for which it is made and all subsequent tax years unless revoked with the consent of the Secretary. Also, any loss of a foreign corporation electing to be treated as a domestic insurance company under section 953(d) 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 elects under section 831(b)(2)(A)(i) to be taxed on taxable investment income, it must complete Schedule B (ignore Schedule A) and enter the amount from Schedule B, line 21.

Each member of a controlled group must compute the tax as follows:

1. Enter the taxable income (line 1 of 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. 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 the portion of the smaller of 5% of the excess over \$100,000 or \$11,750 that the 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 the 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.

Members of a controlled group should use the Worksheet for Members of a Controlled Group above to figure their tax. All other corporations should figure the tax to enter on line 4 using the tax rate schedule below.

#### Line 4, Income tax

If the amount on line 1 or 2, Form 1120-PC is:

Over—	But not over—	Tax at—	Of the amount over—
\$ 0	\$50,000	15%	\$ 0
50,000	75,000	21,000 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	333,000	22,250 + 34%	100,000
333,000	-----	34%	0

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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.—A member of a controlled group, as defined in section 1563, must check the box on line 3 and complete lines 3a(i) and 3a(ii) on page 1.

Members of a controlled group 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, 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 3a(i).

and to \$12,500 (one-half of \$25,000) in the \$25,000 taxable income bracket on line 3a(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.

Deferred tax amount under section 1291.—If the corporation was a shareholder in a passive foreign investment company (PFIC) and the corporation 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 entered on line 4. On the dotted line to the left of line 4, write "Sec. 1291—\$amount." Do not include on line 4 any interest due under section 1291(c)(3). Instead, write the amount of interest owed in the bottom margin of page 1 and label it "Sec. 1291 interest." See Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, for details.

Line 5, Enter amount of tax that a reciprocal must include.—Section 833 provides that a mutual insurance company that is an insurer or reciprocal underwriter may 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 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 a result of 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 833(b) amount is \$100,000 or more, make no entry on line 5. Otherwise, the tax is 34% of the section 833(b) amount. If there is an entry on line 5, attach a statement showing how the tax was computed.

Reciprocal underwriters making the election under section 833(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 833 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, Foreign Tax Credit—Corporations, for an explanation of when a corporation can take this credit for payment of income tax to a foreign country in 1991.

Line 7b, Other credits.—Possessions tax credit.—See Form 6712, Election To Be Treated as a Possessions Corporation Under Section 836, for rules on how to elect to claim the possessions corporation tax credit. Compute the credit on Form 6735, Possessions Corporation Tax Credit Allowed Under Section 836. 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 noncommercial source.**—A credit is allowed for the sale of qualified fuels produced from a noncommercial 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 8827 if any of the 1990 credit was disallowed solely because of the tentative minimum tax limitation. Also see section 53(d).

**Orphan drug credit.**—See section 28 and Form 8755. 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.**—Complete this line if the corporation can take any of the following credits. If the corporation has two or more of these credits, a credit carryforward or carryback (including an ESOP credit), or a passive activity credit, Form 3800 must also be completed. Enter the amount of the general business credit on line 7c, and check the box for Form 3800. If the corporation has only one credit, enter on line 7c the amount of the credit from the form. Also be sure to check the appropriate box for that form.

**Investment credit.** The investment credit was generally repealed for property placed in service after 1985. See Form 3468, Investment Credit, for exceptions.

**Jobs credits.** The corporation may qualify to take this credit if it had members of special targeted groups during the tax year. See Form 8884, Jobs Credit, for more information.

**Notes:** The corporation may 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)).

**Credit for Alcohol Used as Fuel.** A corporation may be able to take a credit for alcohol used as fuel. Use Form 8478, Credit for Alcohol Used as Fuel, to figure the credit.

**Credit for Increasing Research Activities.** See Form 8755, Credit for Increasing Research Activities, and section 41.

**Low-income housing credit.** See Form 8580, Low-income Housing Credit and section 42.

**Enhanced Oil Recovery Credit.** A corporation may claim a credit for 15% of its qualified enhanced oil recovery costs. Use Form 8830 to figure the 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 Form 8835, Disabled Access Credit and Section 44.

**Line 7d. Credit for Prior Year Minimum Tax.** Use Form 8827, Credit for Prior Year Minimum Tax—Corporations, to figure the minimum tax credit and any carryforward of that credit.

**Line 8. Foreign corporations.**—A foreign corporation carrying on an insurance business within the U.S. is taxed in the same manner

as a domestic insurance company on its income effectively connected with the conduct of a trade or business within the United States. See sections 842 and 897, and Notice 89-96, 1989-2, C.B. 417, for more information. Also 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). 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 United States. 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).

**Notes:** 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.

**Notes:** Section 853(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. 853(d) tax—\$(amount)." Attach a schedule showing the computation. See Section 953(d) for more details.

**Line 10. Recapture taxes**

• **Recapture of investment credit.** The corporation may owe the tax computed on Form 4295, Recapture of Investment Credit, if it disposed of investment credit property or changed its use before the end of its useful life or recovery period. See Form 4255 for details.

• **Recapture of low-income housing credit.** The corporation may owe the tax computed on Form 8811, Recapture of Low-income Housing Credit, if it disposed of property for which there was a reduction in the qualified basis of the property on which it took the low-income housing credit. See Form 8811 and section 42(g) for details.

**Line 11a. Alternative minimum tax.**—Attach Form 4626, Alternative Minimum Tax—Corporations, if the taxable income or loss before the NOL deduction when combined with adjustment items and tax preference items (including the adjusted current earnings adjustment) is more than the smaller of: (a) \$40,000, or (b) the corporation's allowable exemption amount. See Form 4626 for

details. Reduce alternative minimum tax by any amount on Form 3800, Schedule A, line 34. 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 million. 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**

• **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(j)(3), it must include the interest due in the amount to be entered on line 13. Write on the dotted line to the left of line 13, "Sec. 453(j)(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 13. Write on the dotted line to the left of line 13, "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 to determine the corporation's share of 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 a section 1294 election. Follow the instructions for Form 8621 to figure the amount of tax to include in or subtract from the total on line 13. Form 8621 also explains how to report any interest due under section 1294 on the deferred tax.

**Line 14a. Prior year's special estimated tax payments to be applied.**—Enter the portion of the special estimated tax payments made in earlier tax years being applied this year. The amount entered must agree with the amount(s) from line 10, Part II, Form 9816. See Form 9816 and section 847(2) for additional information.

**Line 14c. 1991 Special estimated tax payments.**—Enter the corporation's estimated tax payments for 1991. Do not include any amount being applied on line 14a as a "Special estimated tax payment."

**Line 14d. 1991 Special estimated tax payments.**—If the deduction 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 9816 and section 847(2) for additional information.

**Line 14h. Credit by reciprocity for tax paid by attorney-in-fact under section 6354.**—Enter the amount of tax paid by an attorney-in-fact that is a result of the income received by the attorney-in-fact from the reciprocal during the tax year. For more information, see section 635, 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 and investment income should be computed on the basis of the underwriting and investment exhibit of the NAIC annual statement.

**Notes:** 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) excludes interest on state or local bonds 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 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. Certain mutual fire or flood insurance companies.**—Under section 832(b)(1)(C), a mutual fire or flood insurance company whose principal business is the issuance of policies:

1. for which the premium deposits 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, 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 6. Income on account of the special income and deduction accounts.**—Section 832(a) 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 subtracted from these accounts under sections 832(a)(2) and 832(a)(3) must be reported as income on line 6 of Schedule A. See section 832(a) for more information.

**Line 11. Mutual interinsurance or reciprocal underwriters.**—Decrease in subdivider accounts.—Enter the decrease for the tax year in savings credited to subdivider 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 subdivider accounts.

**Line 12. Income from a special loss discount account.**—Enter the total from line 7, Part I, Form 9816. See section 847(5) and the instructions for Form 9816 for more information.

**Line 13. Other income.**—Enter any other taxable income not reported on lines 1 through 12, and explain its nature on an

attached schedule. If "other income" consists of only one item, describe it in parentheses on line 13.

## Deductions

**Line 15a. 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 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 the personal use of an auto, do not deduct wages the amount allocated for depreciation, and other expenses that the corporation claimed elsewhere on its return.

**Line 15b. Lease jobs credit.**—Enter the amount of the jobs credit from Form 5884.

**Line 15c. 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 4292, 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:

Use this table's file number value on the first day of the lease completed:	
After 12/31/90	\$13,400
After 12/31/86 but before 1/1/91	\$12,800
After 4/2/85 but before 1/1/87	\$28,000
After 6/1/84 but before 4/2/85	\$40,000

See Pub. 917, Business Use of a Car, for instructions on how to figure the inclusion amount.

**Line 16. 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. (These 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 30a. 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 detailed 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 exp.—**Enter interest paid or accrued during the tax year on indebtedness incurred or continued to purchase or carry obligations if the interest is wholly exempt from income tax. For exceptions, see section 265(b).

**Line 21. Contributions.—**Enter contributions or gifts actually paid within the tax year 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 amount claimed may not be more than 10% of taxable income (line 37, Schedule A) computed without regard to: (1) any deduction for charitable contributions; (2) the deduction for dividends received; (3) the deduction allowed under section 249; (4) any net operating loss (NOL) 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 to determine the amount of an NOL used in an intervening year (i.e., a year to which an NOL is carried but not fully absorbed). For this purpose, taxable income is computed by determining the NOL deduction for the year without regard to the NOL 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 an NOL 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 such property exceeds \$500, corporations (except closely held and personal service corporations) must attach a schedule describing the kind of property contributed and the method used to determine its fair market value.

Closely-held and personal service corporations generally must complete Form

8283, Noncash Charitable Contributions, and attach it to their return. All other corporations generally must complete and attach Form 8283 to their return 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, 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 rules 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(k)(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 tangible property placed in service during the tax year 1991 or carried over from 1990. 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(j), 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.—**Enter the deduction for contributions

to pension, profit-sharing, or other funded deferred compensation plans. Employees who maintain such a plan generally are required to file one of the forms listed below, even if the plan is not a "qualified" plan under the Internal Revenue Code. The filing requirement applies even if no deduction is claimed for the current tax year. There are penalties for failure to file (see forms on time and for overstating the pension plan deduction. See sections 6652(a) and 6652(b)).

**Form 8800.—**Complete this form for each plan with 100 or more participants.

**Form 8800-GPL.—**Complete this form for each plan with fewer than 100 participants.

**Form 990882.—**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 required to discount unpaid losses under section 846 is allowed an additional deduction not to exceed the excess of (1) the amount of certain discounted 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 28. 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.

"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-term life insurance 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 life insurance or reciprocal underwriters.—**Increases in subscriber accounts.—A mutual insurance company that is an insurer or reciprocal underwriter

may deduct the increase in savings credited to subscriber accounts for the tax year.

"Savings credited to subscriber accounts" means the surplus credited to the individual accounts of subscribers 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(a) for more information and the limitation on certain dividends.

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(d)(2) for exceptions. If the corporation claims a deduction for allowable 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 amount to be amortized is so much of the taxpayer's "general deductions" that does not exceed the sum of the following percentages of net premiums: Annuities 1.75%, Group life 2.05%, Other life (including noncancelable or guaranteed renewable accident and health) 7.7%. "General deductions" means the deductions provided in part VI of subchapter B (sec. 161 and following, relating to limited deductions) and in part I of subchapter D (sec. 401 and following, relating to pension, profit sharing, stock bonus plans, etc.). 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.

If a corporation takes a credit for enhanced oil recovery costs on Form 8830, limitations apply to amounts otherwise deductible (or required to be capitalized and recovered through depreciation, depletion, or amortization) that were used in figuring the credit. See section 43.

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 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).

**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 36b. Net operating loss deduction.—**The "net operating loss deduction" is the amount of the NOL 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 NOL 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 NOL to or from any tax year to which a section 444 election applies.

A corporation may carry back 10 years the part of the NOL attributable to a product liability loss. See section 172(b)(1)(C). 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 NOL 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)(E) 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, 1990.

After applying the NOL 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 NOL, 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 8411.

**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 NOL 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 NOL carryovers. Also see Temporary Regulations section 1.382-27(a)(2)(i), 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 of Electing Small Companies

**Notes:** (1) Once an election is made to be taxed 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 5. Gross income from a trade or business other than insurance and from Form 4797.**—Enter the gross income from a trade or business other than insurance earned 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 such as labor and supplies, that do not 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 the part of the cost you elect to expense for certain tangible property placed in service during the tax year. See the instructions for Form 4562.

**Line 12. Depletion.**—Enter any allowable depletion on royalty income reported on line 4, Schedule B. See the instructions for line 23, Schedule A, for more information.

**Line 13. Trade or business deductions.**—Enter the total deductions for any trade or business income included in 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 property chargesable to investment expenses. If general expenses are allocated 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.

### 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 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"** means in the case of investments acquired by direct purchase, the trade date rather than the settlement 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"** means tax-exempt interest and dividends with respect to which the deduction is allowable under section 243, 244, or 245 (other than 100% dividends).

**"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 to certain dividends received by a foreign corporation.

**Line 1.—Enter dividends (except those received on debt-financed stock acquired after July 18, 1984—see section 248A) 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).**

**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 that are subject to the 80% deduction under section 243(c).**

Include on lines 1 and 2 taxable distributions from an S-CORP 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 245(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 are received from domestic 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 (e.g., 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 248A. For more information, see section 248A.

**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 for dividends paid.**

**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 for dividends paid.**

**Line 6.—Enter the U.S. source portion of dividends received from less-than-20%-owned foreign corporations and 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 less-than-20% 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 and qualify for the 80% deduction under section 245(a).** Also include 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.—Enter dividends received from wholly owned foreign subsidiaries that are eligible 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 dividends, and (2) All of its gross income from all sources is effectively connected with the conduct of a trade or business within the United States. 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 foreign dividends not reportable on lines 6, 7, and 8. Exclude distributions of amounts constructively taxed in the current year or in prior years under Subpart F (sections 951 through 964).

**Line 11, column (c).** Income from controlled foreign corporations under Subpart F.—Include income constructively received from controlled foreign corporations under Subpart F. This amount should equal the total amounts reported in Schedule I of Form 5471.

**Line 12, column (c).** Foreign dividend gross-up.—Include gross-up for taxes deemed paid under sections 902 and 980.

**Line 13, column (c).** Other dividends.—Include the following: (1) Dividends (other than capital gain and exempt-interest dividends) received from regulated investment companies 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 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: (a) if the corporation held it 45 days or less (see section 245(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(b)(4).

**Line 17. Deduction for line 5.—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 the 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 an NOL 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 NOL deduction (section 172). **Dividends-received deduction (sections 243(a)(1), 244(a), 245(a) or 245(b), 247); any adjustment under section 1089; and any capital loss carryback to the tax year under section 1212(a)(1).**
2. Enter the sum of the amounts 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 line 3 by 80%.
5. Enter the sum of the amounts on lines 16, 18, 21, and 22 (without regard to FSC dividends) of column (a) 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 smaller 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 line 8 by 70%.
10. Subtract line 9 from line 23 of column (c) (without regard to FSC dividends).
11. Enter the smaller of line 6 or line 10.
12. Dividends-received deduction after limitation (section 246(b)). Add line 6 and 11 and enter the result on line 23, column (c) (without regard to FSC dividends).

### Schedule E—Premiums Earned—Section 832

**Line 1.—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.—Include on lines 2a and 4a:**

1. 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 due to 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.—Include on lines 2b and 4b, 80% 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.—The amount of the discounted unearned premiums as of the end of any tax year must 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.**

#### Definitions

**"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 that is in effect for the calendar year in which the premiums are received, and that 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 will be treated as received in the middle of such year.

**Lines 3d and 4d.—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)(D).

**Line 6a.—Enter all unearned premiums other than those attributable to: (1) life 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 must 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(p)(7)(E).

**Line 6e.**—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.

**Notes:** 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 6a.**—Except as provided in section 381(c)(22) (relating to carryovers in certain corporate reorganizations), if, for any tax year beginning before January 1, 1983, the corporation ceases to be an insurance company taxable under section 831(a), the total adjustments which would be made under section 832(b)(4)(C) in such tax year and in subsequent tax years but for such cessation must 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 tax year less salvage and reinsurance recovered during the tax year.

**Notes:** 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 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 (determined by section 481) is to be taken into account; the portion of net adjustments required to be taken into account, must 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 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 will be allowed as a deduction ratably over its first 4 tax years beginning after

December 31, 1989. Also see Rev. Proc. 91-48, 1991-35 IRB 6.

See section 11305(c)(4) and (5) of the "Act of 1980" for a special rule for overstatements and effect on their 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 unearned subrogation claims collected by third parties. Attach a schedule 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 expected recoveries should be estimated based on 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 discounted unpaid losses must be computed separately by line of business (multiple part lines must be treated as a single line of business) and by accident year and must 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, 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 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 due to salvage and reinsurance attributable to those losses. If the credits shown in the annual statement were determined on a discounted basis and if the amount 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 caused by 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 total 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 accident year and the applicable loss payment pattern for each accident year for each line of business are determined by the Secretary. The applicable interest rate, 8.42%, and applicable loss payment pattern for 1991 are published in Rev. Rul. 91-42.

1991-31 IRB 6. Applicable interest rates and payment patterns for prior years are published in Rev. Rul. 90-26, 1990-1 C.B. 124; Rev. Rul. 89-08A, 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 section 846(b), corporations having sufficient historical experience to determine a loss payment pattern may, under certain circumstances, elect to use their own. If an election is made, the loss payment pattern 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(b) will 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 8 in Schedule J, Other Information. For more information regarding this election, see section 846(b) and Notice 88-100, 1988-2 C.B. 439.

**Notes:** 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(k) of the Act of 1986 and Notice 88-100.

**Line 6.** Tax-exempt interest subject to section 832(b)(5)(D).—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 dividend and stock distributions to policyholders to the extent that the gross receipts from their sale or exchange are more than the amount by which the sum of dividends and other distributions paid to policyholders, losses paid, and expenses paid for the tax year is more than the total on line 8, 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—Special Deduction

**Line 5.** Beginning adjusted surplus.—Enter the amount from Schedule H, Part II, line 12 of the 1990 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.

**Notes:** Under section 833(b)(4), any determination under section 833(b) must be made by only taking into account items from the health-related business of the corporation.

### Part II—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 the preceding tax year, or (2) decreased by the amount of any adjusted net operating loss for the 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 that 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 total amount allowed as a deduction under sections 243, 244, and 245 by the amount of any decrease in deductions allowable for the tax year because of section 832(b)(5)(B) when the decrease is caused by the 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—Other Information

Be sure to answer questions 1 through 11 on page 7 of Form 1120-PC. The instructions that follow are keyed to these questions.

**Question 4.** Foreign person.—The term "Foreign person" means a foreign: (1) citizen or nonresident alien; (2) partnership; (3) corporation; or (4) any estate or trust within the meaning of section 7701(a)(31).

"Owner's country," for individuals, is the owner's country of residence. For all others, it is the country where incorporated, organized, created, or administered.

**Question 5.** 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, securities, or other financial account); and

(b) the combined value of the account(s) was more than \$10,000 at any time during the year; AND

o 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, 1992, 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-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, 1983, PAL account balances are includable 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 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 section 824(a)(1)(B).

**Line 2d.** Section 824(d)(1)(E).—Enter the amount by which the total amount in the account exceeds the greater of:

(i) 10% of premiums earned on insurance contracts during the tax year (as defined in section 832(b)(4)) minus 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

**Notes:** 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 10.** Insurance contracts.—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 6a.** 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 eligible to conventions on cruise ships in excess of \$2,000; employee entertainment events in excess of \$400; the cost of entertainment tickets in excess of face value (also subject to 20% discount); the cost of airplanes 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****U.S. Income Tax Return for  
Real Estate Investment Trusts**

OMB No. 1545-0044

**1991**

Department of the Treasury

For calendar year 1991 or tax year beginning 1991, ending 1991

Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

A. See REIT status  
has elected

Name

C. Employer identification number

Please  
Type or  
Print Number, street, and room or suite no. if a P.O. box, see page 4 of instructions

D. Date REIT established

B. Check if a  
Person holding  
Community Asset  
Sec. 856

City or town, state, and ZIP code

E. Total assets (see instructions)

F. Check applicable boxes

1. First return

2. Change of address

3. Amended return

S

**Part I—Real Estate Investment Trust Taxable Income** (See instructions.)**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	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. 1990 overpayment credited to 1991	24a
	b. 1991 estimated tax payments	24b
	c. Less 1991 refund applied for on Form 4466	24c
	d. 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	Estimated tax penalty (see page 3 of instructions). 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 1992 estimated tax	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 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 your name if self-employed)

and address

E: No

ZIP code

Cat. No. 64114F

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**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	Enter 95% of line 1c	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	Enter 75% of line 1c	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** (See instructions.)

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)(6) or 856 a, or dividends paid as defined in section 856)	1
2	Dividends paid in 12-month period ending the close of your tax year that you elect to be treated as paid during the tax year under section 856 a	2
3	Dividends declared in October, November, or December deemed paid on December 31 under section 857(b)(6). (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 31c, page 1	6



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**Schedule J Tax Computation**

1 Check if the REIT is a member of a controlled group (see sections 1561 and 1563): ☐ Yes ☐ No

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):  
" \$ \_\_\_\_\_ " \$ \_\_\_\_\_

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 ☐ Form 8830 ☐ Form 8826

c Credit for prior year minimum tax (attach Form 8827): 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 \_\_\_\_\_

**Schedule K Other Information (See instructions.)**

1 Check method of accounting:  
a ☐ Cash  
b ☐ Accrual  
c ☐ Other (specify) \_\_\_\_\_

2 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 of such corporation for the tax year ending with or within the REIT's tax year.

3 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? (For rules of attribution, see section 267(c).) If "Yes," complete a and b:  
a Attach a schedule showing name, address, and identifying number.  
b Enter percentage owned \_\_\_\_\_

4 Did one foreign person (see instructions for definition) at any time during the tax year own at least 25% of:  
a the total voting power of all classes of stock of the REIT entitled to vote, or  
b the total value of all classes of stock of the REIT?  
Note: If "yes," the REIT may have to file Form 5472. If "Yes," enter owner's country: \_\_\_\_\_  
Enter number of Forms 5472 attached: \_\_\_\_\_

5 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. Enter number of Forms 5471 attached: \_\_\_\_\_

6 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 bank account, securities account, or other financial account)?  
(See page 8 of the instructions for more information including filing requirements for form TD F 90-22.1.) If "Yes," enter name of foreign country: \_\_\_\_\_

7 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.

8 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.

9 Check this box if the REIT issued publicly offered debt instruments with original issue discount: ☐ Yes ☐ No  
If so, the REIT may have to file Form 8281.

10 Enter the amount of tax-exempt interest received or accrued during the tax year: \_\_\_\_\_

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**Schedule L Balance Sheets**

	Beginning of tax year				End of tax year			
	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)
<b>Assets</b>								
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								
<b>Liabilities and Stockholders' Equity</b>								
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):	
2a Federal income tax (Schedule J, line 9): \$ _____		a Tax-exempt interest \$ _____	
b Less Section 857(b)(5) tax \$ _____		8 Deductions on this return not charged against book income this year (itemize):	
c Balance _____		a Depreciation \$ _____	
3 Excess of capital losses over capital gains		b Net operating loss deduction (line 21a, page 1): \$ _____	
4 Income subject to tax not recorded on books this year (itemize):		c Dividends paid deduction (line 21b, page 1): \$ _____	
5 Expenses recorded on books this year not deducted on this return (itemize):		9 Net income from foreclosure proceeds	
a Depreciation \$ _____		10 Net income from prior sales transactions	
b Section 4981 tax \$ _____		11 Total of lines 7 through 10	
c Other expenses \$ _____		12 REIT taxable income (line 22, page 1) less 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	
2 Net income per books		b Stock	
3 Other increases (itemize):		c Property	
4 Total of lines 1, 2, and 3		6 Other decreases (itemize):	
		7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	

1991



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 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	55 hr., 58 min.
Learning about the law or the form	17 hr., 53 min.
Preparing the form	35 hr., 24 min.
Copying, assembling, and sending the form to the IRS	4 hr., 33 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 for where to file on page 2.

## Important Change

**Enhanced Oil Recovery Credit.**—Corporations may take a credit on Form 8830, Enhanced Oil Recovery Credit, for 15% of qualified enhanced oil recovery costs paid or incurred in tax years beginning after December 31, 1990. These costs generally include amounts paid or incurred in connection with a qualified enhanced oil recovery project for:

- certain tangible personal property for which the corporation can claim a deduction for depreciation or amortization,
- intangible drilling costs eligible for the election under section 263(c) or required to be capitalized under section 291(b)(1), and
- qualified tertiary injectant expenses for which a deduction is allowed under section 193.

If a corporation takes this credit, limitations apply to amounts otherwise deductible (or required to be capitalized and recovered through depreciation, depletion, or amortization), that were used in figuring the credit.

For more information, see section 43 and Form 8830.

## General Instructions

**Note:** In addition to the publications listed throughout these instructions, taxpayers may wish to get: Pub. 534, Depreciation; Pub. 535, Business Expenses; and Pub. 542, Tax Information on Corporations.

## 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.

## Filing Requirements

### Who Must File

A corporation, trust, or association that elects to be treated as a REIT for the tax year (or has made that election for a prior tax year and the 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:

- that is managed by one or more trustees or directors;
- the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;
- that would otherwise be taxed as a domestic corporation;
- that is neither a financial institution referred to in section 582(c)(2), nor an insurance company to which subchapter L applies;
- 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:

- the sum of:
  - 95% of its REIT taxable income (determined without regard to the deduction for dividends paid and by excluding any net capital gain); and
  - 95% of the excess of its net income from foreclosure property over the tax imposed on such income by section 857(b)(4)(A);
- 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(f) for details.

### Termination of Election

Once the election is made, it remains in effect until terminated or revoked. It 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 tax year 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).

## When To File

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 a 6-month extension of time to file.

## Where To File

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)	Holtville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05501
Florida, Georgia, South Carolina	Atlanta, GA 39601
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45999
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73301
Alaska, Arizona, California (counties of Alameda, 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 93889
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.

If the principal office of the managing corporation of a group of corporations

located in several Service Center regions keeps all the books and records, the income tax returns of the corporations may be filed with the Service Center for the region in which this principal office is located.

## Who Must Sign

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 filed 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.

## Figuring and Paying the Tax

### Accounting Information

**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 million must use the accrual method of accounting. See section 446(c). A REIT 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 446 and Temporary Regulations sections 1.448-1T(g) and 1.448-1T(h) for more information. Include the amount reportable as income in 1991 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.

**Timing change in deducting accrued expenses.**—Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that (1) all events have occurred that determine the liability, and (2) 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).

**Rule of 78's.**—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 Rev. Procs. 84-27, 84-28, 84-29, and 84-30 (in C.B. 1984-1) to change their method.

## Rounding Off to Whole-Dollar Amounts

Money items on the return and accompanying schedules may be shown as whole-dollar amounts. Taxpayers do so, drop any amount less than 50 cents and increase any amount from 50 cents through 99 cents to the next higher dollar.

## Depository Method of Tax Payment

REITs 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. Do not submit deposits directly to an IRS office. Mail or deliver the completed Federal Tax Deposit Coupon (Form 8109) and the payment to a qualified depository for Federal taxes or to the Federal Reserve Bank (FRB) servicing your geographic area. Make checks or money orders payable to that depository or FRB. To help ensure proper crediting to your account, write your employer identification number, "Form 1120-REIT," and the tax period to which the deposit applies on your check or money order. Be sure to darken the "1120" box on the coupon. Records of deposits will be sent to the IRS for crediting to the REIT's account.

A penalty may be imposed for failure to deposit the required amount of tax. See section 6656. This penalty may also apply



if you mail or deliver deposits to IRS offices rather than to authorized depositories or FRBs.

For more information about deposits, see the instructions contained in the coupon book (Form 8109) and Pub. 583, Taxpayers Starting a Business.

#### 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 right-hand column between lines 23 and 24, page 1, and label the amount as "backup withholding." Also include the amount in the total for line 24.

#### Estimated Tax Payments

Generally, a REIT must make installment payments of estimated tax if it expects 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 (Form 8109) to make deposits of estimated tax.

If the REIT overpaid estimated tax, it may be able to get a "quick refund" by filing Form 4468, Corporation Application for Quick Refund of the Overpayment of Estimated Tax. The overpayment must be at least 10% of expected income tax liability and at least \$500. To apply for a quick refund, file Form 4468 before the 15th day of the 3rd month after the end of the tax year, but before the REIT files its income tax return. Do not file Form 4468 before the end of the REIT's tax year.

#### Interest and Penalties

**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.

**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. The penalty will not be imposed if the taxpayer can show that failure to file a timely return is due to reasonable cause. Those filing late (after the due date, including extensions), must attach a statement to the return explaining the reasonable cause.

**Late payment of tax.**—The penalty for late payment of taxes is usually 1/2 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.

**Estimated tax penalty.**—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. (See the instructions for Form 2220 for the definition of a "large corporation.") 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.

**Other penalties.**—Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

#### Other Forms, Returns, Schedules, and Statements That May Be Required

##### Form 2

The REIT may have to file any of the following:

**Form 991-2 and W-3, Wage and Tax Statement; and Transmittal of Income and Tax Statements.**

**Form 623, Corporate Dissolution or Liquidation.**

**Form 1042 and 1042-B, 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 881 through 883). For more information, see sections 1441 and 1442, and Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

**Form 1023, Annual Summary and Transmittal of U.S. Information Returns.**

**Form 1023, Mortgage Interest Statement.** This form is used to report the receipt from any individual of \$600 or more of mortgage

interest and points 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 received as a nominee on behalf of another person.

For more information, see the instructions for Form 1099 and Pub. 937, Business Reporting.

**Form 1099-MISC, Miscellaneous Income.** 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 9482, Corporate Report of Nondividend Distributions.**

**Form 9423, 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 0231, Information Return for Publicly Offered Original Issue Discount.**

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 0232 and 0233-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 Regulations section 1.1445-8, use Forms 1042 and 1042-B. See section 1445 and the related regulations for additional information.

**Form 0234, 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 9812, 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 9821, 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 1298) at any time during the tax year must complete and attach this form to its return.

#### 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-Owned U.S. Corporation or a Foreign 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) and the transferee must attach to their respective tax returns the information required by Regulations section 1.351-3.

#### Attachments

Attach Form 4138, 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 4138.

Please complete every applicable entry space on Form 1120-REIT. Do not attach statements and write "See attached" instead of completing the entry spaces.

If more space is needed on the forms or schedules, attach separate sheets showing at the top of each attachment the form number or schedule letter of the form or information being continued. Also, show the 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.

#### Specific Instructions

**Period covered.**—File the 1991 return for calendar year 1991 and fiscal years that begin in 1991 and end in 1992. For a fiscal year, fill in the tax year space at the top of the form.

**Note:** The 1991 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 1992; and (2) the 1992 Form 1120-REIT is not available by the time the REIT is required to file its return. However, the REIT must show its 1992 tax year on the 1991 Form 1120-REIT and incorporate any tax law changes that are effective for tax years beginning after December 31, 1991.

**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.

**Note:** If a change in address occurs after the return is filed, the REIT can use Form 8822, Change of Address, to notify IRS of the new 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.

#### Part I

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(j)) if the aggregate of such amounts results in 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.**—Include charges for services customarily furnished or rendered in connection with the rental of real property and rent from personal property leased under or in connection with a lease of real property (provided the rent from the 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 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 9478, 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.**

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 limitations on deductions for unpaid expenses and interest.

**Direct and indirect costs (including taxes).**—Check the box for real or tangible personal property constructed or improved by the taxpayer. These costs must be capitalized in accordance with section 263A.

**Golden parachute payments.** A portion of the payments made by a REIT to key personnel that exceeds their usual

compensation may not be deductible. This occurs when the REIT has an agreement (golden parachute) with these key employees to pay them these excessive amounts if control of the REIT changes. See section 280G.

**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.

**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 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.

**Caution:** Cash method taxpayers may not claim a bad debt deduction unless the amount was previously included in income.

**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 IV 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 12/31/90	\$13,400
After 12/31/86 but before 1/1/91	\$12,800
After 4/2/85 but before 1/1/87	\$28,000
After 6/16/84 but before 4/3/85	\$40,500

See Pub. 917, Business Use of a Car, for instructions on how to figure the 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 (these 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 if the interest is wholly exempt from tax. For exceptions, see section 265(b).

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 1991 prepaid interest allocable to any period after 1991 can deduct only the amount allocable to 1991.

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 REIT (directly or indirectly) to a related person may be limited if no tax is imposed on that interest. See section 163(f) for more detailed information.

**Line 16. Depreciation.**—Besides depreciation, include the part of the cost (up to \$10,000) that the REIT elected to expense for certain tangible property placed in service during tax year 1991 or carried over from 1990. See the instructions for Form 4562.

**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 to determine 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.

Also include on line 18 the deduction for contributions to pension, profit-sharing, or other funded deferred compensation plans. Employers who maintain such a plan generally are required to file one of the forms listed below, even if the plan is not a "qualified" plan under the Internal Revenue Code. The filing requirement applies even if no deduction is claimed for the current tax year. 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 5800.**—Complete this form for each plan with 100 or more participants.

**Form 5800-C/R.**—Complete this form for each plan with fewer than 100 participants.

**Form 5800EZ.**—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. 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 such as those issued under interest and penalties on page 3 of the instructions.

**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 (NOL) 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 NOL for the tax year, and (2) the amount of the NOL of any prior tax year that may be carried through such tax year to any succeeding tax year.

Generally, a REIT may carry an NOL over to each of the 15 years following the year of loss. REITs are not permitted to carry back an NOL to any year preceding the year of such loss. In addition, an NOL 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 NOL 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 NOL carryovers. Also see Temporary Regulations section 1.382-27(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 total of the gross income, gains, losses, and deductions from foreclosure property (as defined in section 856(a)) results in 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. This election must be made by the due date for filing Form 1120-REIT including

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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 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 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(f); that is not foreclosure property (as defined in section 856(a)) 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 total gains over total 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.

**Notes:** 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

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and 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.—Section 561 (taking into account sections 857(b)(8) and 858(a)) determines 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:**

REIT taxable income (determined without regard to the deduction for dividends paid)  
REIT taxable income (determined without regard to the deduction for dividends paid)  
(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.**—A member of a controlled group, as defined in section 1563, must check the box on line 1 and complete lines 2a) and 2c) of Schedule J.

**Members of a controlled group 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) and to \$12,500 (one-half of \$25,000) in the \$25,000 taxable income bracket on line 2a).

**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. 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 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 the member's share of the excess 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 2c.—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 at—	Of the amount over—
00	\$50,000	10%	00
50,000	75,000	0.7,000 + 25%	50,000
75,000	100,000	13,750 + 25%	75,000
100,000	335,000	28,750 + 34%	100,000
335,000	.....	34%	0

#### Line 3a

**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 entered on line 3a, Schedule J. Write on the dotted line to the left of line 3a, Schedule J, "Sec. 1291—\$(amount)." Do not include on line 3a 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 8821, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, for details.

**Line 4a. Foreign tax credit.**—See Form 1118, 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.**—Complete this line if the corporation can take any of the following credits. If the corporation has two or more of these credits, a credit carryforward or carryback (including an ESOP credit), or a passive activity credit. Form 3800 must also be completed. Enter the amount of the general business credit on line 4b, and check the box for Form 3800. If the corporation has only one credit, enter on line 4b, the amount of the credit from the form. Also be sure to check the appropriate box for that form.

**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 corporation may qualify to take this credit if it hired members of special targeted groups during the tax year. See Form 8324, Jobs Credit, for more information.

**The REIT may 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 6470, Credit for Alcohol Used as Fuel, to figure the credit.

**Credit for increasing research activities.** See Form 6763, Credit for Increasing Research Activities, and section 41.

**Low-income housing credit.** See Form 8583, Low-Income Housing Credit, and section 42.

**Enhanced oil recovery credit.** A REIT may claim a credit for 15% of its qualified enhanced oil recovery costs. Use Form 8830 to figure the credit.

**Disabled access credit.** A REIT may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See Form 8826, Disabled Access Credit, and section 44.

**Line 4c. Credit for prior year minimum tax.**—Use Form 8827, Credit for Prior Year Minimum Tax—Corporations, 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 list 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 8827 if any of the 1990 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 the tax.

#### Line 7. Recapture taxes

**a. Recapture of investment credit.** The REIT may owe the tax computed on Form 4255, Recapture of Investment Credit, if it disposed of investment credit property or changed its use before the end of its useful life or recovery period. See Form 4255 for details.

**b. Recapture of low-income housing credit.** The REIT may owe the tax computed on Form 8811, Recapture of Low-Income Housing Credit, if it disposed of property (or there was a reduction in the qualified basis of the property) on which it took the low-income housing credit. See Form 8811 and section 42(j) for details.

**Line 8. Alternative minimum tax.**—Attach Form 4626, Alternative Minimum Tax—Corporations, if the total of REIT taxable income (or loss) before the NOL deduction, net income from foreclosure property, and net income from prohibited transactions, plus adjustment items and tax preference items is more than the smaller of: (a) \$40,000 or (b) the allowable exemption amount. See Form 4626 for details. Reduce the alternative minimum tax by any amount on Form 3800, Schedule A, line 34. This is the credit allowed under section 38(c)(2) (as in effect before November 5, 1990, i.e., before the date of enactment of the Revenue Reconciliation Act of 1990). 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.**—

Complete Form 8621 to determine the REIT's share of 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 a section 1294 election. Follow the instructions for Form 8621 to figure the amount of tax to include in or subtract from the total on line 9. Form 8621 also explains how to report any interest due under section 1294 on the deferred tax.

**Interest on tax attributable to payments received on installment sales of certain timoshoros 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 timoshoros and residential lots under section 453(j)(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, "Sec. 453(j)(3) interest—\$(amount)." Attach a schedule showing the computation.

**Interest on tax deferred under the installment method for certain non-decor 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, "Sec. 453A(c) interest—\$(amount)." Attach a schedule showing the computation.

## Schedule K

### Other Information

Be sure to answer questions 1 through 10 on page 3, Form 1120-REIT. The instructions that follow are keyed to these questions.

#### Question 4

**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.

#### Question 6

**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, securities, or other financial account); AND
- b. 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, securities, or other financial account).

If "Yes" is checked for this question, file form TD F 90-22.1 by June 30, 1992, 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.

#### Question 10

**Tax-exempt interest.**—In the space provided, show any tax-exempt interest received or accrued. Include any exempt-interest dividends received as a shareholder in a mutual fund or other regulated investment company.

## Schedule L

### Balance Sheet

**Line 4. Tax-exempt securities.**—Include on this line:

- (1) State and local government obligations, the interest on which is excluded 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 8a. 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 cost of business gifts in excess of \$25; expenses of an individual (eligible 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 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

U.S. Income Tax Return for  
Regulated Investment Companies

OMB No. 1545-1010

1991

Department of the Treasury,  
Internal Revenue ServiceFor calendar year 1991 or tax year beginning 1991, and ending 1991.  
Instructions are separate. See page 1 for Paperwork Reduction Act Notice.A Year-RIC status has  
been elected

Name of fund

C Employer identification number

Please  
Type  
or  
Print

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

B Date fund was  
establishedE Check applicable boxes. ☐ Final return ☐ Change in address ☐ Amended returnF Check box if the fund is a PH company (Attach Sch. PH) or if it is not in compliance with Regs. sec. 1.852-6 for this tax year ☐

## Part I—Investment Company Taxable 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
9	Compensation of officers (Schedule E, line 2)	9
10a	Salaries and wages	10a
10b	Less jobs credit	10b
10c	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
27	Total tax (Schedule J, line 9)	27
28a	Payments: a 1990 overpayment credited to 1991	28a
28b	b 1991 estimated tax payments	28b
28c	c Less 1991 refund applied for on Form 4466	28c
28d	d Balance	28d
28e	e Tax deposited with Form 7004	28e
28f	f Credit from other regulated investment companies (attach Form 2439)	28f
28g	g Credit for Federal tax on fuels (attach Form 4136)	28g
28h	h Total credit	28h
29	Estimated tax penalty (see page 3 of instructions). Check if Form 2220 is attached <input type="checkbox"/>	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 1992 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	32

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer	Date	Title
Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
Preparer's name (or yours if self-employed) and address	E.I. No.	ZIP code

Cat. No. 64140B

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## Part II—Tax on Undistributed Net Capital Gain Not Designated Under Section 852(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

## 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 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 the 12-month period following the close of your tax year which you elect to treat 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 1991? ☐ Yes ☐ No

1	Amount of interest excludable 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

## Schedule J Tax Computation

1	Check if the fund is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>	
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 6586 Form 8830 Form 8825	4b
c	Credit for prior year minimum tax (attach Form 8827)	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

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**Schedule K Other Information** (See Page 8 of instructions.)

Yes No

**1** Check method of accounting:

- a ☐ Cash  
 b ☐ Accrual  
 c ☐ Other (specify):

**2** 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 of such corporation for the tax year ending with or within your tax year.

**3** 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 and b.

a Attach a schedule showing name, address, and identifying number.

b Enter percentage owned

**4** Did one foreign person (See instructions for definition) at any time during the tax year own at least 25% of:

- a the total voting power of all classes of stock of the fund entitled to vote, or  
 b the total value of all classes of stock of the fund?

If "Yes," the fund may have to file Form 5472.

If "Yes," enter owner's country(ies):

Enter number of Forms 5472 attached

**5** 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.

Enter number of Forms 5471 attached

**6** 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 instructions for more information including filing requirements for Form TD F 90-22.1)

If "Yes," enter name of foreign country

**7** Was the fund the grantor of, or transferor to, a foreign trust that 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.

**8** 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.

**9** 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.

**10** Enter the amount of tax-exempt interest received or accrued during the tax year**11** If this return is being filed for a series fund (as defined in section 851(h)(2)), please complete a and b:

a Name of regulated investment company in which the fund is a series

b Date such regulated investment company was incorporated or organized

**12** 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**13** Regulations section 1.852-11 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:

a Post-October capital loss

b Post-October currency loss

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**Schedule L Balance Sheets**

	Beginning of tax year				End of tax year			
	(a)	(b)	(c)	(d)	(a)	(b)	(c)	(d)
<b>Assets</b>								
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								
<b>Liabilities and Stockholders' Equity</b>								
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):	
2 Federal income tax		a Tax-exempt interest \$	
3 Excess of capital losses over capital gains		8 Deductions on this 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 on this return (itemize):		b Dividends paid deduction (line 25, page 1) \$	
a Depreciation \$		9 Net capital gain from Schedule D (Form 1120), line 10	
b Expenses allocable to tax-exempt interest income \$		10 Designated undistributed capital gains from Form 2438, line 11	
c Section 4982 tax \$		11 Total of lines 7 through 10	
d Travel and entertainment \$		12 Investment company taxable income (line 25, page 1—line 5 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 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 Add lines 5 and 6		
4 Add lines 2, 3, and 7		8 Balance at end of year (line 4 less line 7)		

1991

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 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	52 hr., 8 min.
Learning about the law or the form	15 hr., 45 min.
Preparing the form	31 hr., 16 min.
Copying, assembling, and sending the form to the IRS	4 hr., 1 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, TFP; 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 Where To File on page 2.

### Important Change

**Enhanced Oil Recovery Credit.**—Corporations may take a credit on Form 8830, Enhanced Oil Recovery Credit, for 15% of qualified enhanced oil recovery costs paid or incurred in tax years beginning after 1990. These costs generally include amounts paid or incurred in connection with a qualified enhanced oil recovery project for:

- certain tangible personal property for which the corporation can claim a deduction for depreciation or amortization
- intangible drilling costs eligible for the election under section 263(c) or required to be capitalized under section 291(b)(1), and
- qualified tertiary injectant expenses for which a deduction is allowed under section 193.

If a corporation takes this credit, limitations apply to amounts otherwise deductible (or required to be capitalized and recovered through depreciation, depletion, or amortization), that were used in figuring the credit.

For more information, see section 43 and Form 8830.

### General Instructions

**Note.** In addition to these publications listed throughout these instructions, taxpayers may wish to get: Pub. 534, Depreciation; Pub. 535, Business Expenses; and Pub. 542, Tax Information on Corporations.

### 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.

### Filing Requirements

#### 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 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 21(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 from 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 21(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.

### 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.

### 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 a 6-month extension of time to file.

### 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)	Holtzville, NY 00501
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	Andover, MA 05051
Florida, Georgia, South Carolina	Atlanta, GA 39801
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

### Who Must Sign

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 filed 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.

### Figuring and Paying the Tax

#### Accounting Information

**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 million 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.)

**Timing change in deducting accrued expenses.**—Generally, an accrual basis taxpayer can deduct accrued expenses in the tax year that (1) all events have occurred that determine the liability, and (2) the amount of the liability can be figured with reasonable accuracy. However, all the events that establish liability for the amount are generally treated as occurring only when economic performance takes place. There are exceptions for recurring items. See section 461(h).

**Rule of 78's.**—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 Rev. Procs. 84-27, 84-28, 84-29, and 84-30, C.B. 1984-1 to change their method.

### 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.

### Depository 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 a Federal Tax Deposit Coupon (Form 8109). Do not submit deposits directly to an IRS office. Mail or deliver the completed Federal Tax Deposit Coupon (Form 8109) and the payment to a qualified depository for Federal taxes or to the Federal Reserve bank (FRB) servicing your geographic area. Make checks or money orders payable to that depository or FRB. To help ensure proper crediting to your account, write your employer identification number, "Form 1120-RIC," and the tax period to which the deposit applies on your check or money order. Be sure to darken the "1120" box



on the coupon. Records of deposits will be sent to the IRS for crediting to the corporation's account.

A penalty may be imposed for failure to deposit the required amount for tax. See section 6656. This penalty may also apply if you mail or deliver deposits to IRS offices rather than to authorized depositories or FRBs.

For more information about deposits, see the instructions contained in the coupon book (Form 8109) and Pub. 583, Taxpayers Starting a Business.

### 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.

### Estimated Tax Payments

Generally, a fund must make installment payments of estimated tax if it can expect its estimated tax to be \$500 or more. For a calendar or fiscal year corporation, the installments are due by the 15th day of the 4th, 6th, 9th, and 12th months of the tax year. If any date falls on a Saturday, Sunday, or legal holiday, substitute the next regular workday. 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) to make 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 at least 10% of the expected income tax liability and at least \$500. To apply for a quick refund, file Form 4466 before the 15th day of the third month after the end of the tax year, but before the corporation files its income tax return. Do not file Form 4466 before the end of the Fund's tax year.

### 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 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.

**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. The penalty will not be imposed if the taxpayer can show that failure to file a timely return is due to reasonable cause. Those filing late (after the due date, including extensions) must attach a statement to the return explaining the reasonable cause.

**Late payment of tax.**—The penalty for late payment of taxes is usually 1/2 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.

**Estimated tax penalty.**—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 the 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. (See the instructions for Form 2220 for the definition of a "large corporation.") 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.

**Other penalties.**—Other penalties can be imposed for negligence, substantial understatement of tax, and fraud. See sections 6662 and 6663.

### Other Forms, Returns, Schedules, and Statements That May Be Required

#### 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 998, Corporate Dissolution or Liquidation.**

**Form 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 1098, 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 and points in the course of the recipient's trade or business for any calendar year.

**Form 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, 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 and Pub. 937, Business Reporting.

**Note:** Every fund must file Form 1099 MISC 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 5482, Corporate Report of Nondividend Distributions.**

**Form 5482, 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 8813, 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 8821, 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.

### 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-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business.

**Transfers to a corporation controlled by the transferee.**—If the fund receives stock of a corporation in exchange for property, and no gain or (loss) is recognized under section 351, the fund (transferee) and the transferee must attach to their respective tax returns the information required by Regulations section 1.351-3.

**Election under Temporary Regulations section 1.67-2T(d)(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(d)(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 (i)(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.

### 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" instead of completing the entry spaces on Form 1120-RIC.

If more space is needed on the forms or schedules, attach separate sheets showing at the top of each attachment the form number or schedule letter of the form or schedule being continued. Also, show the information called for on the form in the same order as on the printed forms. Be sure to check boxes 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.

### Specific Instructions

**Period covered.**—File the 1991 return for calendar year 1991 and fiscal years that begin in 1991 and end in 1992. For a fiscal year, fill in the tax year space at the top of the form.

**Note:** The 1991 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 1992; and (2) the 1992 Form 1120-RIC is not available by the time the fund is required to file its return. However, the fund must show its 1992 tax year on the 1991 Form 1120-RIC and incorporate any tax law changes that are effective for tax years beginning after December 31, 1991.

**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.

**Note:** If a change in address occurs after the return is filed, the RIC can use Form

8822, Change of Address, to notify the IRS of the new 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.

### 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.**—Caution: Report the net capital gain from line 10, Schedule D (Form 1120), line 1, 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 7. Other income.**—Enter any other taxable income not listed above, except

net capital gain which 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

**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.

**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.

**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.

**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.

**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).

The net operating loss deduction is not allowed.

**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(k)(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 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 if the interest is wholly exempt from income tax. For exceptions, see section 265(b).

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 1991 prepaid interest allocable to any period after 1991 can deduct only the amount allocable to 1991.

**Line 9. Compensation of officers.—** Besides entering the total officers'

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 that 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 1991 or carried over from 1990. 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 to determine 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.

Include on line 22 the deduction for contributions to pension, profit-sharing, or other funded deferred compensation plans. Employers who maintain such a plan generally are required to file one of the forms listed below, even if the plan is not a "qualified" plan under the Internal Revenue Code. The filing requirement applies even if no deduction is claimed for the current tax year. 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 9900.—**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 5500-EZ.—**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, 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 listed under Interest and Penalties on page 3 of the instructions.

**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. Caution:** Report the excess of net short-term capital gain over net long-term capital loss, on 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.

## 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 total gains over total 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 88-98, 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.—Section 561 (taking into account sections 852(b)(7) and 855(a)) determines 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)). See Regulations section 1.852-11.

**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 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

**Members of a controlled group, lines 1 and 2.—**A member of a controlled group, as defined in section 1563, must check the box on line 1 and complete lines 2(a) and 2(a)(i) of Schedule J.

Members of a controlled group 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. 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 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 28, 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 the member's share of the smaller 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) A fund that is not a personal holding company and is 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) is to compute its tax as follows:

If its investment company taxable income (line 28, Form 1120-RIC) on page 1 is:

Over—	But not over—	Its tax is:	Or 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 + 34%	100,000
335,000	.....	34%	0

(2) 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, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund, for details.

**Line 4a. Foreign tax credit.**—See Form 1118, Foreign Tax Credit—Corporations, for an explanation of when the fund can take this 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.**—Complete this line if the corporation can take any of the following credits. If the corporation has two or more of these credits, a credit carryforward or carryback (including an ESOP credit), or a passive activity credit, Form 3800 must also be completed. Enter the amount of the general business credit on line 4b, and check the box for Form 3800. If the corporation has only one credit, enter on line 4b, the amount of the credit from the form. Also be sure to check the appropriate box for that form.

**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 corporation may qualify to take this credit if it hired members of special targeted groups during the tax year. See Form 5884, Jobs Credit, for more information.

**Note:** The fund may 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)).

**Credit for alcohol used as fuel.** 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.

**Enhanced oil recovery credit.** A corporation may claim a credit for qualified enhanced

oil recovery costs. Use Form 8830 to figure the credit.

**Disabled access credit.** A fund may be able to take a credit for certain expenditures paid or incurred to assist individuals with disabilities. See Form 8826, Disabled Access Credit, and section 46.

**Line 4c. Credit for prior year minimum tax.**—Use Form 8827, Credit for Prior Year Minimum Tax—Corporations, 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 8827 if any of the 1990 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 five 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.** The corporation may owe the tax computed on Form 4296, Recapture of Investment Credit, if it disposed of investment credit property or changed its use before the end of its useful life or recovery period. See Form 4296 for details.

• **Recapture of Low-Income Housing Credit.** The corporation may owe the tax computed on Form 8611, Recapture of Low-Income Housing Credit, if it disposed of property (or there was a reduction in the qualified basis of the property) on which it took the low-income housing credit. See Form 8611 and section 42(j) for details.

**Line 8. Alternative minimum tax.**—Use 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 items and tax preference items of the fund exceeds the smaller of: (a) \$40,000, or (b) the fund's allowable exemption amount. See Form 4626 for details. Reduce alternative minimum tax by any amount on Form 3800, Schedule A, line 34. This is the

credit allowed under section 38(c)(2) (as in effect before November 5, 1990, i.e., before the date of enactment of the Revenue Reconciliation Act of 1990). 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.**—Complete Form 8621 to determine the RIC's share of 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 a section 1294 election. 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. Form 8621 also explains how to report any interest due under section 1294 on the deferred tax.

**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 K

### Other information

Be sure to answer questions 1 through 13 on page 3, Form 1120-RIC. The instructions that follow are keyed to these questions.

### Question 4

**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.

### Question 6

**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, 1992, 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.

## Schedule L

### Balance Sheets

**Line 4. 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 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(n); expenses for travel as a form of education; and other travel and entertainment expenses not allowed as a deduction.

**Form 1120S** **U.S. Income Tax Return for an S Corporation** OMB No. 1545-0132

For calendar year 1991, or tax year beginning 1991, and ending 1991

Department of the Treasury Internal Revenue Service

A Date of election as an S corporation Use IRS label: Other: Use Form 1120S-1

B Business code no. (see instructions)

C Employer identification number

D Date incorporated

E Total assets (see instructions)

F Check applicable boxes: (1) Initial return (2) Final return (3) Change in address (4) Amended return

G Check this box if this S corporation is subject to the consolidated audit procedures of sections 6241 through 6245 (see instructions 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 1b Less returns and allowances 1c Balance 1d

2 Cost of goods sold (Schedule A, line 8)

3 Gross profit. Subtract line 2 from line 1c

4 Net gain (loss) from Form 4797, Part II, line 18 (attach Form 4797)

5 Other income (see instructions) (attach schedule)

6 Total income (loss). Combine lines 3 through 5

**Deductions (See instructions for limitations)**

7 Compensation of officers

8a Salaries and wages 8b Less jobs credit 8c Balance 8d

9 Repairs

10 Bad debts

11 Rents

12 Taxes

13 Interest

14a Depreciation (see instructions) 14b Depreciation claimed on Schedule A and elsewhere on return 14c Subtract line 14b from line 14a 14d

15 Depletion (Do not deduct oil and gas depletion.)

16 Advertising

17 Pension, profit-sharing, etc., plans

18 Employee benefit programs

19 Other deductions (attach schedule)

20 Total deductions. Add lines 7 through 19

21 Ordinary income (loss) from trade or business activities. Subtract line 20 from line 6

**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 1991 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 Estimated tax penalty (see page 3 of instructions). Check if Form 2220 is attached

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

26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid

27 Enter amount of line 25 you want credited to 1992 estimated tax. Refunded

Please Sign Here

Signature of officer Date Title

Preparer's signature Date I check if self-employed Preparer's social security number

Firm's name (if yours is self-employed) and address E.I. No. ZIP code

For Paperwork Reduction Act Notice, see page 1 of separate instructions. Cat. No. 11510- Form 1120S 1991

**Schedule A Cost of Goods Sold** (See instructions.)

1 Inventory at beginning of year

2 Purchases

3 Cost of labor

4 Additional section 263A costs (see instructions) (attach schedule)

5 Other costs (attach schedule)

6 Total. Add lines 1 through 5

7 Inventory at end of year

8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on line 2, page 1

9a 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) Wintedown of "subnormal" goods as described in Regulations section 1.471-2(c)

(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

d Do the rules of section 263A for 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? Yes No If "Yes," attach explanation.

**Schedule B Other Information**

1 Check method of accounting: (a) Cash (b) Accrual (c) Other (specify) Yes No

2 Refer to the list in the instructions and state your principal:

(a) Business activity (b) Product or service

3 Did you at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned.

4 Were you a member of a controlled group subject to the provisions of section 1561?

5 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

6 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

7 Check this box if the corporation has filed or is required to file Form 8264, Application for Registration of a Tax Shelter

8 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.

9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) 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 (c) 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)

10 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

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**Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.**

	(a) Pro rata share items	(b) Total amount
<b>Income (Loss)</b>		
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	
<b>Deductions</b>		
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	
<b>Investment Interest</b>		
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)	
<b>Credits</b>		
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	
<b>Adjustments and Tax Preference Items</b>		
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	
<b>Foreign Taxes</b>		
15a Type of income	15a	
b Name of foreign country or U.S. possession	15b	
c Total gross income from sources outside the United States (attach schedule)	15c	
d Total applicable deductions and losses (attach schedule)	15d	
e Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	15e	
f Reduction in taxes available for credit (attach schedule)	15f	
g Other foreign tax information (attach schedule)	15g	
<b>Other</b>		
16a Total expenditures to which a section 59(e) election may apply	16a	
b Type of expenditures	16b	
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)	18	
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	

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**Schedule L Balance Sheets**

	Beginning of tax year	End of tax year
<b>Assets</b>		
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		
<b>Liabilities and Shareholders' Equity</b>		
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):
2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):	a Tax-exempt interest \$
3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16a (itemize):	6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16a, not charged against book income this year (itemize):
a Depreciation \$	a Depreciation \$
b Travel and entertainment \$	7 Add lines 5 and 6
4 Add lines 1 through 3	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			

1991

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	Researching	Learning about the law or the form	Preparing the form	Copying, assembling, and sending the form to the IRS
1120S	60 hr., 40 min.	18 hr., 30 min.	34 hr., 20 min.	4 hr., 1 min.
Sch. D (1120S)	7 hr., 53 min.	4 hr., 31 min.	9 hr., 31 min.	1 hr., 20 min.
Sch. K-1 (1120S)	13 hr., 38 min.	9 hr., 43 min.	14 hr., 5 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-PP; and the Office of Management and Budget, Paperwork Reduction Project (1545-0130), Washington, DC 20503. DO NOT send the tax forms to either of these offices. Instead, see the instructions on page 2 for information on where to file.

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Cat. No. 11518K

## 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."

## A Change You Should Note

Corporations may claim a credit on Form 8830, Enhanced Oil Recovery Credit, for 15% of qualified enhanced oil recovery costs paid or incurred in tax years beginning after 1990. These costs generally include amounts paid or incurred in connection with a qualified enhanced oil recovery project for:

1. Certain tangible property for which the corporation can claim a deduction for depreciation or amortization.
2. Intangible drilling and development costs eligible for the election under section 263(c) or required to be capitalized under section 291(b)(1), and
3. Qualified tertiary injectant expenses for which a deduction is allowed under section 193.

If a corporation claims this credit, the amounts otherwise deductible (or required to be capitalized and recovered through depreciation, depletion, or amortization), for costs that were used in figuring the credit must be reduced by the amount of the credit attributable to such costs.

For more information, see section 43 and Form 8830.

## General Instructions

Notes in addition to the publications listed throughout these instructions, you may wish to get: Pub. 334, Tax Guide for Small Business; Pub. 595, Business Expenses; Pub. 585, Investment Income and Expenses; Pub. 586, Examination of Returns, Appeal Rights, and Claims for Refund; and Pub. 598, 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 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:

1. 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.

2. 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.

3. 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 that is on or after the date that 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.

## Extension

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 Covered

File the 1991 return for calendar year 1991 and fiscal years beginning in 1991 and ending in 1992. If the return is for a fiscal year, fill in the tax year space at the top of the form.

Note: The 1991 Form 1120S may also be used if (a) the corporation has a tax year of less than 12 months that begins and ends

in 1992 and (b) the 1992 Form 1120S is not available by the time the corporation is required to file its return. However, the corporation must show its 1992 tax year on the 1991 Form 1120S and incorporate any tax law changes that are effective for tax years beginning after December 31, 1991.

## 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	Hortville, NY 05051
Connecticut, Maine, Massachusetts, New Hampshire, New York (all other counties), Rhode Island, Vermont	Andover, MA 05051
Florida, Georgia, South Carolina	Atlanta, GA 30301
Indiana, Kentucky, Michigan, Ohio, West Virginia	Cincinnati, OH 45209
Kansas, New Mexico, Oklahoma, Texas	Austin, TX 73201
Alaska, Arizona, California (counties of Alameda, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, 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 64609
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Memphis, TN 37501
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia	Philadelphia, PA 19255

## Who Must Sign

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 filed 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 the IRS.

## Accounting Information

## 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), 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 Pub. 538, Accounting Periods and Methods, for more information.

## 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 1120, Application to Adopt, Change, or Retain a Tax Year. Also see Pub. 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 deferred period of the tax year is not longer than 3 months. This election is made by filing Form 9710, 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 9732, Required Payment or Refund Under Section 7519.

### 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.

### Depository Method of Tax Payment

The corporation must pay the tax due (see 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 9103, 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 depository 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 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 9103) 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 reader form (Form 9103A) provided in the coupon book.

For additional information concerning deposits, see Pub. 533, 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 investment credit 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) 80% of the sum of the investment credit 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, 80% 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 four equal installments. However, the corporation may be able to lower the amount of one or more installments by using the unrevoked income installment method or adjusted seasonal installment method under section 6655(c).

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, 8th, and 12th months of the fiscal year.

The installments are made using the depository 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 from the due date (including extensions) to the date of payment on the failure to file penalty, the accuracy-related penalty, and the fraud penalty. 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.

The penalty will not be imposed if the corporation can show that failure to file a timely return was due to reasonable cause

and not due to willful neglect. If the failure was due to reasonable cause, attach an explanation to the return.

#### Late Payment of Tax

A corporation that does not pay the tax when due generally may have to pay a penalty of 1/4 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).

The penalty will not be imposed if the corporation can show that failure to pay on time was due to reasonable cause and not due to willful neglect.

#### 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. 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. See sections 6722 and 6724 for more information.

The penalty will not be imposed if the corporation can show that not furnishing information timely was due to reasonable cause and not due to willful neglect.

### Unrevoked Tax Problems

The IRS has a Problem Resolution Program for taxpayers who have been unable to resolve their problems with the 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 1-800-696-4058 to ask for help. The Problem Resolution office will take responsibility for your problem and ensure

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that it receives proper attention. Although the 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 720, Quarterly Federal Excise Tax Return. Use Form 720 to report the 10% excise tax on the first retail sale of the following items sold to the extent the sales price exceeds the amounts shown:

(a) passenger vehicles, \$30,000; (b) boats and yachts, \$100,000; (c) aircraft, \$250,000; and (d) 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 928, Corporate Dissolution or Liquidation.

Form 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 United States (see sections 861 through 865). For more information, see sections 1441 and 1442, and Pub. 918, Withholding of Tax on Nonresident Aliens and Foreign Corporations.

Form 1033, Annual Summary and Transmittal of U.S. Information Returns.

Form 1023, Mortgage Interest Statement. This form is used to report the receipt from any individual of \$600 or more of mortgage interest and points in the course of the corporation's trade or business.

Forms 1099-A, B, DIV, INT, 1099C, 1099D, PATR, S, and R. You may have to file these information returns to report abandonment, acquisitions through foreclosure, proceeds from broker and broker exchange transactions, certain dividends, interest payments, medical and dental health care payments, miscellaneous income payments, original issue discount, patronage dividends, distributions from pensions, annuities, retirement or profit-sharing plans, IRAs, 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

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allocated to shareholders on line 4b of Schedule K-1.

For more information, see the separate instructions for Forms 1033, 1023, 923, and W-2.

**Note:** Every corporation must file Forms 1099-MISC 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 9713, International Boycott Report. Every corporation that had operations in, or related to, a "boycotting" country, company, or national of a country must file Form 9713. 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 9713 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 9234, 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 9271, Investor Reporting of Tax Shelter Registration Number. This form is used by corporations that have acquired an interest in a tax shelter that is required to be registered to report the tax shelter's registration number. Form 9271 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 9231, 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).

Form 9232 and 9232-A, U.S. Withholding Tax Return for Dispositions by Foreign Persons of U.S. Real Property Interests; and Statement of Withholding by 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 9330, 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 9334, Asset Acquisition Statement. This form 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 attributes, 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 9377, Interest Computation Under the Look-Back Method for Completed Long-Term Contracts. Certain S corporations that are not already held may

have to file Form 9377. Form 9377 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 20, item 13, of Schedule K-1 for details on the Form 9377 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 (a) controls a foreign corporation; (b) is a 10%-or-more shareholder of a controlled foreign corporation; or (c) acquires, disposes of, or owns 5% or more in value of the outstanding stock of a foreign corporation, may have to file Form 9471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations.

**Transfers to corporation controlled by transferee.**—If a person acquires stock of a corporation in exchange for property, and no gain or loss is recognized under section 351, the transferee and transferee must attach to their respective tax returns the information required by Regulations section 1.351-3.

### Attachments

Attach Form 4133, Credit for Federal Tax on FICA, after page 4, Form 1120S. Attach schedules in alphabetical order and other forms in numerical order after Form 4133.

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 space 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. Put your name on the printed forms. Please use checks 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.

### 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, on 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 D(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)(iv), 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.

### 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 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 corporation income or loss and credit depends upon the nature of the activity that generated it, the corporation must report income or loss and credits separately for each activity.

The instructions below (pages 5 through 8) and the instructions for Schedules K and K-1 (pages 13 through 20) explain the applicable passive activity limitation rules and specify the type of information the corporation must provide to its shareholders for each activity. If the 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 on page 6) 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 7); or against the tax related to any of these types of income.

Special transitional rules apply to losses incurred by investors in qualified low-income housing projects. In addition, 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, below. For details on the special reporting requirements for passive activities, see Passive Activity Reporting Requirements on page 7.

### 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 (a) the rental operations, if treated as a separate activity, would not be a rental activity (see Rental activities on page 6) or (b) 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:

**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 section 1.469-4T(f) and (g). 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).

**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 1991 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 employee identification number; (b) declares that the election is being made under Temporary Regulations section 1.469-4T(i); (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 1991 that these rules would otherwise combine into a larger activity, it must attach this statement to its 1991 return or it will not be able to treat the undertakings as separate activities for 1991 or any later year. For details, see Temporary Regulations section 1.469-4T(j).

If undertakings the corporation acquired in a previous year were combined into a larger activity on a prior return, those undertakings cannot be divided into separate activities in 1991 or any later year.

**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)(ii).

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 it acquired in 1991 into separate undertakings, it must attach this statement to its 1991 Form 1120S or it will not be able to treat the undertaking as separate undertakings for 1991 or any later year.

If the corporation divided a single rental real estate undertaking it acquired in a previous year into separate undertakings on a prior year return, it must treat the undertakings as separate undertakings in 1991 and any later year.

Furthermore, if the corporation combined rental real estate undertakings it acquired in a previous year into a larger activity on a prior year return, the larger activity cannot be divided into separate activities in 1991 or any later year.

### Types of Activities and Income

**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(k)(4).**

The determination whether 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 7 for more information.

**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)(v); 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 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)(ii).

**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 considered. 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.

**Reporting of 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.

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 Tax Reform Act of 1986 and Pub. 925, Passive Activity and At-Risk Rules, for more information.

Rental real estate activity income (loss) is reported on Form 8825, Rental Real Estate Income and Expenses of a Partnership or an S Corporation, and 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 12 of Schedules K and K-1. Low-income housing credits are reported on line 12b of Schedules K and K-1.

Income (loss) from rental activities other than rental real estate is reported on line

of Schedules K and K-1. Credits related to rental activities other than rental real estate are reported on line 12a of Schedules K and K-1.

**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 partner of a cooperative by reason of any payment or allocation to the partner 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 six sources listed below is subject to recharacterization. In addition, 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 pass-through 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 undepreciated 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.

**Notes:** 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). Because 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 on the first day on which (i) the corporation owns an interest in the property; (ii) substantially all of the property is either rented or held out for rent and ready to be rented; and (iii) no significant value-enhancing services remain to be performed); 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 pass-through entity that licenses intangible property.**—Generally, net royalty income from intangible property is nonpassive income if the taxpayer acquired an interest in the pass-through entity after the corporation 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)(ii) 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. 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.

**4. Identify the net income (loss) and the shareholder's share of interest expense from each activity of trading personal property conducted through the corporation.**

**5. 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. For gains 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)(iv)(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)(iv)(E).

**6. 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.**

**7. Identify the nizable portion of any section 481 adjustment (whether a net positive or a net negative adjustment) allocable to each corporate activity.**

**8. 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 Tax Reform Act of 1986) 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).**

**9. Identify any deductions that are not passive activity deductions.**

**10. 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).**

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**11. 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.

**12. With respect to credits, identify separately the credits from the corporation that are associated with each activity conducted by or through the corporation.**

#### Specific Instructions

##### General Information

##### 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 preaddressed 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 22 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 D(1) on each Schedule K-1 to indicate that it is a final Schedule K-1. Indicate a change in address by check box F(3). If the corporation has a change of mailing address after filing its return, it can notify the 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 proceeding, rather than in separate proceedings with individual shareholders. Check the box for item G if any of the following apply:

- The S corporation had more than 1 shareholder at any time during the year (for this purpose a husband and wife are treated as one shareholder).
- Any shareholder was other than a natural person or estate.
- The small S corporation (five or fewer shareholders) has elected to provide Temporary Regulations section 301.6241-1T(c)(2)(v) to be subject to rules for consolidated proceedings. **Notes:** The S corporation does not file the section 301.6241-1T(c)(2)(v) election when it checks the box for item G. 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 Pub. 588, *Examination of Returns, Appeal Rights, and Claim Refund*.

##### Income

**Caution:** Report only trade or business activity income or loss on lines 1a and 1b. Do not report rental activity in portfolio income or loss on these lines. (See the instructions on Passive Activity Limitations beginning on page 5 for definitions of rental income and portfolio income.) Rental activity income and portfolio income are reported on S K and K-1 (rental real estate activity also reported on Form 8825).

**Notes:** Do not include any tax-exempt income on lines 1 through 5, or any nondeductible expenses on lines 1 through 5. However, these income and expense items are used in figuring the adjustments account and the other adjustments account in Schedule A. Also, see instructions for line 18 of Schedule K and line 20 of Schedule D.

A corporation that receives any income other than interest, or not property or engages in an activity



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(f) 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 the section 179 expense deduction. See the instructions for Schedule K-1, line 20, item 6, 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: (a) interest income derived in the ordinary course of the corporation's trade or business, such as interest charged on receivable balances; (b) recoveries of bad debts deducted in earlier years under the specific charge-off method; (c) taxable income from insurance proceeds; and (d) 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. 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)(2). 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 5 for more information on rental activities and portfolio income.

#### Limitations on Deductions

**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 firm, 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 Notices 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 that 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 58(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 88-87, 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 20 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. 481 and Notice 88-87.

**Transactions between related taxpayers.**—Generally, an accrual basis S

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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.

**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.

**Business start-up expenses.**—Business start-up expenses must be capitalized. An election may be 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 paid or incurred in the trade or business activities of the corporation, including fringe benefit expenditures made on behalf of officers owning more than 2% of the corporation's stock. Also report these fringe benefits as wages in Box 10 of Form W-2. Do not include on line 7 amounts paid or incurred for fringe benefits of officers owning 2% or less of the corporation's stock. These amounts are reported on line 18, page 1, of Form 1120S. See the instructions for that line for information on the types of expenditures that are treated as fringe benefits and for the stock ownership rules.

If you report amounts on line 7 that were paid for insurance that constitutes medical care for a more than 2% shareholder, that shareholder's spouse, and that shareholder's dependents, the shareholder may be allowed a deduction of up to 25% of such amounts on Form 1040, line 26. Report the amount paid for medical insurance for that shareholder as an information item in Box 18 of his or her Form W-2.

Do not include on line 7 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, including fringe benefit expenditures made on behalf of employees (other than officers) owning more than 2% of the corporation's stock. Also report these fringe benefits as wages in Box 10 of Form W-2. Do not include on line 8a amounts paid or incurred for fringe benefits of employees owning 2% or less of the corporation's stock. These amounts are reported on line 18, page 1, of Form 1120S. See the instructions for that line for information on the types of expenditures that are treated as fringe benefits and for the stock ownership rules.

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If you report amounts on line 8a that were paid for insurance that constitutes medical care for a more than 2% shareholder, that shareholder's spouse, and that shareholder's dependents, the shareholder may be allowed a deduction of up to 25% of such amounts on Form 1040, line 26. Report the amount paid for medical insurance for that shareholder as an information item in Box 18 of his or her Form W-2.

Do not include on line 8a 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 the 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—

And the vehicle's fair market value on the first day of the lease exceeded:

The lease term began:	
After 12/31/86	\$12,000
After 4/2/85 but before 1/1/87	\$28,000
After 6/18/84 but before 4/3/85	\$40,000

See Pub. 917, Business Use of a Car, for instructions on how to figure the 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.

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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 Schedule K and K-1. To determine the amount to allocate to distributions to shareholders, see Notice 89-35, 1989-1 C.B. 875.

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 to line 20 of Schedule K-1 (see the instructions for Schedule K-1, line 20, item 12). 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 limitations on passive activity losses, investment interest, and personal interest 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.

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 Pub. 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 1991 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 Income Schedule.

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)(1). See the instructions for line 20

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.

Employees 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 5500-ES, 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 catch-up 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 employee'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 on line 7 or 8 of Form 1120S, whichever applies. 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 318 for attribution rules.

#### 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.

An S corporation may not take the deduction for not operating losses provided by section 172 or the special deductions in sections 241 through 249 (except the election to amortize organizational expenditures under section 248). Subject to limitations, the corporation's not operating loss is allowed as a deduction from the shareholders' gross income. See section 1366.

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 begin during its 1991 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 cash, based on all the facts in cash.

Attach a statement showing (a) the amount of cash class of exempt income and (b) the amount of expense items allocated to cash such class. Show the amount allocated by apportionment separately.

Section 484(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 484(f) for more information.

Generally, the corporation can deduct only 50% 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(b)(2) for exceptions.

Additional limitations apply to deductions for gifts, charity contributions, luxury water

travel, convention expenses, and entertainment tickets. See section 274 and Pub. 623, 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 nonexcessively 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 the instructions for line 22a for figuring taxable income for purposes of line 22a or 22b tax.

#### Line 22a—Excess Not Passive Income Tax

If the corporation has always been an S corporation, the excess not passive income tax does not apply to the corporation. If the corporation has subchapter C earnings and profits (defined

in section 1361(d)(3)(B)) at the close of the tax year, has passive investment net for the tax year that is in excess of 2% gross receipts, and has taxable income year end, the corporation must pay a tax on the excess not passive income. Complete lines 1 through 3 and line 9 of the worksheet below to make this determination. If line 2 is greater than 3 and the corporation has taxable income (see instructions for line 9 of worksheet) must pay the tax. Complete a separate schedule using the format of lines 1 through 11 of the worksheet below to figure the tax. Enter the tax on line 22 page 1, Form 1120S, and attach the computation schedule to Form 1120S.

Reduce cash item of passive income passed through to shareholders by its portion of tax on line 22a. See section 1366(f)(3).

#### Worksheet for Line 22a

1. Enter gross receipts for the tax year (see section 1361(d)(3)(B)) for gross receipts from the sale of capital assets.
2. Enter passive investment income as defined in section 1361(d)(3)(B).
3. Enter 2% 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 4.
7. Divide amount on line 6 by amount on line 2.

8. Excess not passive income—Multiply line 6 by line 7.
9. Enter taxable income less instructions for taxable income below.
10. Enter greater of line 8 or line 9.
11. Excess not passive income tax—Enter 34% of line 10. Enter more and on line 22a, page 1, Form 1120S.

\*Income and deductions on lines 1, 2, and 3 are from total expenditures for the tax year. This includes capital gains and expenses from page 1, Form 1120S, as well as those reported separately on Schedules K, line 19, and 1375(b)(2) 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 line 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.

#### Line 22b—Tax From Schedule D (Form 1120S)

If the corporation elected to be an S corporation before 1937 (or elected to be an S corporation during 1937 or 1938 and qualified 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 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 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:

Investment credit recapture tax.—Section 1371(d) provides that an S corporation is liable for investment credit recapture attributable to credits claimed for tax years for which the corporation was not an S corporation.

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Figure the corporation's investment credit recapture tax by completing Form 4225, Recapture of Investment Credit. Include the 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 "Tax From Form 4225," and attach Form 4225 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 Form 1120 and 1120-A for details. The LIFO tax is paid in four 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 cash of the remaining installments is paid with the corporation's Form 1120S for the S 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."

Interest due under the cash-basis method for amortized long-term contracts.—If the corporation completed

Form 1077, Interest Computation Under the Cash-Basis Method for Completed Long-Term Contracts, and owes interest write to the left of the line 22c total the amount of interest and "Form 1077." Attach the completed form to Form 1120.

#### Line 22d

If the S corporation is a beneficiary of a trust and the trust makes a section 643(c) 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 22d. Also, to the left of line 22d, enter "T" and the amount of the overpayment.

#### Schedule A—Cost of Goods Sold

##### Section 532A Uniform Capitalization Rules

The uniform capitalization rules of section 263A are discussed under Limitations on Deductions on page 9. See those instructions before completing Schedule A

**Line 4—Additional Section 263A Costs**

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 4 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 5—Other Costs**

Enter on line 5 any other inventoriable costs paid or incurred during the tax year not entered on lines 2 through 4.

**Line 7—Inventory At End of Year**

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.

**Lines 9a through 9e—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 IRS 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 9a, 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 88-98, 1988-2 C.B. 401 (section 1498).

Inventory may be valued below cost when the merchandise is unsaleable at normal prices or 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 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 9b. On line 9c, 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).)

**Schedule B—Other Information**

Be sure to answer the questions and provide other information in items 1 through 10.

**Line 5—Foreign Financial Accounts**

Check the "Yes" box if either 1 or 2 below applies to the corporation. Otherwise, check the "No" box.

1. 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

2. The combined value of the accounts was more than \$10,000 during the year; AND

3. The account was NOT with a U.S. military banking facility operated by a U.S. financial institution.

2. The corporation owns more than 50% of the stock in any corporation that would answer "Yes" to item 1 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, 1992, 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 ordered by calling our toll-free number, 1-800-829-3678.

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.

**Line 9**

Complete line 9 if the corporation: (a) filed its election to be an S corporation after 1988; (b) 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 (c) 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 (a), (b), and (c) above apply and it has a net recognized built-in gain (section 1374(d)(2)) for its tax year.

Section 633(d)(5) 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 1229), 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 bases of such assets at that time.

Enter on line 9 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).

**Line 10**

Check the box on line 10 if the corporation was a C corporation in a prior year and has subchapter C earnings and profits (EAP) at the close of its 1991 tax year. For this purpose, "subchapter C EAP" means EAP 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 EAP, 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

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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 8, sections 6241 through 6245, and Temporary Regulations section 301.6241-1T for other details.

**General Instructions For Schedules K and K-1—Shareholders' Shares of Income, Credits, Deductions, Etc.****Purpose of Schedules**

The corporation is liable for taxes on lines 22a, b, and c, page 1, Form 1120S. Shareholders are liable for income tax on their share 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.

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.

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.

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 the IRS.

**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

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same order as on the comparable IRS Schedule K-1. In either case, your substitute schedule must include the OMB number, and either (a) the Shareholder's Instructions for Schedule K-1 (Form 1120S), or (b) 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. 91-16, 1991-1 C.B. 487.

**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 below.

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.

**Specific Instructions (Schedule K-1 Only)****General information**

On each Schedule K-1, complete the data spaces at the top; enter the names, addresses, and identifying numbers of the shareholder and corporation; complete items A through D; 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 20 (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 19 of Schedule K-1. Please be sure to identify the applicable line number next to the information entered below line 20.

**Specific Items****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 17 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 x 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 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 Form 8271 to Schedule K-1. See Form

3271 for a list of the types of tax shelters and for more information.

### Special Reporting Requirements for Corporations With Multiple Activities

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* on page 7 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 net amount for the activity, other income, deductions, and other information that relates to the activity.

### Specific Instructions for Schedules K and K-1, Except as Noted

#### Income (Loss)

Instructions: Before entering income items on Schedule K or K-1, be sure to reduce the items of income for the following:

1. Built-in gain tax (Schedule D, Part I, line 23).—Each recognized built-in gain item (within the meaning of section 374(d)(3)) is reduced by its proportionate share of the built-in gains tax.
2. Capital gains tax (Schedule D, Part I, line 18).—The net long-term capital gain on line 8 of Schedule D or the section 231 gain included on line 5 or 6 of Schedule K is reduced by this tax.
3. Unrecaptured section 1250 gain (line 2a, Part II, Form 1120S).—Each item of passive investment income (within the meaning of section 1361(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, net income or loss without reference to (a) shareholders' basis in the stock of the corporation and in any indebtedness of the corporation to the shareholders (section 1361(d)), (b) shareholders' at-risk limitations, and (c) shareholders' 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 7 for details on the information to be reported for each activity. If an at-risk activity loss is reported on line 1, see *Special Reporting Requirements for At-Risk Activities* on this page.

#### 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 9828, *Rental Real Estate Income and Expenses of a Partnership or an S Corporation*. Each Form 9828 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 7 for details on the information to be reported for each activity. If an at-risk activity loss is reported on line 2, see *Special Reporting Requirements for At-Risk Activities* on this page.

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.

#### 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 9828. If the corporation has more than one rental activity reported on line 3, see *Passive Activity Reporting Requirements* on page 7 for details on the information to be reported for each activity. If an at-risk activity loss is reported on line 3, see *Special Reporting Requirements for At-Risk Activities* on this page. Also see *Rental Activities* on page 6 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* on page 6 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 8 of Schedule K and K-1. Interest expense allocable to portfolio income is generally investment interest expense and is reported on line 11a of Schedule 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 1.469-27(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 8 of Schedule D (Form 1120S) that is portfolio income. If any gain or loss from lines 3 and 8 of Schedule D is not portfolio income (e.g., gain or loss from the disposition of nonexcludable 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 8 of Schedule 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 or loss 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 1089)); see also instruction (line 2c of Schedule Q (Form 1089)); and section 212 expenses (line 3b of Schedule Q (Form 1089)). Because Schedule Q (Form 1089) is a quarterly statement, the corporation must attach the Schedule Q (Form 1089) instructions for Residual Holder to figure the amounts to report to shareholders for the corporation's tax year.

#### Line 5—Net Gain (Loss) Under Section 1221 (Other Than Due to Currency or Theft)

Enter the gain (loss) under section 1231 shown on line 7 of Form 4797. Do not include net gain or loss from inventory conversions due to casualties or thefts on this line. Instead, report them on line 8.

#### Line 6—Other Income (Loss)

Enter any other item of income or loss not included on lines 1 through 5, such as:

1. Recoveries of tax benefit items (section 111).
2. Contracting gain and losses (section 1861).
3. Net gain (loss) from inventory conversions due to casualty or theft. The amount for this item is shown on Form 4797, *Capital Gains and Losses*, Section B, line 20a or 20b.

4. Any net gain or loss from section 1259 contracts from Form 9701, *Gain and Losses From Section 1259 Contracts and Strategies*.

## Deductions

### Line 7—Charitable Contributions

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 deduction claimed for such property 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 deduction for any item or group of similar items of contributed property exceeds \$5,000, even if the amount allocated to any shareholder is \$5,000 or less. If this requirement is not met, the corporation does not have to furnish the shareholders with a copy of its Form 8283. However, the corporation must report each shareholder's pro rata share of the amount of noncash contributions to enable individual shareholders to complete their own Forms 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—Section 179 Expense Deduction

An S corporation may elect 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 certain rental activities. 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.

Attach Form 4562 to Form 1120S and show the total section 179 expense deduction on Schedule K, line 8. Report each individual shareholder's pro rata share on Schedule K-1, line 8. Do not complete line 8 of Schedule K-1 for any shareholder that is an estate or trust.

See the instructions for line 20 of Schedule K-1, item 6, for any recapture of a section 179 amount.

### Line 9—Deductions Related to Portfolio Income (Loss)

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:** 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 20 of Schedule K-1.

### Line 10—Other Deductions

Enter any other deductions not included on lines 7, 8, 9, and 15e, such as:

- 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.

- 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.

- Soil and water conservation expenditures (section 175).

- 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.

- Interest expense allocated to debt-financed distributions. See Notice 89-35 for more information.

- 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.

### Investment Interest

Lines 11a and 11b must be completed for all shareholders.

### Line 11a—Investment Interest Expense

Include on this line the interest property 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 1.469-27(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 from 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* on page 7.

### Line 12a—Credit for Alcohol Used as Fuel

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—Low-Income Housing Credit

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 (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 420(b) 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 420(b) 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 420(b) 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—Qualified Rehabilitation Expenditures Related to Rental Real Estate Activities

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 not related to rental real estate activities must be listed separately on line 20 of Schedule K-1.

#### Line 12d—Credits (Other Than Credits Shown on Lines 12b and 12c) Related to Rental Real Estate Activities

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—Credits Related to Other Rental Activities

Enter on line 12e any credit related to other rental activities for which income or loss is reported on line 3 of Schedule 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—Other Credits

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 follow:

- 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 investment credit from cooperatives. If the corporation is a member of a cooperative that passes an unused investment credit through to its members, the credit is in turn passed through to the corporation's shareholders.

- Credit for backup withholding on dividends, interest, or patronage dividends.

- Credit for increasing research activities and orphan drug credit. Complete and attach Form 6785, Credit for Increasing Research Activities (or for claiming the orphan drug credit), to Form 1120S.

- Jobs credit. Complete and attach Form 5894, Jobs Credit, to Form 1120S.

- Disabled access credit. Complete and attach Form 8825, Disabled Access Credit, to Form 1120S.

- Enhanced oil recovery credit. Complete and attach Form 8830, Enhanced Oil Recovery Credit, to Form 1120S. This credit applies to costs paid or incurred in connection with qualified enhanced oil recovery projects located in the United States for which the first injection of liquids, gases, or other matter began after 1990.

See the instructions for line 18 (Schedule K) and line 20 (Schedule K-1) to report expenditures qualifying for the (a) rehabilitation credit not related to rental real estate activities, (b) energy credit, or (c) reforestation credit.

#### Adjustments and Tax Preference Items

Lines 14a through 14f must be completed for all shareholders.

Enter items of income and deductions that are adjustments or tax preference items. See Form 6251, Alternative Minimum Tax—Individuals, and Pub. 608, 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 14a—Depreciation Adjustment on Property Placed in Service After 1986

Figure the adjustment for line 14a 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 first 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 14b—Depletion (Other Than Oil and Gas)

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 pass-through 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 20 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).** Gross income from oil, gas, and geothermal properties.—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).** Deductions allocable to oil, gas, and geothermal properties.—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—Other Adjustments and Tax Preference Items

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 8586. 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. For tax years beginning in 1991, no reduction is made for any contribution of tangible personal property.

- 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 must be completed whether or not a shareholder is eligible for the foreign tax credit, if the corporation has foreign income, deductions, or losses, or has paid or accrued foreign taxes.

In addition to the instructions below, see Form 1116, Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual), and the related instructions.

#### Line 15a—Type of Income

Enter the type of income from outside the United States 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 the United States, 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—Foreign Country or U.S. Possession

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—Total Gross Income From Sources Outside the U.S.

Enter in U.S. dollars the total gross income from sources outside the United States. Attach a schedule that shows each type of income listed in the instructions for line 15a.

#### Line 15d—Total Applicable Deductions and Losses

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 18a—Total Foreign Taxes

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 18b—Reduction In Taxes Available for Credit

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 18c—Other Foreign Tax Information

Enter in U.S. dollars any item not covered on lines 18a through 18b.

#### Other

##### Lines 18a and 18b

Generally, section 90(a) 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

preferences items on Schedule K-1. Instead, on lines 18a and 18b of Schedule K-1, the corporation passes through the information the shareholders need to compute their separate deductions.

Enter on line 18a 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 18b, enter the type of expenditure claimed on line 18a. 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 18a). If there is more than one type of expenditure included in the total shown on line 18a (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

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 Only)

Attach a statement to Schedule K to report the corporation's total income, expenditures, or other information for items 1 through 18 of the line 20 (Schedule K-1 Only) instruction below.

#### Line 19 (Schedule K Only)

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.

#### Lines 18a and 18b (Schedule K-1 Only)—Recapture of Low-Income Housing Credit

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 9211, Recapture of Low-Income Housing Credit. The instructions for Form 9211 indicate when Form 9811 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 disposition of the shareholder's stock, the corporation must provide the necessary information to the shareholder to enable the shareholder to compute the recapture.

If the corporation passed a bond as provided in section 420(b) to avoid recapture of the low-income housing credit, no entry should be made on line 18 of Schedule K-1.

See Form 8586, Form 8611, and section 42 for more information.

#### Supplemental Information

##### Line 20 (Schedule K-1 Only)

Enter in the line 20 Supplemental Information area 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 19 that is required to be reported in detail, and items 1 through 18 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.

1. Tax-exempt interest income. Include exempt-interest dividends the corporation received as a shareholder in a mutual fund or other regulated investment company.

2. Nondeductible expenses incurred by the corporation.

3. 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 9433, Notice to Shareholder of Undistributed Long-Term Capital Gains, that the company paid tax on undistributed capital gains.

4. 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)(1) 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 Pub. 535 for more information.

5. Qualified expatriate costs. In order for each shareholder to compute the alternative minimum tax adjustment based on energy preferences, the corporation must identify the portion, if any, of intangible drilling and development costs shown on line 18a that is attributable to qualified expatriate costs. Identify this amount on line 20 as "Qualified expatriate costs included on line 18a." Qualified expatriate costs are intangible drilling and development costs paid or incurred in connection with the drilling of an exploratory well located in the United States. See section 56(b)(3) for more details.

6. Recapture of section 179 expense deduction. For property placed in service after 1983, 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)(1)(G) for more information. Do not include this amount on line 4 or 5, page 1, Form 1120S.

7. Recapture of certain mining exploration expenditures (section 617).

8. 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.

9. If the corporation is involved in farming or fishing activities, report the gross income from those activities to shareholders.

10. 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.

11. Any information needed by a shareholder to compute the interest due under section 453(b)(3). If the corporation elected to report the dispositions of certain time shares and residential lots on the installment method, each shareholder's tax liability must be increased by the interest on tax attributable to the installment payments received during the tax year.

12. Any information needed by a shareholder to properly capitalize interest as required by section 263A(f). See Section 263A Uniform capitalization rules on page 9 for additional information. See Notice 88-99 for more information.

13. 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) and (b) of the instructions for lines 1 and 3 of Part II of Form 9397, Intercompany Computation Under the Look-Back Method for Completed Long-Term Contracts. It must also report the amounts for Part II, lines 1 and 3, to its shareholders. See the instructions for Form 9897 for more information.

14. Expenditures qualifying for the (c) rehabilitation credit related to rental real estate activities, (b) energy credit, or (e) reforestation credit. Complete and attach Form 3468 to Form 1120S. See Form 3468 and related instructions for information on eligible property and the lines on Form 3468 to complete. Do not include that part of the cost of the property the corporation has elected to expense under section 179. Attach to each Schedule K-1 a separate schedule in a format similar to that shown on Form 3468 detailing each shareholder's pro rata share of qualified expenditures. Also indicate the lines of Form 3468 on which the shareholders should report these amounts.

15. Recapture of investment credit. Complete and attach Form 4288, Recapture of Investment Credit, when investment credit property is disposed of or it no longer qualifies for the credit. State the kind of property at the top of Form 4255, and complete lines 2, 3, 4, and 8, whether or not any shareholder is subject to recapture of the credit. Attach to each Schedule K-1 a separate schedule providing the information the corporation is required to show on Form 4255, but list only the shareholder's pro rata share of the cost of the property subject to recapture. Also indicate the lines of Form 4255 on which the shareholders should report these amounts.

The corporation itself is liable for investment credit recapture in certain cases. See the instructions for line 22c, page 1, Form 1120S, for details.

16. Any other information the shareholders need to prepare their tax returns.

#### Specific Instructions

##### Schedule L—Balance Sheet

The balance sheet 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 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 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 covered under section 274(h); expenses for the use of an entertainment facility; the part of business gifts in excess of \$25; expenses of an individual eligible to convention on cruise ships in excess of \$2,000; employee entertainment expenses 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 nonluxury 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)—Accumulated Adjustments Account

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 (EAP), 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 Distributions below for distribution rules.

At the end of the tax year, if the corporation has accumulated EAP, 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 Distributions below for distribution rules.

Note: The AAA may have a negative balance at year end. See section 1368(e).

##### Column (b)—Other Adjustments Account

The other adjustments account is maintained only by corporations that have accumulated EAP 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 Distributions below.

##### Column (c)—Shareholders' Undistributed Taxable Income Previously Taxed

The shareholders' undistributed taxable income previously taxed account, also called previously taxed income (PTI), is maintained only if the corporation had a basis in this account at the start of its 1991 tax year. If there is a beginning

balance for the 1991 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 the instructions 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:

1. 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 shareholder for the tax year. See section 1368(c).

2. 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.

3. Reduce accumulated 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 E&P of an S corporation are: (a) reductions for dividend distributions; (b) adjustments for redemptions, liquidations, reorganizations, etc.; and (c) reductions for investment credit recapture tax for which the corporation is liable. See sections 1371(c) and (d)(3).

4. Reduce the other adjustments account.

5. 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 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 E&P in the retained earnings are distributed, the above general order of distributions applies except that item 3 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:

- Page 1, line 21 income—\$219,000
- Schedule K, line 2 loss—(\$3,000)
- Schedule K, line 4a income—\$4,000
- Schedule K, line 4b income—\$16,000
- Schedule K, line 7 deduction—\$24,000
- Schedule K, line 11a deduction—\$3,000
- Schedule K, line 13 jobs credit—\$6,000
- Schedule K, line 17 distributions—\$65,000
- 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 below.

**Notes:** For the AAA account, the worksheet line 3—\$20,000 amount is the total of the Schedule K, lines 4a and 4b income 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. For the other adjustments account, the worksheet line 5 amount is 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 (SIC) codes, 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; and income (receipts only) on lines 3a and 4a through 4f of Schedule K.

On page 2, Schedule B, line 2, 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 (2010-3999) under "Manufacturing."

Code	Code	Code	Code
<b>Agriculture, Forestry, and Fishing</b>	<b>Code</b>	<b>Transportation and Public Utilities</b>	<b>Finance, Insurance, and Real Estate</b>
0100 Agriculture production	0100 Chemical and allied products	4000 Railroad transportation	6000 Banks, except mutual savings banks and thrift holding companies
0200 Agriculture services (except nurseries, forestry, hunting, trapping, and trapping)	2810 Industrial chemicals, plastics, rubbers, and synthetics	4100 Local and interurban passenger transit	6100 Savings and loan associations
0300 Forestry	2820 Drugs	4200 Trucking and warehousing	6200 Personal credit institutions
0400 Fishing	2830 Soap, cleaners, and toilet goods	4300 Transportation by air	6300 Business credit institutions
0500 Aquaculture	2840 Foods and allied products	4400 Water transportation	6400 Other credit agencies
0600 Other animal products	2850 Agriculture and other chemical products	4500 Pipeline, except natural gas	6500 Securities, commodity brokers and services
0700 Other fish and shell products	2860 Petroleum refining and related industries (including those integrated with refining)	4600 Machine tool transportation	6600 Security brokers, dealers, and investment companies
0800 Other animal products	2870 Petroleum refining (excluding refineries)	4700 Communication	6700 Life insurance
0900 Other animal products	2880 Other petroleum and coal products	4800 Telephone, telegraph, and other communication services	6800 Mutual insurance, except life or marine and certain fire or flood insurance companies
1000 Other animal products	2890 Rubber and other plastic products	4900 Radio and television broadcasting	6900 Insurance agents, brokers, and services
1100 Other animal products	2900 Rubber products: plastics, leather, wax, and leather	5000 Electric, gas, and sanitary services	7000 Real estate operators and lessors of buildings
1200 Other animal products	3000 Leather and leather products	5100 Electric services	7100 Lessors of real property
1300 Other animal products	3100 Food, kindred, and allied products	5200 Gas production and distribution	7200 Lessors of tangible personal property
1400 Other animal products	3200 Textile mill products	5300 Communication utility services	7300 Automobile and other equipment
1500 Other animal products	3300 Other leather and leather products	5400 Water supply and other utility services	7400 Other real estate
1600 Other animal products	3400 Stone, clay, and glass products	5500 Other utility services	7500 Holding and other investment companies, except bank holding companies
1700 Other animal products	3500 Other stone, clay, and glass products	5600 Wholesale trade	7600 Personal services
1800 Other animal products	3600 Other stone, clay, and glass products	5700 Durable goods	7700 Business services, except advertising
1900 Other animal products	3700 Other stone, clay, and glass products	5800 Food and kindred products	7800 Business services, except advertising
2000 Other animal products	3800 Other stone, clay, and glass products	5900 Non-durable goods	7900 Amusement and recreation services, except motion pictures
2100 Other animal products	3900 Other stone, clay, and glass products	6000 Other non-durable goods	8000 Other services
2200 Other animal products	4000 Other stone, clay, and glass products	6100 Paper and paper products	8100 Office of physicians, including osteopathic physicians
2300 Other animal products	4100 Other stone, clay, and glass products	6200 Apparel, men's goods, and women's	8200 Office of dentists
2400 Other animal products	4200 Other stone, clay, and glass products	6300 Apparel, men's goods, and women's	8300 Office of other health practitioners
2500 Other animal products	4300 Other stone, clay, and glass products	6400 Quinacryl and related products	8400 Nursing and personal care facilities
2600 Other animal products	4400 Other stone, clay, and glass products	6500 Quinacryl and related products	8500 Medical laboratories
2700 Other animal products	4500 Other stone, clay, and glass products	6600 Quinacryl and related products	8600 Other medical services
2800 Other animal products	4600 Other stone, clay, and glass products	6700 Quinacryl and related products	8700 Legal services
2900 Other animal products	4700 Other stone, clay, and glass products	6800 Quinacryl and related products	8800 Educational services
3000 Other animal products	4800 Other stone, clay, and glass products	6900 Quinacryl and related products	8900 Social services
3100 Other animal products	4900 Other stone, clay, and glass products	7000 Quinacryl and related products	9000 Monitoring organizations
3200 Other animal products	5000 Other stone, clay, and glass products	7100 Quinacryl and related products	9100 Architecture and engineering services
3300 Other animal products	5100 Other stone, clay, and glass products	7200 Quinacryl and related products	9200 Accounting, auditing, and bookkeeping
3400 Other animal products	5200 Other stone, clay, and glass products	7300 Quinacryl and related products	9300 Miscellaneous services (including veterinarians)
3500 Other animal products	5300 Other stone, clay, and glass products	7400 Quinacryl and related products	
3600 Other animal products	5400 Other stone, clay, and glass products	7500 Quinacryl and related products	
3700 Other animal products	5500 Other stone, clay, and glass products	7600 Quinacryl and related products	
3800 Other animal products	5600 Other stone, clay, and glass products	7700 Quinacryl and related products	
3900 Other animal products	5700 Other stone, clay, and glass products	7800 Quinacryl and related products	
4000 Other animal products	5800 Other stone, clay, and glass products	7900 Quinacryl and related products	
4100 Other animal products	5900 Other stone, clay, and glass products	8000 Quinacryl and related products	
4200 Other animal products	6000 Other stone, clay, and glass products	8100 Quinacryl and related products	
4300 Other animal products	6100 Other stone, clay, and glass products	8200 Quinacryl and related products	
4400 Other animal products	6200 Other stone, clay, and glass products	8300 Quinacryl and related products	
4500 Other animal products	6300 Other stone, clay, and glass products	8400 Quinacryl and related products	
4600 Other animal products	6400 Other stone, clay, and glass products	8500 Quinacryl and related products	
4700 Other animal products	6500 Other stone, clay, and glass products	8600 Quinacryl and related products	
4800 Other animal products	6600 Other stone, clay, and glass products	8700 Quinacryl and related products	
4900 Other animal products	6700 Other stone, clay, and glass products	8800 Quinacryl and related products	
5000 Other animal products	6800 Other stone, clay, and glass products	8900 Quinacryl and related products	
5100 Other animal products	6900 Other stone, clay, and glass products	9000 Quinacryl and related products	
5200 Other animal products	7000 Other stone, clay, and glass products	9100 Quinacryl and related products	
5300 Other animal products	7100 Other stone, clay, and glass products	9200 Quinacryl and related products	
5400 Other animal products	7200 Other stone, clay, and glass products	9300 Quinacryl and related products	
5500 Other animal products	7300 Other stone, clay, and glass products	9400 Quinacryl and related products	
5600 Other animal products	7400 Other stone, clay, and glass products	9500 Quinacryl and related products	
5700 Other animal products	7500 Other stone, clay, and glass products	9600 Quinacryl and related products	
5800 Other animal products	7600 Other stone, clay, and glass products	9700 Quinacryl and related products	
5900 Other animal products	7700 Other stone, clay, and glass products	9800 Quinacryl and related products	
6000 Other animal products	7800 Other stone, clay, and glass products	9900 Quinacryl and related products	

**SCHEDULE D**  
**(Form 1120S)**
**Capital Gains and Losses and Built-In Gains**

OMB No. 1545-0130

 Department of the Treasury  
 Internal Revenue Service

▶ Attach to Form 1120S.

▶ See separate instructions.

**1991**

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 on short-term gain included 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 on long-term gain included on lines 15 and 23 below)	6

**Part III Capital Gains Tax (See instructions before completing this part.)**

7 Enter section 1231 gain from Form 4797, line 9	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 -0-). Enter here and on Form 1120S, page 1, line 22b	23

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Cat. No. 11515V

Schedule D (Form 1120S) 1991



1991

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

Schedule D is used by all S corporations to report (a) sales or exchanges of capital assets, and (b) 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 (a) filed an election to be an S corporation after 1986, (b) was a C corporation at the time it made the election, and (c) 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 1 year or less. In Part II, report the sale, exchange, or distribution of capital assets held more than 1 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:

- Assets that can be inventoried or property held mainly for sale to customers.
- Depreciable or real property used in the trade or business.
- Certain copyrights; literary, musical, or artistic compositions; letters or memorandums; or similar property.
- Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in 1 above.

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). If an exchange was made with a related party, write "Related Party Like-Kind Exchange" in the top margin of Schedule D. 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. 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):

- Report the full amount of the sale on Schedule D.
- 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 (see section 1012 and related regulations). 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, tax-free exchange, involuntary conversion, certain asset acquisitions, or wash sale of stock, see sections 301 (or 1059), 334, 362 (or 358), 1014, 1015, 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 the tax does not apply.

- 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

- The property was acquired during the tax year or within 36 months before the beginning of the tax year.
- 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
- 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 applies, 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:

- Excluding the portion of any recognized built-in capital gain or loss that does not qualify for transitional relief, and

2. 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 (a) on August 1, 1986, and all times thereafter before the corporation is completely liquidated, is more than 50% owned by a qualified group, and (b) has an applicable value of \$10 million or less.

A qualified group is a group of 10 or fewer qualified persons. A qualified person is:

1. An individual,
2. An estate, or
3. A trust 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, 1988).

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:

1. Ordinary gains or losses (determined without regard to section 1239).
2. Gains or losses from the disposition of capital assets held 6 months or less, and
3. 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:

1. 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

2. 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:

1. 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

2. 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 (a) gain or loss from capital assets held 6 months or less, and (b) 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 on line 9 of Schedule B on page 2 of Form 1120S. See section 1374(c)(2). If, for any tax year, the amount on line 18 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 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****General Business Credit**

OMB No. 1545-0095

**1991**Attachment  
Sequence No. **22**Department of the Treasury  
Internal Revenue Service  
Name(s) as shown on return

- ▶ Attach to your tax return.  
▶ See separate instructions.

Identifying number

**Part I** Tentative Credit

1a	Current year investment credit (Form 3468, Part I)	1a	
b	Current year jobs credit (Form 5884, Part I)	1b	
c	Current year credit for alcohol used as fuel (Form 6478)	1c	
d	Current year credit for increasing research activities (Form 6765, Part III)	1d	
e	Current year low-income housing credit (Form 8586, Part I)	1e	
f	Current year enhanced oil recovery credit (Form 8830, Part I)	1f	
g	Current year disabled access credit (Form 8826, Part I)	1g	
h	Current year general business credit. Add lines 1a through 1g	1h	
2	Passive activity credits included on lines 1a through 1g (see instructions)	2	
3	Subtract line 2 from line 1h	3	
4	Passive activity credits allowed in 1991 (see instructions)	4	
5	Carryforward of general business credit, WIN credit, or ESOP credit to 1991 (see instructions)	5	
6	Carryback of general business credit to 1991 (see instructions)	6	
7	Tentative general business credit. Add lines 3 through 6	7	

**Part II** General Business Credit Limitation Based on Amount of Tax

8a	Individuals. Enter amount from Form 1040, line 40	8	
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		
9	Credits that reduce regular tax before the general business credit:	9a	
a	Credit for child and dependent care expense (Form 2441)	9b	
b	Credit for the elderly or the disabled (Schedule R (Form 1040))	9c	
c	Foreign tax credit (Form 1116 or Form 1118)	9d	
d	Possessions tax credit (Form 5735)	9e	
e	Mortgage interest credit (Form 8396)	9f	
f	Credit for fuel from a nonconventional source	9g	
g	Orphan drug credit (Form 6765)		
h	Add lines 9a through 9g	9h	
10	Net regular tax. Subtract line 9h from line 8	10	
11	Tentative minimum tax (see instructions):		
a	Individuals. Enter amount from Form 6251, line 20	11	
b	Corporations. Enter amount from Form 4626, line 14		
c	Estates and trusts. Enter amount from Form 8656, line 37		
12	Net income tax:		
a	Individuals. Add line 10 above and line 22 of Form 6251	12	
b	Corporations. Add line 10 above and line 16 of Form 4626		
c	Other filers. See instructions		
13	If line 10 is more than \$25,000, enter 25% (.25) of the excess	13	
14	Subtract line 11 or line 13, whichever is greater, from line 12. If less than zero, enter -0-	14	
15	General business credit allowed for current year. Enter the smaller of line 7 or line 14. 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 any regular investment credit carryforward is claimed or if the corporation has undergone a post-1986 "ownership change.")	15	

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Cat. No. 12392F

Form **3800** (1991)

Form 3800 (1991)

Page **2****Schedule A** Additional General Business Credit Allowed By Section 38(c)(2) (Before Repeal by the Revenue Reconciliation Act of 1990)—Only Applicable to C Corporations

16	Enter the portion of the credit shown on line 5, page 1, that is attributable to the regular investment credit under section 46	16	
17	Tentative minimum tax (from line 11, page 1)	17	
18	Multiply line 17 by 25% (.25)	18	
19	Enter the amount from line 14, page 1	19	
20	Enter the portion of the credit shown on line 7, page 1, that is NOT attributable to the regular investment credit under section 46	20	
21	Subtract line 20 from line 19 (if less than zero, enter -0-)	21	
22	Subtract line 21 from line 16 (if less than zero, enter -0-)	22	
23	For purposes of this line only, recompute the amount on line 12, Form 4626, by using zero on line 8, Form 4626, and enter the result here	23	
24	Multiply line 23 by 10% (.10)	24	
25	Net income tax (from line 12, page 1)	25	
26	General business credit (from line 15, page 1)	26	
27	Subtract line 26 from line 25	27	
28	Subtract line 24 from line 27	28	
29	Enter the smallest of line 18, line 22, or line 28	29	
30	Subtract line 29 from line 17	30	
31	Enter the greater of line 30 or line 13, page 1	31	
32	Subtract line 31 from line 25	32	
33	Enter the lesser of line 32 or line 10, page 1. Enter this amount also on line 15, 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 15, page 1	33	
34	If line 32 is greater than line 33, enter the excess here (see instructions)	34	

1991

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 hr., 31 min.  
**Learning about the law or the form.** 42 min.  
**Preparing and sending the form to the IRS.** 54 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

- There is a new enhanced oil recovery credit (line 1f) that was provided for by the Revenue Reconciliation Act of 1990. New Form 8830, *Enhanced Oil Recovery Credit*, has been developed for figuring the credit. See Form 8830 for details.
- If you have a carryforward to 1991 of the regular investment credit or section 46(b)(2)(C) and (D) energy investment credit (as in effect prior to repeal by the Revenue Reconciliation Act of 1990), you must reduce that carryforward by 35% before entering it on line 5. This rule does not apply to the portion of the regular investment credit attributable to qualified timber property. See the line 5 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 form is also used to figure the tax liability limitation. 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), enhanced oil recovery credit (Form 8830), 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 any 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 1991, 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 1991 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 (as in effect prior to repeal by the Revenue Reconciliation Act of 1990), and (b) unused credit for increasing research activities.

**Note:** You cannot carry back: (1) the disabled access credit to years ending

before November 5, 1990; or (2) the enhanced oil recovery credit to years beginning before January 1, 1991.

**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 carryback or carryforward 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 carryforward year as follows:

- Figure your tax for the carryback or carryforward year as though you were married filing a separate return.
- Figure your spouse's tax in that year as though he or she was married filing a separate return.
- Add the amounts in steps 1 and 2.
- Divide the amount in step 1 by the amount in step 3.
- 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 carryforward 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 carryforward 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 for refund showing how you made the allocations.

**Credit Ordering Rule.**—Although the investment, jobs, alcohol fuel, research, low-income housing, enhanced oil recovery, 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
- Rehabilitation investment credit
- Employee plan investment credit carryforward
- Energy investment credit
- Reforestation investment credit
- Jobs credit
- Credit for alcohol used as fuel
- Credit for increasing research activities
- Low-income housing credit
- Enhanced oil recovery credit
- Disabled access credit
- WIN credit carryforward
- Employee stock ownership plan (ESOP) credit carryforward

## Specific Instructions

## Parts I and II

**Line 2.**—Enter the amount of any credits included on lines 1a through 1g 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 4.**—Enter the passive activity credit allowed for 1991 from Form 8582-CR or Form 8810. See the instructions for the applicable form for more information.

**Line 5.**—All carryforwards of unused investment, jobs, alcohol fuel, credit for increasing research activities, low-income housing, disabled access, WIN, and ESOP credits are added together and become a business credit carryforward to 1991.

You must reduce the portion of the business credit carryforward attributable to the section 46(a)(1) regular investment credit and the sections 46(b)(2)(C) and (D) business energy investment credit (as

in effect prior to the repeal of these three sections by the Revenue Reconciliation Act of 1990) by 35% (.35). Use the following worksheet to compute the allowable portion and include the reduced credit on line 5. Do not include any portion of the credit attributable to qualified timber property.

- Carryforward of applicable section 46(a)(1) regular and sections 46(b)(2)(C) and (D) energy ITC (prior to repeal by the Revenue Reconciliation Act of 1990) from prior years: \$
- Enter 35% (.35) of line 1 above: \$
- 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 5 of Form 3800: \$

If you cannot use all of the reduced credit because line 14 is smaller than line 7, you may carry forward to your next tax year in the carryforward period the unused portion of the credit and a corresponding portion of the 35% (.35) reduction. If, for example, you are able to use only half of the line 3 credit of the worksheet above in 1991, you may carry forward the other half of the credit and half of the 35% (.35) reduction.

**Line 6.**—Use only when you amend your 1991 return in subsequent years to carry back unused credits arising in later years.

**Line 11. Tentative minimum tax.**—Complete the appropriate alternative minimum tax form through the tentative minimum tax line. Transfer the result to this line.

**Line 12c—Other filers.**—Enter the sum of line 10 and your alternative minimum tax, if any.

**Line 13.**—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)(2)(C) and related regulations for limitations on the credit for mutual savings institutions, regulated investment companies, and real estate investment trusts.

**Line 15**

**Note:** If line 15 is smaller than line 7, see *Carryback and Carryforward of Unused Credit* on page 1.

**Individuals, Estates, or Trusts.**—If you are an individual, estate, or trust, the credit for increasing research activities on line 15 is limited to the amount of tax attributable to your taxable income from

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:

Taxable income attributable to your interest in the unincorporated business 1065, 1041, or 1120S entry.  
Your taxable income for the year

(Line 12 – line 13)

When using the formula, the result is limited to 100% of line 12 less line 13. 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 15 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 15.

**Corporations.**—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 prechange general business credits. If this limitation applies, attach your computation of the allowable general business credit, enter the amount on line 15, page 1, and write "Sec. 383" on the dotted line to the left of line 15, page 1.

See section 384 for the limit on the use of any preacquisition excess credit of one corporation to offset recognized built-in gains of another corporation.

## 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 a regular investment credit carryforward on line 5, page 1; (b) some of that investment credit cannot be used because line 14, page 1, is smaller than line 7, 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 34.**—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 34, Schedule A of Form 3800. See the instructions for the appropriate line of your corporate income tax return for details on reporting.

Form **4562****Depreciation and Amortization**  
(Including Information on Listed Property)Department of the Treasury  
Internal Revenue Service  
Name(s) shown on return

See separate instructions. Attach this form to your return.

OMB No. 1545-0047  
**1991**  
Attachment  
Sequence No. 67  
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," complete Part V.)

1	Maximum dollar limitation (see instructions)	1
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
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
6	(a) Description of property	(b) Cost
7	7 Listed property—Enter amount from line 26	8
8	Total elected cost of section 179 property—Add amounts in column (c), lines 6 and 7	9
9	Tentative deduction—Enter the lesser of line 5 or line 8	10
10	Carryover of disallowed deduction from 1990 (see instructions)	11
11	Taxable income limitation—Enter the lesser of taxable income or line 5 (see instructions)	12
12	Section 179 expense deduction—Add lines 9 and 10, but do not enter more than line 11	13
13	Carryover of disallowed deduction to 1992—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 1991 Tax Year (Do Not Include Listed Property)**

(a) Classification of property	(b) Mo. and yr. placed in service	(c) Basis for depreciation (Business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>14 General Depreciation System (GDS) (see instructions):</b>						
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	
h	Nonresidential real property		31.5 yrs.	MM	S/L	
<b>15 Alternative Depreciation System (ADS) (see instructions):</b>						
a	Class life				S/L	
b	12-year		10 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 1991 (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.

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Form **4562** (1991)

Form 4562 (1991)

Page 2

**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.)

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>22a</b> Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No								
<b>22b</b> If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No								
<b>23</b> Property used more than 50% in a qualified business use (see instructions):								
<b>24</b> Property used 50% or less in a qualified business use (see instructions):								
<b>25</b> Add amounts in column (h). Enter the total here and on line 19, page 1								
<b>26</b> Add amounts in column (i). Enter the total here and on line 7, page 1								

**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/investment 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					
31	Yes	No	Yes	No	Yes	No
32	Yes	No	Yes	No	Yes	No
33	Yes	No	Yes	No	Yes	No

**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		
35		
36		
37		
38		

**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 1991 tax year:				
40	Amortization of costs that began before 1991				
41	Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return.				

\*U.S. Government Printing Office: 1991 — 699-339

1991



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	35 hrs., 17 min.
Learning about the law or the form	3 hrs., 35 min.
Preparing and sending the form to the IRS	4 hrs., 35 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form more effective, 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.

#### 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/investment 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 in service during the 1991 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);
- The standard mileage rate (unless Form 2106, Employee Business Expenses, is used for this purpose—see the Part V instructions); or
- Amortization of costs that begins during the 1991 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 1 year. However, land and goodwill are not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. 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 or for the production of income. For additional information, see Pub. 534, Depreciation, Pub. 969, How To Begin Depreciating Your Property, 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 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. 534, Business Expenses.

**"Listed Property."**—For a definition of "listed property" see the Part V instructions.

#### Recordkeeping

Except for Part V, relating to listed property, the 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.

Because Form 4562 does not provide for permanent recordkeeping, you may use the depreciation worksheet on page 8 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.

#### Certification of Business Use Requirement for Aircraft Exempt From Luxury Tax

If you purchased a new aircraft in 1991 with a sales price of more than \$250,000, the 10% Federal luxury tax generally imposed on such a sale will not apply if at least 50% of your use of the aircraft (measured in hours of flight time) will be for business purposes. If you purchased an aircraft that was exempt from the luxury tax solely for this reason, you must attach a statement to your income tax return for each of the 2 tax years ending after the date the aircraft was placed in service. On this statement, you must certify that at least

80% of your use of the aircraft during the tax year was in a trade or business. If you fail to make this certification, you must pay a tax equal to the luxury tax that would have been imposed on the sale of the aircraft if the business use exemption had not applied. In addition, interest is imposed on the tax from the date of sale of the aircraft.

If you do not pay the tax when due because you failed to meet this requirement, no depreciation may be claimed on the aircraft for any tax year.

See the instructions for Form 720, Quarterly Federal Excise Tax Return, for more information on paying the tax and interest due.

### Specific Instructions

#### Part I.—Election To Expense Certain Tangible Property (Section 179)

**Note.** An election to expense certain tangible property must be made by the taxpayer. 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 1991 tax year, or have a carryover of disallowed deduction from 1990. 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.

Section 179 property does not include: (1) property used 50% or less in your trade or business; or (2) property held for investment (section 212 property). If you are a noncorporate taxpayer, the property that you elect to expense does not qualify as section 179 property unless: (1) you manufactured or produced the property; or (2) the term of the lease is less than 50% of the property's class life, and for the first 12 months after the property is transferred to the lessee, the sum of the deductions related to the property that are allowed to you (under section 162 (except rents and reimbursed amounts) is more than 15% of the rental income from the property.

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 preprinted "\$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 1991 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 1990, 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 unrecaptured 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.

To report your share of a section 179 expense deduction for a partnership or an S corporation, instead of completing columns (a) and (b), write "from Schedule K-1 (Form 1065)" or "from Schedule K-1 (Form 1120S)" across the columns.

**Line 8.**—The tentative deduction represents the amount you may expense in 1991 or carry over to 1992. 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 1991 only an amount equal to line 11. Any excess may be carried over to 1992.

**Line 10.**—The carryover of disallowed deduction from 1990 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 1990, enter the amount from line 13 of your 1990 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(e)(2).

For an individual, enter the aggregate taxable 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). Include in aggregate taxable income the wages,

salaries, tips, and other compensation you earned as an employee. If you are married filing a joint return, combine the aggregate taxable incomes for both you and your spouse. 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 1991 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 14h.**—General Depreciation System (GDS).

**Note.** Use lines 14a through 14h only for assets placed in service during the tax year beginning in 1991 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 1991. 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 that is more than 2 years old at the time it is placed in service; and (2) any horse (other than a race horse) that is more than 12 years old at the time it is placed in service.

• 5-year property includes: (1) automobiles; (2) light general purpose trucks; (3) typewriters, calculators, copiers, and duplicating equipment; (4) any semi-conductor manufacturing equipment; (5) any computer or peripheral equipment; (6) any section 1245 property used in connection with research and experimentation; and (7) certain energy property specified in section 168(e)(3)(B)(v).

• 7-year property includes: (1) office furniture and equipment; (2) appliances, carpets, furniture, etc. used in residential rental property; (3) railroad track; and (4) 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% or more of the total rent is from dwelling units.

• Nonresidential real property is any real property that is neither residential rental property nor property 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 percentage of business/investment use. From that result, subtract any section 179 expense deduction and the amount of any enhanced oil recovery credit (section 43). See section 50(c) to determine the basis adjustment for investment credit property.

**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 of depreciation (for 3-, 5-, 7-, and 10-year property) if: (1) you do not elect to use the 150% method; or (2) you 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 below. 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: (a) when you placed the property in service; and (b) 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 under 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 "SL" for straight line.

**Column (g).**—To compute the depreciation deduction you may: (a) use the optional Tables A through D on page 7. Multiply the applicable rate from the appropriate table by the property's unadjusted basis (column (c)) (see Pub. 534 for complete tables); or (b) compute the deduction yourself. To compute the deduction yourself, complete the following steps:

**Step 1.**—Determine the depreciation rate as follows:

1. 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%.

2. 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 6 1/2 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 unadjusted basis (cost or other base 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		
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	0.525	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 1981 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 (h).**—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 (i).**—See the instructions for line 14, column (i).

**Column (j).**—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 (k).**—Under ADS, the applicable conventions are the same as those used under GDS. See the instructions for line 14, column (e).

**Column (l).**—Under ADS, the only applicable method is the straight line method.

**Column (m).**—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 1981.—For assets placed in service after 1980, and depreciated under post-'80 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-benefit method).

Attach a separate sheet, showing: (a) a description of the property and the depreciation method you elect that excludes the property from ACRS or MACRS; and (b) the depreciable basis (cost or other basis reduced, if applicable, by salvage value, enhanced oil recovery credit, and the section 179 expense deduction). See section 50(c) to determine the basis adjustment for investment credit property.

**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:

- 5-year property—1st year (15%), 2nd year (22%), 3rd through 5th years (21%);
- 10-year property—1st year (8%), 2nd year (14%), 3rd year (12%), 4th through 6th years (10%), 7th through 10th years (9%);
- 15-year public utility property—1st year (5%), 2nd year (10%), 3rd year (9%), 4th year (8%), 5th and 6th years (7%), 7th through 15th years (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.

Include any amounts attributable to the Class Life Asset Depreciation Range (CLAOR) system. If you previously elected the CLAOR system, you must continue to use it to depreciate assets left in your vintage accounts. You must continue to meet recordkeeping requirements.

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-17.

### 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 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, pickup trucks, etc.
- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment).

- Cellular telephones for other similar telecommunications equipment;
- Computers or peripheral equipment.

Listed property does not include: (a) photographic, phonographic, communication, or video equipment used exclusively in a taxpayer's trade or business or regular business establishment; (b) any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment; or (c) an ambulance, hearse, or vehicle used for transporting persons or property for hire.

### Section A.—Depreciation

Lines 23 and 24.—

**Qualified business use.**—For purposes of determining whether to use line 23 or line 24 to report your listed property, you must first determine the percentage of qualified business use for each property. Generally, a qualified business use is any use in your trade or business. However, it does not include:

- Any investment use;
- Leasing the property to a 5% owner or related person;
- The use of the property as compensation for services performed by a 5% owner or related person; or
- The use of the property as compensation for services performed by any person (who is not a 5% owner or related person, unless an amount is included in that person's income for the use of the property and, if required, income tax was withheld on that amount).

As an exception to the general rule, if at least 25% of the total use of any asset during the tax year is for a qualified business use, the leasing or compensatory use of the asset by a 5% owner or related person is considered a qualified business use.

Determine your percentage of qualified business use in a manner similar to that used to figure the business/investment use percentage in column (c). Your percentage of qualified business use may be smaller than the business/investment use percentage.

For more information, see Pub. 534.

**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% for business/investment purposes, you may group them by tax year. Otherwise, list each vehicle separately.

**Column (b).**—Enter the date the property was placed in service. If property held for personal use is converted to business/investment use, treat the property as placed in service on the date of conversion.

**Column (c).**—Enter the percentage of business/investment use. For automobiles and other "vehicles," this is determined by dividing the number of miles the vehicle is driven for trade or business purposes or for

the production of income 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 as being used 100% for business/investment purposes 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/investment 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. 1.260F-6T.

If you have property that is used solely for personal use that is converted to business/investment use during the tax year, figure the percentage of business/investment use only for the number of months the property is used in your business or for the production of income. Multiply that percentage by the number of months the property is used in your business or for the production of income, 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 a qualified business use, use the table in the line 14, column (d) instructions. For property placed in service after 1986 and used 50% or less in a qualified business use, you must depreciate the property using the straight line method over its ADS recovery period. The ADS recovery period is 5 years for automobiles and computers.

**Column (g).—**Enter the method and convention used to figure your depreciation deduction. See the instructions for line 14, columns (e) and (f). Write "200 DB," "150 DB," or "SL" 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 "SL."

**Column (h).—**Caution: See "Limitations for automobiles" below before entering an amount in column (h).

If the property is used more than 50% in a qualified business use (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 1991, enter your unrecovered basis, if any, in column (h).

If the property is used 50% or less in a qualified business use (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 10%; or (2) after June 18, 1984, and before your tax year beginning in 1986, 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 business use, 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 7 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/investment use percentage (column (c)) is less than 100%. For example, if an automobile placed in service in 1991 is used 60% for business/investment purposes, then the first year depreciation plus section 179 expense deduction is limited to 60% 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.

**Recapture of depreciation and section 179 expense deduction.**—If any listed property was used more than 50% in a qualified business use in the year it was placed in service, and used 50% or less in a later year, you may have to recapture in the later year part of the depreciation and section 179 expense deduction. Use Form 4797, Sales of Business Property, to figure the recapture amount.

## 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.

Two types of written policy statements will satisfy the employer's substantiation requirements under section 274(d): (a) a policy statement that prohibits personal use including commuting; and (b) a policy statement that prohibits personal use except for commuting.

**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;

- 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 36.—**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 salesman'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 4862, 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 1991.

**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 1991.

Recovery period: 31.5 yearsTable E.—Limitations for automobiles

## Depreciation Worksheet

\* U.S. GOVERNMENT PRINTING OFFICE: 1961-285-332



4626

Alternative Minimum Tax—Corporations  
(including environmental tax)

▶ See separate instructions.  
▶ Attach to your tax return.

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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
<b>2 Adjustments:</b>		
a Depreciation of tangible property placed in service after 1986	2a	[Shaded box]
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 83(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 (close-held corporations and personal service corporations only)	2k	
l Certain loss limitations	2l	
m Other adjustments	2m	
n Combine lines 2a through 2m	2n	
<b>3 Tax preference items:</b>		
a Depletion	3a	[Shaded box]
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 alternative minimum taxable income. Combine lines 1, 2n, and 3i	4	
5 Adjusted current earnings adjustment. Enter the amount from line 12 of the worksheet on page 7 of the instructions	5	
6 Combine lines 4 and 5. If zero or less, stop here (you are not subject to the alternative minimum tax).	6	
7 Adjustment based on energy preferences. Do not enter more than 40% of line 6.	7	
8 Alternative tax net operating loss deduction. Do not enter more than the excess, if any, of: (a) 90% of line 6, over (b) line 7.	8	
9 Alternative minimum taxable income. Subtract the sum of lines 7 and 8 from line 6.	9	
<b>10 Exemption phase-out computation (if line 9 is \$310,000 or more, skip lines 10a and 10b and enter -0- on line 10c):</b>		
a Subtract \$150,000 from line 9 (if you are a member of a controlled group, see instructions). If the result is zero or less, enter -0-.	10a	[Shaded box]
b Multiply line 10a by 25%.	10b	
c Exemption. Subtract line 10b from \$40,000 (if you are a member of a controlled group, see instructions). If the result is zero or less, enter -0-.	10c	
11 Subtract line 10c from line 9. If the result is zero or less, enter -0-.	11	
12 Multiply line 11 by 20%.	12	
13 Alternative minimum tax foreign tax credit. See instructions for limitations.	13	
14 Tentative minimum tax. Subtract line 13 from line 12.	14	
15 Regular tax liability before all credits except the foreign tax credit and possessions tax credit.	15	
16 Alternative minimum tax—Subtract line 15 from line 14. If the result is zero or less, enter -0-. Also enter the result on line 9a, Schedule U, Form 1120, or on the comparable line of other income tax returns.	16	
17 Environmental tax—Subtract \$2,000,000 from line 8 (computed without regard to your environmental tax deduction) and multiply the excess, if any, by 0.12% (0.0012). Enter on line 9b, Schedule U, Form 1120, or on the comparable line of other income tax returns (members of a controlled group, see instructions).	17	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 12955i

Form 4626 1991

1991



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 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.** 18 hr., 11 min.

**Learning about the law or the form.** 13 hr., 48 min.

**Preparing and sending the form to the IRS.** 14 hr., 43 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) Line 7, relating to the adjustment based on energy preferences, has been added to reflect the provisions of new section 56(h) (which was added by section 11531 of the Revenue Reconciliation Act of 1990).

(2) We have added a worksheet (on page 7 of the instructions) to assist filers in computing the adjusted current earnings (ACE) adjustment (line 5 of Form 4626).

**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 ACE 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, a real estate investment trust, or a common trust fund, see section 59(d).

**Credit for Prior Year Minimum Tax.**—See Form 8827, Credit for Prior Year Minimum Tax—Corporations, for details concerning the computation of the credit.

### Specific 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 17 before completing line 1 (see instructions for line 17).

**Line 2a.**—Depreciation of tangible property placed in service after 1986 (or after July 31, 1986 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) for 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" you use 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 use for AMT purposes are 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 you can use to figure depreciation for AMT purposes. (These optional tables also appear 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 figured 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) (i.e., use the straight line method over the facility's class life). The facility's class life 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 those costs and amortize them ratably over a 10-year period beginning with the tax year in which you applied 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 gain or loss on the disposition.

The property's adjusted basis for AMT purposes is its cost less all applicable depreciation or amortization deductions allowed for AMT purposes during the current tax year and previous tax years. 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 2k 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. 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 February 28, 1986. However, this rule does not apply to: (1) any "home construction contract" (as defined in section 460(e)(8)) you entered into after June 20, 1988 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 September 30, 1990, 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.—For any disposition of inventory (as defined in section 1221(1)) after March 1, 1986, 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(j)(2)(B)).

Application of rules in computing adjustment:

(1) Dealer dispositions: For dealer dispositions occurring after March 1, 1986 but before January 1, 1988, 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 in most cases cannot be used for either regular tax purposes or for AMT purposes.

(2) Nonddealer dispositions: For nonddealer dispositions occurring after March 1, 1986 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 nonddealer 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. Earnings on these funds are not excludable from gross income for AMT purposes. 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. 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)). 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 suspended and carried forward for regular tax purposes. You must 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. 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 suspended and carried forward) for AMT purposes is likely to differ from the amount (if any) that is carried forward for regular tax purposes. You must 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, do not include any AMT adjustment or tax preference item taken into account here 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 2i.)

**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. "

you have recomputed losses that must be in accordance with section 59(n) 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 for 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. 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. 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, do not consider the shortfall 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), apply the section 291 adjustment 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 August 7, 1986. 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 property were taken into account at its adjusted basis (rather than its fair market value). See section 57(a)(6)(B) for definition of capital gain property.

**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 figured 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 figured 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 for each 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%. Include only positive adjustments on line 3h.

**Line 5—Adjusted current earnings adjustment.**—If you are preparing Form 4626 for a regulated investment company or a real estate investment trust, skip line 5 (it does not apply).

You may compute the ACE adjustment by using the worksheet on page 7. (The worksheet instructions begin on page 5.) **Line 7. Adjustment based on energy preferencess.**—In computing the AMTI of any taxpayer other than an integrated oil company, an adjustment is allowed in an amount equal to the lesser of: (a) the alternative tax energy preference deduction (as defined in section 56(h)(3)), or (b) 40% of line 6 of Form 4626. This amount is phased out as oil prices increase (see section 56(h)(2)).

See section 56(h) for additional details.

**Line 8—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 that loss 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 the excess (if any) of: (a) 90% of your AMTI computed without regard to your ATNOLD and the adjustment based on energy preferencess (i.e., 90% of line 6, Form 4626), over (b) the adjustment based on energy preferencess (i.e., line 7 of Form 4626).

**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. You must retain adequate records for both AMT purposes and regular tax purposes.

**Line 10a.**—In computing the reduction of the tentative exemption amount, the line 9 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, subtract that member's share of the \$150,000 floor from the member's share of the combined line 9 AMTI of all members of the controlled group of corporations and enter the difference on line 10a. See section 1561 for additional information.

**Line 10c.**—All members of a controlled group of corporations are limited to one \$40,000 tentative 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, reduce that member's share of the \$40,000 tentative exemption by the amount you entered on line 10b.

**Line 13—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 12 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 13.

**Note:** For purposes of determining whether any income is high-taxed in applying the separate income category limitations for the AMT foreign tax credit, use the AMT rate 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 12 less 10% of the amount that would be on that line if Form 4626 were recomputed using zero on lines 7 and 8). The 90% limit does not apply to certain corporations that meet the requirements of section 59(a)(2)(C).

**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 can be 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 15.**—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. If you file Form 1120, this is line 3, Schedule J, minus the sum of lines 4a and 4b, Schedule J. Be sure to include any tax on accumulation distribution of trusts you computed on Form 4970. Do not include any increase in tax under section 49(b) or 50(a) due to recapture of investment credit you computed on Form 4255 or any increase in tax under section 42(j) or (k) due to recapture of low-income housing credit you computed on Form 8611.

**Line 17—Environmental tax.**—If you are preparing Form 4626 for a regulated investment company or a real estate investment trust, skip line 17 (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 16 and compute your environmental tax on line 17 of Form 4626.

**Note:** If you are completing line 17 for a member of a controlled group of corporations, all members of the controlled group are limited to one \$2 million 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 16 of Form 4626.

### ACE Worksheet Instructions

If you are completing this worksheet 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 ACE on a consolidated basis.

**Treatment of certain ownership changes.**—If a corporation with a net unrealized built-in loss (within the meaning of section 382(h)) undergoes an ownership change (within the meaning of section 382), you must adjust the adjusted basis of each asset of the corporation (immediately after the ownership change). The new adjusted basis of each asset is its proportionate share (based on respective fair market values) of the fair market value of the corporation's assets (determined under section 382(h)) immediately before the ownership change. To determine if 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 2a. Depreciation expense recomputed for AMT purposes.**—Enter the depreciation expense you recomputed for AMT purposes (i.e., the total depreciation expense deducted in arriving at the pre-adjustment AMTI reported on line 4 of Form 4626). Generally, the amount entered on this line is: (a) the depreciation expense you claimed for regular tax purposes (Form 4562, line 20), modified by (b) the AMT depreciation adjustments reported on lines 2a, 3f, and 3g of Form 4626.

**Line 2b(i). Property placed in service in a tax year beginning after 1989.**—Depreciate the basis of this property using the ADS described in section 168(g). However, for property that is: (a) placed in service in a tax year beginning after 1989, and (b) described in sections 168(f)(1) through (4), depreciate the basis of the property using the rules described in the instructions for line 2b(iv) and enter the result on that line.

**Line 2b(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 this property (which, for these purposes, is the adjusted basis of the 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 the property under the ADS of section 168(g). In doing so, use the convention that would have applied to the property under section 168(d). For additional information (including an example that illustrates the application of these rules) see Regulations section 1.56(g)-1(b)(2).

**Line 2b(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 this property (which, for these purposes, is the adjusted basis of the 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 the property under the ADS of section 168(g). In doing so, use the convention that would have applied to the property under section 168(d) (without regard to section 168(d)(3)). For additional

information (including an example that illustrates the application of these rules) see Regulations section 1.56(g)-1(b)(3).

**Line 2b(iv). Property described in sections 168(f)(1) through (4).**—Use the depreciation expense you claimed for regular tax purposes, regardless of when the property was placed in service.

**Note:** Line 2b(iv) takes priority over lines 2b(i), 2b(ii), and 2b(iii) (i.e., for property that is described in sections 168(f)(1) through (4), use line 2b(iv) instead of the line (2b(i), 2b(ii), or 2b(iii)) that would otherwise apply).

**Line 2b(v). Other property (i.e., generally property placed in service before 1981 AND property placed in service after 1980, in a tax year beginning before 1990, that is excluded from the application of MACRS by section 168(f)(5)(A)(i) or original ACRS by section 168(e)(4) (as in effect before the Tax Reform Act of 1986)).**—Use the depreciation expense you claimed for regular tax purposes.

**Line 2c. ACE depreciation adjustment.**—Subtract line 2b(vi) from line 2a and enter the result on line 2c. If line 2b(vi) exceeds line 2a, enter the difference as a negative amount.

**Lines 3a through 3f. Inclusion in ACE of items included in earnings and profits (E&P).**—In general, any income item that is not "taken into account" (defined below) in determining your line 1 pre-adjustment AMTI but that is "taken into account" in determining your E&P must be included in determining ACE.

Any such income item may be reduced by all items that relate to that 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 these income items include: (i) interest income from tax-exempt obligations excluded under section 103 less any costs incurred in carrying these 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.

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. Only income items that are "permanently excluded" from your pre-adjustment AMTI are included in 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 (e.g., that of a shareholder) on the liquidation or disposal of a business.

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**Line 3d.**—Include in 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.

**Lines 4a through 4f.**—Generally, no deduction is allowed in computing ACE for items not "taken into account" (defined below) for purposes of computing your E&P for the tax year. These amounts increase ACE to the extent they are deductible in computing your line 1 pre-adjustment AMTI (i.e., they would be positive adjustments).

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 the 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 1 pre-adjustment AMTI or your E&P. Therefore, only deduction items that are "permanently disallowed" in computing your E&P are disallowed in computing ACE.

**Items described in Regulations section 1.56(g)-1(e) for which no adjustment is necessary.** Generally, no deduction is allowed for an item in computing ACE if the item is not deductible in computing your line 1 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 the instructions for lines 3a through 3f above. Deductions that are not allowed in computing 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 1 pre-adjustment AMTI.

**Lines 5a through 5f.**—Other adjustments based on specific rules for computing E&P:

**Line 5a. Intangible drilling costs.**—For purposes of computing ACE, determine

your deduction for intangible drilling costs (as defined in section 263(c)) in the manner provided in section 312(n)(2)(A).

Subtract your recomputed ACE expense (if any) from the expense you recomputed for AMT purposes (in arriving at the preference amount to be entered on line 3d of Form 4626) and enter the result on line 5a of the worksheet. If the total recomputed ACE expense exceeds the amount you recomputed for AMT purposes, enter the result as a negative amount.

**Line 5b. Circulation expenditures.**—If, for regular tax and AMT purposes, you elected the optional 3-year write-off under section 59(e) for all of these expenditures, skip this line (no adjustment is necessary).

For purposes of computing ACE, the amortization provisions of section 173 do not apply to amounts paid or incurred in tax years beginning after 1989. Therefore, for ACE purposes, you must treat circulation expenditures in accordance with the case law that existed before section 173 was enacted.

Subtract your recomputed ACE expense (if any) from the expense you claimed for regular tax purposes (or in the case of a personal holding company, from the expense you recomputed for AMT purposes in arriving at the adjustment amount to be entered on line 2d of Form 4626) and enter the result on line 5b. If the total recomputed ACE expense exceeds the amount you claimed for regular tax purposes (or in the case of a personal holding company, the amount you recomputed for AMT purposes), enter the result as a negative amount.

**Line 5c. Organizational expenditures.**—For purposes of computing ACE, the amortization provisions of section 248 do not apply to amounts paid or incurred in tax years beginning after 1989. Therefore, for ACE purposes, all organizational expenses are charged to a capital account and are not taken into account until the corporation is sold or otherwise disposed of.

Enter on line 5c all amortization deductions for organizational expense taken for regular tax purposes during the tax year.

**Line 5d. LIFO inventory adjustments.**—The adjustments provided in section 312(n)(4) apply in computing ACE.

**Line 5e. Installment sales.**—For any installment sale in a tax year beginning after 1989, you generally cannot use the installment method for purposes of computing 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.

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Subtract the installment sale income reported for AMT purposes from recomputed ACE income from the 3 and enter the result on line 5e of worksheet. If your recomputed ACE income from the sales is less than the unit you reported for AMT purposes,

enter the difference as a negative amount:  
Line 6. Disallowance of loss on exchange of debt pools.—For purposes of computing 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. You must add back (i.e., enter as a positive adjustment) on line 6 any such loss to the extent recognized for regular tax purposes.

### Adjusted Current Earnings Adjustment Worksheet

See ACE Worksheet Instructions (which begin on page 5).

Pre-adjustment AMTI (enter the amount from line 4 of Form 4626)

ACE depreciation adjustment:

Depreciation expense recomputed for AMT purposes

Depreciation expense recomputed for ACE purposes:

(i) Post-1989 property

(ii) Pre-1990 MACRS property

(iii) Pre-1990 original ACRS property

(iv) Property described in sections

168(f)(1) through (4)

(v) Other property

(vi) Total depreciation expense recomputed for ACE purposes (add lines 2b(i) through 2b(v))

ACE depreciation adjustment (subtract line 2b(v) from line 2a)

Inclusion in ACE of items included in EAP:

Tax-exempt interest income

Death benefits from life insurance contracts

All other distributions from life insurance contracts (including surrenders)

Inside buildup of undistributed income in life insurance contracts

Other items (see Regulations sections 1.56(g)-1(c)(5)(ii) through (ix) for a partial list)

Total increase to ACE due to inclusion in ACE of items included in EAP (add lines 3a through 3e)

Disallowance of items not deductible in computing EAP:

Certain dividends received

Dividends paid on certain preferred stock of public utilities that are deductible under section 247

Dividends paid to an ESOP that are deductible under section 404(k)

Non-patronage dividends that are paid and deductible under section 1382(c)

Other items (see Regulations section 1.56(g)-1(d)(3)(i) and (ii) for a partial list)

Total increase to ACE due to disallowance of items not deductible in computing EAP (add lines 4a through 4e)

Certain other EAP adjustments:

Intangible drilling costs

Circulation expenditures

Organizational expenditures

LIFO inventory adjustments

Installment sales

Total other EAP adjustments (combine lines 5a through 5e)

Disallowance of loss on exchange of debt pools

Acquisition expenses of life insurance companies for qualified foreign contracts

Depletion

Basis adjustments in determining gain or loss from sale or exchange of property

Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9

Subtract line 1 from line 10 (see instructions for examples). See instructions for limitation on negative amounts that may be entered on this line

Adjusted current earnings adjustment. Multiply line 11 by 75%. Enter the result here and on line 5 of Form 4626

Line 7. Acquisition expenses of life insurance companies for qualified foreign contracts.—For purposes of computing ACE, acquisition expenses of life insurance companies for qualified foreign contracts (as defined in section 807(e)(4) without regard to the treatment of reinsurance contract rules of section 848(e)(5)) 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 such contracts for all applicable tax years).

Subtract your recomputed ACE expense (if any) from the expense you recognized for regular tax purposes and enter the result on line 7. If the total recomputed ACE expense exceeds the amount you recognized for regular tax purposes, enter the result as a negative amount.

Line 8. Depletion.—For purposes of computing ACE, the allowance for depletion for any property placed in service in a tax year beginning after 1989 must be determined under the cost depletion method of section 611.

Subtract your recomputed ACE expense (if any) from the expense you recognized for AMT purposes (in arriving at the preference amount to be entered on line 3a of Form 4626) and enter the result on line 8 of the worksheet. If the total recomputed ACE expense exceeds the amount you recognized for AMT purposes, enter the result as a negative amount.

Line 9. 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 ACE adjustments described in section 56(g), you must recompute the property's adjusted basis for ACE purposes. You must then recompute the property's gain or loss.

Enter the difference between the gain or loss you recomputed for AMT purposes (in arriving at the adjustment amount to be entered on line 2e of Form 4626) and your recomputed gain or loss for ACE purposes. If the gain recomputed for ACE purposes is less than the gain recomputed for AMT purposes OR if the loss recomputed for ACE purposes is more than the loss recomputed for AMT purposes OR if you recomputed a loss for ACE purposes and recomputed a gain for AMT purposes, enter the difference as a negative amount.

Line 11.—If you are preparing this worksheet 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 11 on a consolidated basis.

The following examples illustrate the manner in which positive and negative numbers on lines 1 and 10 are to be combined in arriving at the amount to be entered on line 11:

Example 1: Corporation A determines its line 10 ACE to be \$25,000. If Corporation A has line 1 pre-adjustment AMTI in the amounts shown below, its line 1 pre-adjustment AMTI and line 10 ACE would be combined as shown below in arriving at the amount to be entered on line 11:

Line 10 ACE \$25,000 \$25,000 \$25,000

Line 1 pre-adjustment AMTI 10,000 30,000 (50,000)

Amount to be entered on line 11 \$15,000 \$55,000 \$75,000

This amount will be less if the rules for "limitation on negative amounts that may be entered on line 11" discussed below apply.

Example 2: Corporation B determines its line 10 ACE to be negative \$25,000. If Corporation B has line 1 pre-adjustment AMTI in the amounts shown below, its line 1 pre-adjustment AMTI and line 10 ACE would be combined as shown below in arriving at the amount to be entered on line 11:

Line 10 ACE \$25,000 \$25,000 \$25,000

Line 1 pre-adjustment AMTI (10,000) (30,000) 50,000

Amount to be entered on line 11 \$15,000\* \$5,000 \$75,000\*

\*These amounts will be less if the rules for "limitation on negative amounts that may be entered on line 11" discussed below apply.

Limitation on negative amounts that may be entered on line 11. Any negative amount for the current tax year may not exceed the excess (if any) of the aggregate increases in AMTI from prior year ACE adjustments over the aggregate reductions in AMTI from prior year ACE adjustments. Any excess of line 1 pre-adjustment AMTI over line 10 ACE that is not allowed as a negative adjustment in any tax year because of the limitation described in the previous sentence is not applied to reduce any positive adjustment in any other tax year.

Example 3: Corporation C, a calendar-year corporation, has line 1 pre-adjustment AMTI and line 10 ACE in the following amounts for 1990 through 1993:

Year	Line 10 ACE	Line 1 pre-adjustment AMTI
1990	\$700,000	\$800,000
1991	300,000	600,000
1992	400,000	500,000
1993	(100,000)	300,000

Under these facts, Corporation C would enter the following amounts on line 11, which would result in the following increases or decreases in AMTI being entered on line 12:

Year	Amount to be entered on line 11	Increase or decrease in AMTI from ACE adjustment to be entered on line 12
1990	\$0	\$0
1991	300,000	225,000
1992	(100,000)	(75,000)
1993	(200,000)	(150,000)

#### Detailed explanation of Example 3:

In 1990, Corporation C has a potential negative amount to be entered on line 11 (before the cumulative limitation) of \$100,000, which results in a potential negative adjustment (before the cumulative limitation) of \$75,000 (75% of the negative \$100,000) to be entered on line 12. However, Corporation C is not permitted to enter a negative amount on line 11 or on line 12 because it had no prior increases in its AMTI due to an adjustment for ACE (i.e., 1991 was the first tax year for which Corporation C was subject to the ACE adjustment). Corporation C enters \$0 on line 11 and \$0 on line 12 in 1990.

In 1991, Corporation C has a positive amount to be entered on line 11 of \$300,000, which results in a positive amount of \$225,000 to be entered on line 12. Corporation C is not allowed to use its prior year's unallowed adjustment to reduce these amounts. Corporation C enters \$300,000 on line 11 and \$225,000 on line 12 in 1991.

In 1992, Corporation C has a potential negative amount to be entered on line 11 (before the cumulative limitation) of \$100,000, which results in a potential negative adjustment (before the cumulative limitation) of \$75,000 (75% of the negative \$100,000) to be entered on line 12. Corporation C is permitted to enter the entire (\$100,000) on line 11 and the entire (\$75,000) on line 12 for 1992 because its prior cumulative increases in AMTI due to the positive adjustments for ACE (i.e., a positive \$225,000) exceed the potential negative adjustment of \$75,000 for the year.

In 1993, Corporation C has a potential negative amount to be entered on line 11 (before the cumulative limitation) of \$400,000, which results in a potential negative adjustment (before the cumulative limitation) of \$300,000 (75% of the negative \$400,000) to be entered on line 12. Corporation C's net cumulative increases in AMTI due to the adjustment for ACE are \$150,000 (i.e., the \$225,000 increase in 1991, less the \$75,000 decrease in 1992). Therefore, Corporation C's negative adjustment to be entered on line 12 for 1993 is limited to \$150,000. Corporation C may not use the remaining \$150,000 (i.e., \$300,000 minus \$150,000) of the negative adjustment for 1993 to reduce positive adjustments in other tax years. For 1993, Corporation C enters \$200,000 on line 11 and \$150,000 on line 12.

Form **6765****Credit for Increasing Research Activities**  
(or for claiming the orphan drug credit)Department of the Treasury,  
Internal Revenue Service  
Name(s) as shown on return

OMB No. 1545-0619

**1991**Attachment  
Sequence No. 81

Identifying number

**Part I Current Year Orphan Drug Credit**

- 1 Qualified clinical testing expenses paid or incurred (do not include any amounts claimed as current year research expenses on line 18 below) . . . . . 1
- 2 Limitation. Enter 50% (.50) of line 1 (see instructions). . . . . 2
- 3 Flow-through orphan drug credit(s) from a partnership, S corporation, estate, or trust . . . . . 3
- 4 Current year orphan drug credit. Add lines 2 and 3. . . . . 4

**Part II Tax Liability Limitation for the Orphan Drug and Research Credits**

- 5a Individuals. Enter amount from Form 1040, line 40. . . . . 5
- 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 . . . . . 5
- 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 Add lines 6a through 6e . . . . . 6f
- 7 Net regular tax. Subtract line 6f from line 5 . . . . . 7
- 8 Tentative minimum tax (see instructions):
- a Individuals. Enter amount from Form 6251, line 20. . . . . 8
- b Corporations. Enter amount from Form 4626, line 14. . . . . 8
- c Estates and trusts. Enter amount from Form 8656, line 37. . . . . 8
- 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 . . . . . 11
- 12 Base period amount . . . . . 12
- 13 Subtract line 12 from line 11. If less than zero, enter -0-. . . . . 13
- 14 Qualified research expenses paid or incurred (lines 14-17):
- 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% (.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 (see instructions) . . . . . 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 to see if you have to file Form 3800 . . . . . 28

See Paperwork Reduction Act Notice on page 2.

Cat. No. 13700M

Form **6765** (1991)

Form 6765 (1991)

Page **2****Part IV Tax Liability Limitation for the 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 22 of Form 6251 . . . . . 30
- b Corporations. Add line 29 above and line 16 of Form 4626 . . . . . 30
- c Estates and trusts. Add line 29 above and line 39 of Form 8656 . . . . . 30
- 31 If line 29 is more than \$25,000, enter 25% (.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 -0-. . . . . 32
- 33 Corporations. Enter here and on the appropriate line of your return the smaller of line 28 or line 32. This is your **General Business Credit** for 1991 . . . . . 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 1991 . . . . . 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 hr., 39 min.

**Learning about the law or the form** . . . . . 1 hr., 5 min.

**Preparing and sending the form to the 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 seven 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), research credit (Form 6765), low-income housing credit

(Form 8586), enhanced oil recovery credit (Form 8830), and disabled access credit (Form 8826).

If you have more than one of these credits for 1991, 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. It is also used to figure the tax liability limitation. Do not complete Part IV above.

If you have only a 1991 research credit and the credit is not from a passive activity, complete Part IV above. You do not have to file Form 3800 for this year.

• U.S.GPO: 1991-O-285-381

1991



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 credit for increasing research activities and the orphan drug credit are extended through June 30, 1992. If the date is further extended, the IRS will use the media to notify you.
- If you are filing for a fiscal tax year ending after June 30, 1992, and the credit is not extended beyond 6-30-92, the base amount on line 21 must be reduced. See the instructions for line 21 for details.

- Research conducted outside the United States.
- 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% (50) credit on these expenses instead of taking the research credit.

The orphan drug credit is an elective tax credit available for 50% (50) of qualified clinical testing expenses of low-profit 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% (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 281(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 orphan drug expenses, or any S corporation, partnership, estate, or trust

that allocates the credit(s) to its shareholders, partners, or beneficiaries should complete this form and attach it 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 relating 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.

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.

See section 384(d) for the limitation on the amount of any excess general business credits to offset any built-in gains tax.

#### Specific Instructions

##### Part I. Current Year 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. Tax Liability Limitation for the Orphan Drug and Research Credits

**Line 10.**—Include the orphan drug credit on the appropriate line of your 1991 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 1991 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 1991 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 1991 basic research credit, can be treated as 1991 contract research expenses on line 17 (and subject to the 65% (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% (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% (65) of that portion of the line 11 basic research payments that 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-based 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, reduce gross receipts for any tax year by returns and allowances made during the tax year. In the case of a foreign corporation, include only gross receipts that are effectively connected with the trade or business within the United States.

**Line 21.**—If your tax year begins before July 1, 1992, and ends after June 30, 1992, the line 21 base amount is reduced. The reduced amount for such year is the amount which bears the same ratio to the base amount for such year as the number of days in the tax year before 7/1/92 bears to the total number of days in the tax year.

**Line 23.**—The base amount cannot be less than 50% (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.**—Allocate the research credit on line 28 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 for on Form 3800. If required 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)(2) 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 the credit separately for each business enterprise by using the following formula:

Taxable income attributable to your interest in the unincorporated business, 1065, 1041, or 1205 entity.

Line 30-Line 31

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.

**8827****Credit For Prior Year Minimum Tax—Corporations****91**

▶ Attach to the corporation's tax return.

Employer identification number

**Minimum Tax Credit for 1991**

<b>1</b> Alternative minimum tax for 1990. Enter the amount from line 15 of 1990 Form 4626	<b>1</b>
<b>2</b> Carryforward of minimum tax credit from 1990. Enter the amount from line 25 of 1990 Form 8801	<b>2</b>
<b>3</b> Enter any 1990 unallowed credit for fuel produced from a nonconventional source. Also include any 1990 unallowed orphan drug credit. See instructions	<b>3</b>
<b>4</b> Add lines 1, 2, and 3	<b>4</b>
<b>5</b> Enter the corporation's 1991 regular income tax liability minus allowable tax credits. See instructions	<b>5</b>
<b>6</b> Enter the amount from line 14 of 1991 Form 4626	<b>6</b>
<b>7</b> Subtract line 6 from line 5. If zero or less, enter -0-	<b>7</b>
<b>8</b> Minimum tax credit. Enter the smaller of line 4 or line 7. Also enter this amount on the appropriate line of the corporation's 1991 tax return. See instructions	<b>8</b>

**Carryforward to 1992**

<b>9</b> Minimum tax credit carryforward to 1992. Subtract line 8 from line 4. See instructions	<b>9</b>
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**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 1 hour.

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 8827 is used by corporations to compute the minimum tax credit, if any, for alternative minimum tax (AMT) incurred in prior tax years and any minimum tax credit carryforward that may be used in future years. Before 1991, Form 8801, Credit for Prior Year Minimum Tax, was used for this purpose.

**Who Should File**

Form 8827 should be completed by corporations that had:

- An AMT liability in 1990;
- A minimum tax credit carryforward from 1990 to 1991; or
- A 1990 unallowed nonconventional source fuel credit or a 1990 unallowed orphan drug credit (see the instructions for line 3 of this form).

Corporations are now allowed a minimum tax credit based on the full amount of AMT incurred in tax years beginning after 1989, without regard to whether it resulted from exclusion items or deferral items. For tax years prior to 1990, the minimum tax credit was allowed only on the AMT attributable to deferral items.

**Recordkeeping.**—Use Form 8827 each year to see if the corporation has a minimum tax credit and to keep a record of any credit carryforward.

**Specific Instructions**

**Line 3.**—Enter the unused portion of the 1990 credit for fuel produced from a nonconventional source that was not allowed solely because of the limit under section 291(b).

Also include on this line the unused portion of any 1990 orphan drug credit not allowed solely because of the limit under section 291(c)(2)(B).

**Line 5.**—Enter the corporation's regular income tax liability (as defined in section 26(b)) minus any credits allowed under Subchapter A, Part IV, subparts B, D, E, and F. From the 1991 Form 1120, subtract any credits on lines 4a through 4e, Schedule J, from the amount on line 3, Schedule J. From the 1991 Form 1120-A, subtract the amount on line 2a, Part I from the amount on line 1, Part I.

**Line 8.**—Enter the minimum tax credit on line 4f, Schedule J of Form 1120, or on line 2b, Part I of Form 1120-A. For other corporate returns, enter the minimum tax credit on the line preceded on the corporation's 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 prechange minimum tax credits. If this limit applies, attach the computation of the allowable minimum tax credit, enter that amount on line 8, and write "Sec. 383" on the dotted line to the left of the line 8 entry space. See section 384 for the limit on the use of any preacquisition excess credit of one corporation to offset recognized built-in gains of another corporation.

**Line 9—Carryforward of minimum tax credit.**—Keep a record of this amount because it can be carried forward and used in future years.





Department of the Treasury  
Internal Revenue Service  
Publication 16 (Rev 12-94)  
Catalog Number 61538P