

# Corporation Income Tax Returns, 1991

by Allison Clark and Patrice Treubert

**F**or Tax Year 1991, corporate pre-tax profits showed a decrease for the third consecutive year. Profits dropped by 7 percent to \$344.9 billion, as the increase in income failed to keep pace with the increase in deductions. Net losses of companies without net income continued to grow, increasing from \$181.9 billion to \$190.9 billion. Coinciding with this upsurge, the net income of companies reporting a profit again declined slightly, from \$552.5 billion to \$535.8 billion.

The decline in positive net income was accompanied by a decline in "income subject to tax" (the tax base for regular tax purposes) from \$366.4 billion to \$350.0 billion. This decline resulted in a drop in the regular income tax (before credits) from \$119.4 billion to \$116.3 billion. Due to the economic recession and an end to the growth of the "alternative minimum tax," the total income tax after credits (the amount actually payable to the U.S. Government) decreased for the first time in the past four years from \$96.4 billion to \$92.6 billion.

## Number of Returns

For Tax Year 1991, the number of active corporation income tax returns increased 2.3 percent to over 3.8 million, although the rate of increase was slightly less than the 2.5 percent recorded for Tax Year 1990 [1]. Returns with net income grew by 1.7 percent, to 1.9 million. This increase was higher than that for 1990 and was the highest since 1987 (Figure A). Returns without net income grew by 3 percent, to 1.9 million, although the ratio of returns without net income to all returns remained the same as 1990, at 49 percent.

The following industrial divisions: agriculture, forestry and fishing; transportation and public utilities; and services, all showed an increase in returns of about 3 percent, while mining and manufacturing both showed decreases of about 1 percent (Figure B). For returns with net income, transportation and public utilities showed the largest increase, 8.4 percent.

By type of return, the largest increase in number was again for S Corporations (generally small corporations that elect to be taxed through their shareholders). The number of Forms 1120S increased in 1991 by nearly 8 percent to 1.7 million, a little less than the 11 percent increase for 1990 (Figure C). This increase continued a trend that began as a result of the Tax Reform Act of 1986 (TRA) which made the individual income tax rates (at which the profits of these corporations were taxed) more

favorable than the corporate tax rates. For 1991, Form 1120S returns comprised 45 percent of all returns filed by corporations.

## Income Statement

### Net Income

Reflecting the economic downturn, pre-tax profits reported on corporation income tax returns for Tax Year 1991 continued to decline. Compared to 1990, pre-tax profits, as computed under the Internal Revenue Code, decreased 7.0 percent to \$344.9 billion [2]. By asset size, almost 84 percent of all corporate profits for 1991 was attributable to the 5,933 returns with total assets of \$250 million or more. As in prior years, this percentage continued to rise, reflecting the growing number of returns of this size and the increasing proportion of corporate profits for which they accounted (Figure D).

Figure A

Number and Growth Rate of Active Corporation Returns Filed, Tax Years 1981-1991

Tax year	Total active corporation returns	Percentage increase	Number of returns with net income
	(1)	(2)	(3)
1981.....	2,812,420	3.8	1,597,298
1982.....	2,925,933	4.0	1,608,363
1983.....	2,999,071	2.5	1,676,288
1984.....	3,170,743	5.7	1,777,770
1985.....	3,277,219	3.4	1,820,120
1986.....	3,428,515	4.6	1,907,738
1987.....	3,612,133	5.4	1,995,452
1988 <sup>1</sup> .....	3,562,789	-1.4	1,908,799
1989 <sup>2</sup> .....	3,627,863	1.8	1,921,805
1990 <sup>2</sup> .....	3,716,650	2.5	1,910,670
1991 <sup>2</sup> .....	3,802,788	2.3	1,942,450

Tax year	Percentage increase	Number of returns without net income	Percentage increase
	(4)	(5)	(6)
1981.....	(1)	1,215,122	9.1
1982.....	0.6	1,317,576	8.4
1983.....	4.2	1,322,783	0.4
1984.....	6.0	1,392,973	5.3
1985.....	2.4	1,457,099	4.6
1986.....	4.8	1,520,777	4.4
1987.....	4.6	1,616,681	6.3
1988 <sup>2</sup> .....	-4.3	1,653,990	2.3
1989 <sup>2</sup> .....	0.7	1,706,058	3.1
1990 <sup>2</sup> .....	-0.6	1,805,980	5.9
1991 <sup>2</sup> .....	1.7	1,860,338	3.0

<sup>1</sup>Less than .05 percent.

<sup>2</sup>Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

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**Figure B**

**Number of Active Corporation Returns by Industrial Division, Tax Years 1990-1991**

Industrial division	1990		1991	
	Number of returns	Percentage increase	Number of returns	Percentage increase
	(1)	(2)	(3)	(4)
<b>All Industries<sup>1</sup>.....</b>	<b>3,716,650</b>	<b>2.5</b>	<b>3,802,788</b>	<b>2.3</b>
Agriculture, forestry, and fishing.....	126,423	2.6	129,886	2.7
Mining.....	39,674	-4.7	39,199	-1.2
Construction.....	406,874	3.5	416,987	2.5
Manufacturing.....	301,669	0.1	300,122	-0.5
Transportation and public utilities.....	160,353	2.8	164,980	2.9
Wholesale and retail trade.....	1,023,057	0.9	1,043,534	2.0
Finance, insurance, and real estate.....	609,138	2.8	617,557	1.4
Services.....	1,029,447	4.0	1,061,657	3.1

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

NOTE: Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

Agriculture, forestry, and fishing saw the largest decrease in profits at almost 46 percent to \$625.7 million. Agricultural services (including commercial fishing, crop harvesting and forestry services) declined by 75 percent to \$73 million, despite an increase in the number of returns. The profits reported for transportation and public utilities and for finance, insurance, and real estate, however, each increased. These increases were attributable to the telephone, telegraph, and other communication services and electric services industrial groups, and to mutual (property and casualty) insurance companies and real estate operators and lessors of buildings.

Net income fell in most industrial divisions. The largest drops occurred in the manufacturing and mining divisions. In mining, the oil and gas extraction industrial group accounted for the bulk of the \$1.3 billion decrease. Similarly, petroleum refining reported the largest decline among manufacturers. Most of this decline was attributable to the economic slowdown in growth and the passage of the 1990 amendments to the Clean Air Act, which significantly impacted this sector with stricter regulations [3]. Finance, insurance, and real estate showed gains, however, especially for mutual life insurance companies. This industry group showed a sharp increase in net income, from \$1.9 billion to \$8.4 billion.

The deficit reported on returns without net income grew by almost 5 percent, from \$181.9 billion for 1990 to \$191.0 billion (Figure E). The largest percentage increase in deficit occurred in manufacturing, which was large enough to offset the gains reported for most other industrial divisions. The deficit reported for petroleum and coal industry groups nearly tripled, contrary to 1990 when the deficit reported by these companies actually declined in comparison to 1989. In addition, the deficit reported for manufacturers of fabricated metal products, \$3.5 billion, was the largest recorded for any industrial group in manufacturing.

Profits increased 115 percent for foreign companies with income "effectively connected" with a U.S. business. The increase was concentrated in finance, insurance, and real estate, as banks (except bank holding companies) increased their profits to \$1.4 billion, although the number of foreign banks was about the same as 1990. Overall, foreign banks accounted for 48.3 percent of total profits for the entire industry.

**Receipts**

Total receipts (Tables 1 and 2), which are the total of business receipts and investment income, increased only slightly for 1991 [4]. However, the size of the increase (0.24 percent) dropped for the third year in a row [5].

**Figure C**

**Form 1120S Returns Compared to All Other Returns, Tax Years 1986-1991**

Tax year	Number of Form 1120S returns	Percentage increase	Number of all other returns	Percentage increase
	(1)	(2)	(3)	(4)
1986.....	826,214	14.0	2,602,301	2.0
1987.....	1,127,905	36.5	2,484,228	-4.5
1988.....	1,257,191	11.5	2,305,598 <sup>1</sup>	-7.2 <sup>1</sup>
1989.....	1,422,967	13.2	2,204,896 <sup>1</sup>	-4.4 <sup>1</sup>
1990.....	1,575,092	10.7	2,141,558 <sup>1</sup>	-2.9 <sup>1</sup>
1991.....	1,698,271	7.8	2,104,517 <sup>1</sup>	-1.7 <sup>1</sup>

<sup>1</sup> Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

**Figure D**

**Returns with Total Assets of \$250 Million or More, Tax Years 1985-1991**

Tax year	Returns		Net Income (less deficit)	
	Number	Percentage of total	Amount	Percentage of total
	(1)	(2)	(3)	(4)
1985.....	4,052	0.12	177.2	73.8
1986.....	4,471	0.13	197.5	73.4
1987.....	4,794	0.13	247.6	75.4
1988.....	5,120	0.14 <sup>1</sup>	320.7	78.0 <sup>1</sup>
1989.....	5,450	0.15 <sup>1</sup>	307.6	79.1 <sup>1</sup>
1990.....	5,613	0.15 <sup>1</sup>	302.9	81.7 <sup>1</sup>
1991.....	5,933	0.16 <sup>1</sup>	285.7	82.8 <sup>1</sup>

<sup>1</sup>Total excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

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**Figure E**

## Net Income (Less Deficit), by Industrial Division, Tax Years 1990-1991

[Money amounts are in thousands of dollars]

Industrial division	1990		1991	
	Net income or deficit	Percentage increase	Net income or deficit	Percentage increase
	(1)	(2)	(3)	(4)
<b>NET INCOME (LESS DEFICIT)</b>				
<b>All industries</b> <sup>1</sup> .....	<b>370,632,632</b>	<b>-4.7</b>	<b>344,859,794</b>	<b>-7.0</b>
Agriculture, forestry, and fishing.....	1,156,269	-25.4	625,656	-45.9
Mining.....	5,302,223	68.6	4,001,356	-24.5
Construction.....	6,824,608	-21.9	6,103,605	-10.6
Manufacturing.....	171,373,726	-5.0	132,269,225	-22.8
Transportation and public utilities.....	35,413,596	-9.4	37,742,965	6.6
Wholesale and retail trade.....	30,094,078	-16.8	29,951,221	-0.5
Finance, insurance, and real estate.....	109,901,881	0.9	124,545,504	13.3
Services.....	10,616,792	-3.7	9,769,891	-8.0
<b>NET INCOME</b>				
<b>All industries</b> <sup>1</sup> .....	<b>552,526,789</b>	<b>-0.7</b>	<b>535,816,622</b>	<b>-3.0</b>
Agriculture, forestry, and fishing.....	4,328,433	-0.4	3,774,209	-12.8
Mining.....	9,071,733	10.4	7,721,788	-14.9
Construction.....	15,859,977	-2.8	14,965,305	-5.6
Manufacturing.....	212,936,099	-1.6	181,884,248	-14.6
Transportation and public utilities.....	51,490,850	-8.9	53,590,652	4.1
Wholesale and retail trade.....	65,383,876	( <sup>2</sup> )	64,477,312	-1.4
Finance, insurance, and real estate.....	158,458,842	2.1	174,249,613	10.0
Services.....	34,850,560	3.0	34,963,661	0.3
<b>DEFICIT</b>				
<b>All industries</b> <sup>1</sup> .....	<b>181,894,157</b>	<b>8.0</b>	<b>190,956,827</b>	<b>5.0</b>
Agriculture, forestry, and fishing.....	3,172,164	13.4	3,148,553	-0.7
Mining.....	3,769,511	-25.0	3,720,432	-1.3
Construction.....	9,035,370	19.3	8,861,700	-1.9
Manufacturing.....	41,562,373	15.8	49,615,023	19.4
Transportation and public utilities.....	16,077,254	-7.8	15,847,686	-1.4
Wholesale and retail trade.....	35,289,798	20.6	34,526,092	-2.2
Finance, insurance, and real estate.....	48,556,962	4.8	49,704,109	2.4
Services.....	24,233,768	6.2	25,193,769	4.0

<sup>1</sup>Includes net income or deficit not allocable by industrial division.

<sup>2</sup>Less than - 0.05 percent.

NOTES: Excludes net income or deficit of Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

Detail may not add to totals because of rounding.

Business receipts (in general, gross receipts from sales and operations), the principal component of total receipts, increased by only 0.05 percent to \$9,965.6 billion. Total receipts for the mining division decreased 7.3 percent, the largest percentage decrease compared to 1990, to \$103.3 billion, while receipts for the services division at \$809.7 billion showed the largest percentage increase, 3.9 percent. The manufacturing division, which accounts for a major portion of the dollar amount of total receipts, continued to do so for 1991, but the \$3,658.5 billion reported by manufacturers represented a slight decline from the \$3,688.7 billion recorded for 1990. This was the first such decline since 1986. In contrast to manufacturers, the receipts of wholesalers and retailers grew for

1991, from \$3,184.9 billion to \$3,380.6 billion.

After increasing for 1990, taxable interest showed a 6.2 percent drop to \$883.3 billion (compared to \$942.2 billion for 1990), mostly reflecting the recession and the decline in interest rates. As with prior years, most of the taxable interest was reported by corporations classified under finance, insurance, and real estate, particularly commercial banks and bank holding companies, which, combined, dropped from \$402.6 billion to \$364.3 billion. Tax-exempt interest (on State and local Government obligations), on the other hand, increased by 3.3 percent to \$36.3 billion. This was a reversal of 1990, when taxable interest received increased and tax-exempt interest decreased. It was dividends received from foreign corporations, how-

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ever, that showed the largest percentage decline, 13.5 percent. In contrast, dividends from domestic corporations (\$13.1 billion) declined only slightly from the \$13.4 billion reported for 1990.

In marked contrast to 1990, when net short-term capital gains (reduced by net long-term capital losses) decreased by 62 percent, net short-term gains for 1991 more than tripled, from \$4.1 billion to \$13.7 billion, reflecting the wide year-to-year fluctuations characterizing these short-term transactions. The majority of this increase was due to life insurance companies and regulated investment companies. In contrast, net long-term capital gains (reduced by net short-term capital losses) showed the largest dollar decline of all the sources of receipts for 1991, from \$50.9 billion to \$41.1 billion. This was a continuation of the trend that began with 1986, when the beneficial tax treatment of long-term capital gains was rescinded by TRA [6].

### Deductions

Total deductions increased only slightly for 1991. However, this increase was 0.26 percent larger than the rate of increase for total receipts and was enough to cause overall net income, generally the difference between total receipts and total deductions, to drop.

Cost of sales and operations was again the largest deduction item at \$6.6 trillion, although its growth was only 0.7 percent. This small increase was related to the small increase reported for business receipts. Similar to 1990, the interest paid deduction continued to decline, falling 11.2 percent to \$735.7 billion. The largest decline was again in the finance division, where the deduction included interest paid on deposits of withdrawable shares as well on bonds, notes, loans, and mortgages. Bank holding companies again accounted for a major part of the decline, of \$31.1 billion, due to lower interest rates and the cautious credit stance of both lenders and borrowers in 1991 [7]. The interest reported by bank holding companies was \$191.0 billion for 1991, compared to \$222.1 billion for 1990.

The bad debt deduction once more increased the most in percentage terms at 20.5 percent, the same as 1990. The largest dollar increases were in finance, insurance, and real estate. Bank holding companies increased their bad debt deductions by \$9.8 billion to \$34.3 billion, an increase that paralleled that recorded for 1990. However, the greatest percentage increase was in the agriculture, forestry and fishing division, which led to the decline in profits reported for the division.

Following the first drop in more than 50 years, depreciation deductions rose slightly for 1991, from \$332.8

billion to \$333.9 billion, mirroring a rise in the net depreciable assets shown on their balance sheets. From 1980 through 1985, depreciation deductions had risen at an average annual rate of 14.1 percent. Then, between 1985 and 1989, the average annual rate of increase dropped to 2.4 percent. The lower depreciation deductions, notwithstanding recent increases reported for net depreciable assets, may be related to the changes brought about by TRA. TRA instituted a Modified Accelerated Cost Recovery System (MACRS) that lengthened the periods over which assets could be depreciated for tax purposes and changed the depreciation methods for business property placed in service after 1986. The deduction for 5-year property acquired in 1991 was the largest current year depreciation item, although depreciation of property acquired in prior years continued to account for most of the deduction [8].

### Balance Sheet

#### Assets

For 1991, year-end net growth in the book value of total assets reported on corporation income tax returns was up slightly from 1990. The 4.6 percent increase, from \$18.2 trillion to \$19.0 trillion, represents a small increase over the 1990 growth rate of 3.1 percent, the lowest in over a decade. The increases in total assets for 1989 and 1988, for comparison purposes, were 7.0 and 8.1 percents, respectively.

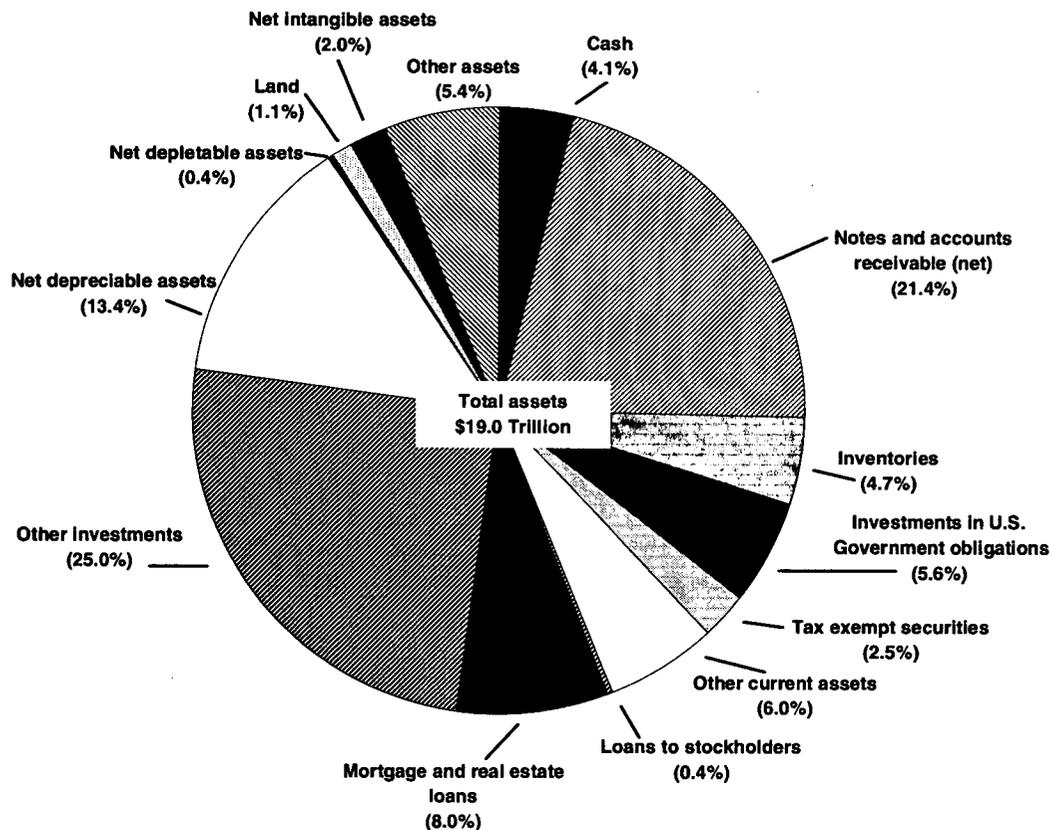
The largest increase in total assets occurred in finance, insurance, and real estate, which accounted for almost two-thirds of the difference between 1991 and 1990. The finance division alone accounted for 56.7 percent of the total assets reported by all corporations for 1991. Corporations classified in finance, insurance, and real estate reported \$10.8 trillion in total assets, compared with \$10.2 trillion for 1990. Within finance, insurance, and real estate, "holding and other investment companies (except bank holding companies)" accounted for the largest portion of the increase in total assets (23.8 percent) over 1990, with assets totaling \$1.8 trillion at year end. Within this group, the total assets of regulated investment companies increased by 24.0 percent to \$1.5 trillion, which seems to reflect the continued popularity of mutual funds among small investors. Insurance companies also contributed to the increase in the finance division, with assets up by 11.3 percent to \$2.4 trillion.

The largest asset accounts on the tax return balance sheet were for "other investments" (\$4.7 trillion), notes and accounts receivable net of the allowance for bad debts (\$4.1 trillion), and net depreciable assets (\$2.5 trillion)(Figure F). For 1991, "other investments" were up

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**Figure F**

**Total Assets by Type of Account, Tax Year 1991**



NOTES: Asset accounts are listed in the order in which they appear on the corporation income tax return balance sheet, starting with "Cash."

by \$0.6 trillion, with "holding and other investment companies (except bank holding companies)," especially regulated investment companies, accounting for a large part of the increase. This gain was most likely due to the increased valuation of securities from a strong market, as well as a growth in the number of both investors and funds [9]. "Other investments" surpassed net notes and accounts receivable as the largest asset account for the first time in over a decade, as receivables declined by \$11.2 billion. The decline in receivables was particularly evident among manufacturers, especially manufacturers of motor vehicles and equipment. Total assets for motor vehicle manufacturers declined in 1991, perhaps reflecting intensified competition and declining sales, receipts, and profitability [10].

Intangible assets decreased for the first time in over a decade by 0.3 percent to \$489.8 billion for 1991. This decline followed a decreased rate of growth in these assets that began with 1989 (Figure G). These assets, which include the acquisition costs of goodwill, trademarks, copyrights and like assets, tend to increase during periods when there is a high level of mergers and acquisitions. The lower level for 1991 may signify a decline in corporate merger activity [11].

### Liabilities

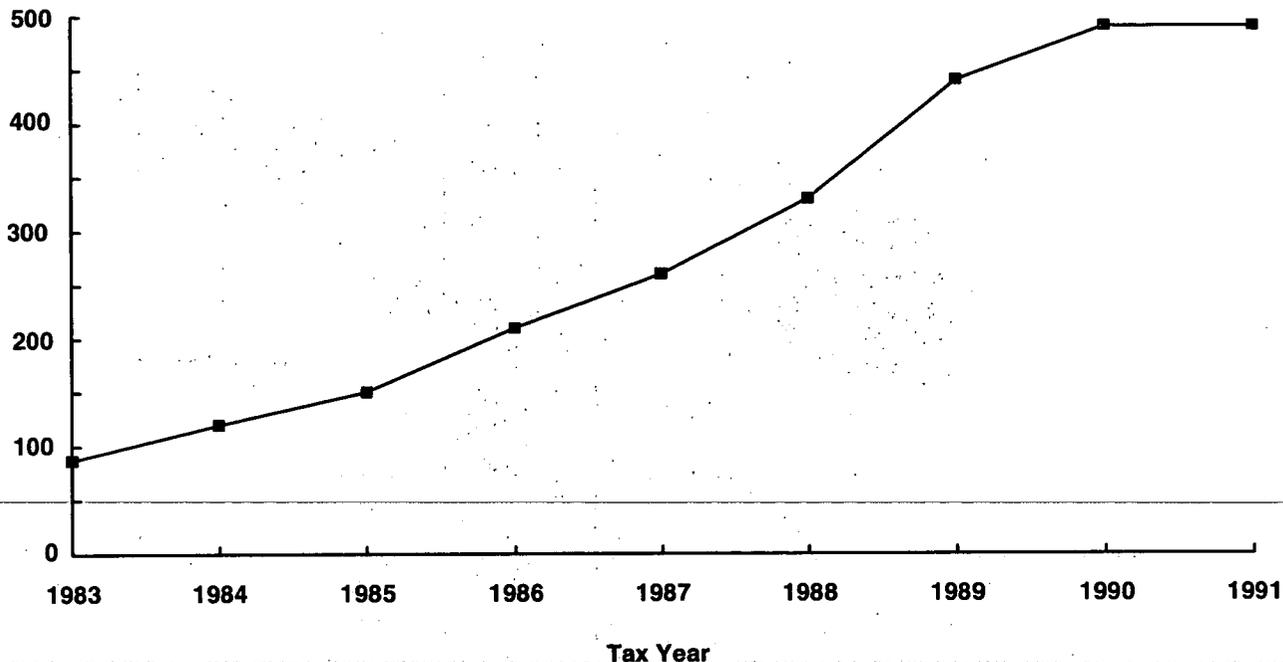
Due in part to a change in the statistical treatment of liabilities whereby accounts payable became the largest account for some banking and savings and loan institutions instead of "other current liabilities," accounts

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**Figure G**

## Gross Intangible Assets, Tax Years 1983-1991

Billions of Dollars



NOTE: Excludes Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations.

payable showed the largest relative increase of all the liability accounts [12]. The 53.6 percent gain brought the total for accounts payable to \$1.7 trillion. The largest portion of the gain was reported by bank holding companies whose accounts payable increased in the aggregate by \$371.6 billion to \$443.6 billion. Insurance companies accounted for the large increase in "other liabilities." In contrast, "other liabilities" as a whole increased by 11.9 percent.

"Other current liabilities," which includes most of the deposits and withdrawable shares of banking and savings institutions, continued to be the largest account on the liabilities side of the balance sheet (Figure H). This account decreased slightly to \$4.9 trillion, 6.6 percent less than 1990, due in part to the change in statistical treatment of liabilities. Short-term debt, which includes accounts payable and "other current liabilities," along with short-term mortgages, notes, and bonds payable, decreased slightly as well, by 0.7 percent, to \$8.0 trillion. Long-term debt, which includes "other liabilities", along with bonds, notes and mortgages payable in 1 year or more and loans

from stockholders, increased \$358.7 billion to \$5.7 trillion. By comparison, long-term debt increased only \$146.6 billion for 1990.

Along with the changes in intangible assets, another possible indicator of the diminished merger activity is the slowing of the growth rate for cost of treasury stock. Cost of treasury stock is the financial account where the purchase of a corporation's own stock is recorded. The amount reported for all corporations was \$1.2 trillion, up by 8.6 percent from 1990. However, during the 1980's, the growth rate of cost of treasury stock averaged about 35 percent (tapering off in the later part of the decade). Contributing to this high growth rate, corporations in the 80's likely felt the threat of hostile takeovers and increased control of their equity by repurchasing their stock [13].

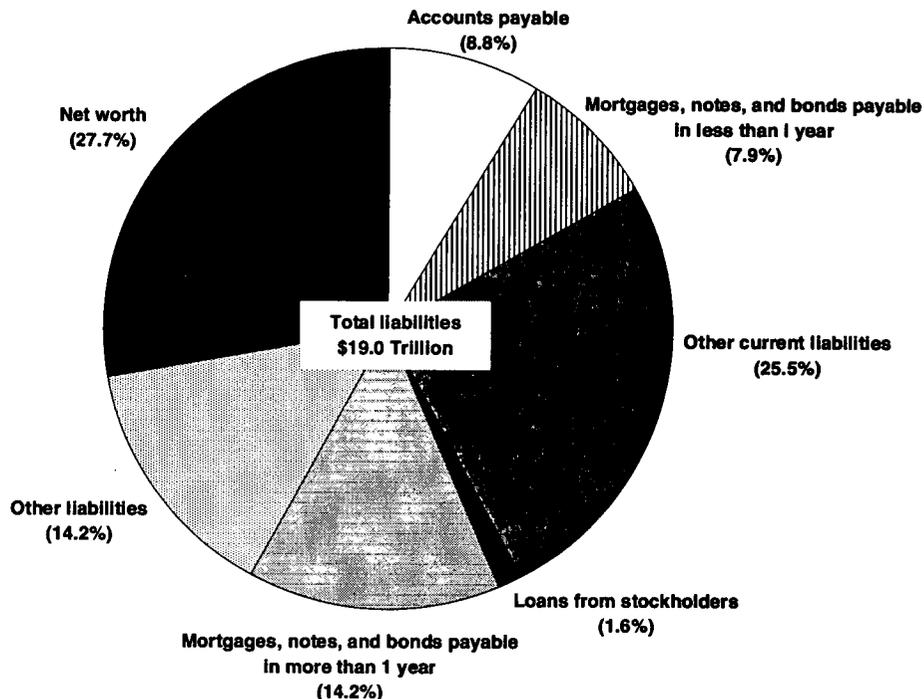
### Income Tax and Tax Credits

Positive net income amounted to \$535.8 billion for 1991. Reflecting the slight decline in positive net income from 1990 to 1991, "income subject to tax" (the term used to describe the corporate regular tax base for the statistics)

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**Figure H**

**Total Liabilities by Type of Account, Tax Year 1991**



**NOTES:** Liability accounts and net worth are listed in the order in which they appear on the corporation income tax return balance sheet, starting with "Accounts payable." Net worth represents the stockholders' equity in the corporation. In the statistics, net worth is the sum of capital stock, paid-in or capital surplus, and retained earnings, less the cost of treasury stock. Detail may not add to total because of rounding.

declined 4.5 percent to \$350.0 billion for 1991 (Figure I). For most corporations, income subject to tax was equal to net income minus certain "statutory special deductions" [14].

Total statutory special deductions increased for 1991 by 2.7 percent to \$122.6 billion, after allowing for a change in its definition to facilitate comparison with 1990 [15]. The largest of these special deductions for 1991 was for dividends paid by regulated investment companies and, to a lesser extent, by real estate investment trusts. These deductions increased \$344.1 million to \$68.4 billion for 1991, compared with an increase of \$755.5 million for 1990.

The second largest special deduction was the net operating loss deduction or NOLD. The NOLD, for purposes of the statistics, represents certain prior-year losses carried forward and applied against current-year net income [16]. For 1991, the NOLD increased by 7.1

percent, from \$38.4 billion to \$41.2 billion. The increase was especially noticeable in banking and insurance companies. The increases for these industrial groups may reflect the increase in net income from which NOLD could be subtracted. For other industrial groups, the increase in the NOLD may only reflect an increase in prior-year losses that became eligible for carryforward.

The third biggest component of the special deductions was for intercorporate dividends received. This deduction increased from Tax Year 1990 levels, by 1.4 percent, to \$12.6 billion, reflecting an increase in dividends received from certain Foreign Sales Corporations (\$3.9 billion for 1991) and intercorporate dividends received. The largest increases in intercorporate dividends received were reported by corporations classified in manufacturing, particularly in food and kindred products and instruments and related products, followed by those classified in transportation and public utilities.

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**Figure I**

**Selected Tax and Tax Credit Items, Tax Years 1990 and 1991**

[Money amounts are in thousands of dollars]

Item	1990	1991	Percentage increase
	(1)	(2)	(3)
Income subject to tax, total.....	366,352,857	350,009,712	-4.5
Income tax, total <sup>1</sup> .....	128,185,666	121,121,231	-5.5
Regular tax.....	119,434,430	116,275,308	-2.7
Personal Holding Company tax <sup>2</sup> .....	12,126	14,764	21.8
Tax from recapture of investment and low-income housing credits <sup>2</sup> .....	126,601	72,786	-42.5
Alternative minimum tax <sup>2</sup> .....	8,104,269	5,320,587	-34.4
Environmental tax <sup>2</sup> .....	520,167	479,288	-7.9
Tax credits, total.....	31,782,567	28,554,911	-10.2
Foreign tax credit.....	24,989,922	21,096,940	-15.6
U.S. possessions credit.....	3,194,481	3,472,330	8.7
Orphan drug credit.....	15,637	18,475	18.1
Nonconventional fuel source credit.....	81,790	244,732	199.2
General business credit.....	2,833,701	2,206,371	-22.1
Prior-year minimum tax credit.....	667,036	1,516,063	127.3
Total income tax after credits.....	96,403,099	92,568,319	-4.0

<sup>1</sup>Includes certain other taxes, not shown below.

<sup>2</sup>For purposes of the statistics, this tax is included in both income tax before and after credits. By law, tax credits can only offset regular tax.

Note: Detail may not add to totals because of rounding.

Mainly as a result of the decline in income subject to tax, the regular income tax (before credits) dropped from \$119.4 billion to \$116.3 billion [17]. Total income tax before credits, which for Statistics of Income also includes such additional taxes as alternative minimum tax and environmental tax (see Figure I), decreased from \$128.2 billion to \$121.1 billion. Sixty-four percent of the decrease was due to manufacturers, with petroleum and coal products reporting the largest decrease.

Alternative minimum tax (AMT) decreased for the first time since its enactment in 1986, dropping by 34.4 percent from 1990 to \$5.3 billion. Manufacturing's share dropped from 42.2 percent to 35.6 percent, due in large part to manufacturers of motor vehicles and equipment. These corporations reported \$936.7 million for 1990, compared to \$30.4 million for 1991. Paper and allied products, petroleum and coal products, nonelectrical machinery, and electrical and electronic equipment each accounted for between 11 and 13 percent of the 1991 total for manufacturers. The main reason AMT decreased between 1990 and 1991 can be traced to one of the components of the AMT income base, known as the adjusted current earnings (ACE) adjustment. The calculation of ACE included special depreciation rules on certain property that contributed more to the ACE for the first year in which it applied. Therefore, the resulting ACE adjustment for 1990 was

about twice that reported for 1991, and it increased the size of "alternative minimum taxable income," and consequently, the AMT for 1990.

In determining the income tax due the U.S. Government, the regular tax was reduced by tax credits. The foreign tax credit continued to be the largest credit. For the first time since 1988 (and not since 1982 before then), the foreign tax credit decreased to \$21.1 billion for 1991. The decrease was concentrated among manufacturers, especially those producing nonelectrical machinery and motor vehicles and equipment.

The "general business credit" continued to decline, from \$2.8 billion to \$2.2 billion, reflecting changes instituted by TRA. The "investment credit," the largest component of the general business credit, was rescinded by TRA, but with exceptions that included the carryover of a gradually diminishing portion of unused credits accumulated for years prior to TRA. TRA also reduced the maximum amount of tax against which the general business credit could be applied.

The "prior-year minimum tax credit" for 1991 more than doubled to \$1.5 billion. Corporations that reported an AMT for prior years could elect to take a credit based on that AMT (subject to certain limitations) against regular tax liability, but not against their current year AMT liability. The increase for 1991, therefore, was consistent with the decline in AMT, as the credit was most likely taken by companies that reported AMT for prior tax years but not for 1991 (and they were also liable for the regular income tax for 1991). Most of the increase in this credit was due to a growth in the amounts claimed by insurance companies, which increased \$54.8 million to \$297.9 million. This was consistent with the \$216.8 million decline in the AMT reported by insurers, to \$669.8 million.

Total income tax after credits, the amount actually owed the Federal Government, decreased from \$96.4 billion for Tax Year 1990 to \$92.6 billion for Tax Year 1991. This was the first such decline since 1985.

## Summary

The number of returns filed for Tax Year 1991 increased 2.3 percent. This increase was echoed by increases in all other return types. The number increased in each industrial division except mining and manufacturing.

Corporate pre-tax profits decreased for the third year in a row, dropping 7 percent to \$344.9 billion. Losses reported by corporations without net income continued to increase, growing from \$181.9 billion to 190.9 billion.

As positive net income declined, so did income subject to tax, the tax base tabulated for Statistics of Income.

# Corporation Income Tax Returns, 1991

Income subject to tax decreased from \$366.4 billion to \$350.0 billion, resulting in the drop in regular income tax (before credits) from \$119.4 billion to \$116.3 billion. Since AMT also decreased substantially, the total tax after credits declined as well, to \$92.6 billion, compared to \$96.4 billion for 1990.

## Data Sources and Limitations

Data for Tax Year 1991 are based on a sample of corporation income tax returns with accounting periods ended July 1991 through June 1992. These returns represented domestic corporations filing Form 1120 or 1120-A (short form); foreign corporations with income "effectively connected" with a U.S. business filing Form 1120F; life insurance companies filing Form 1120L; property and casualty insurance companies filing Form 1120-PC; S Corporations filing Form 1120S; regulated investment companies filing Form 1120-RIC; and real estate investment trusts filing Form 1120-REIT. For purposes of the 1991 statistics, Forms 1120 IC-DISC filed by certain Domestic International Sales Corporations and Forms 1120-FSC filed by Foreign Sales Corporations were excluded. The 1987 revisions to the Standard Industrial Classification are not reflected in the industry statistics.

The data were estimated based on a stratified probability sample of approximately 81,900 corporation income tax returns drawn to represent the 3,803,000 returns filed for Tax Year 1991. The sample was selected after admin-

istrative processing was complete, but before any audit examination, and was stratified based on combinations of net income and total assets at rates ranging from 0.30 percent to 100 percent.

Because the data are based on a sample, they are subject to sampling error. In order to use the statistics properly, the magnitude of the sampling error, measured by the standard error, should be taken into account. The table below contains the standard errors corresponding to the estimated number of returns for each of the categories (Figure J).

## Notes and References

- [1] For 1988, the number of returns declined for the first time since the end of World War II. This decline was prompted by the Tax Reform Act of 1986, which caused some companies to be represented in the 1987 statistics twice, both by a part-year return and a full-year return, each with an accounting period that ended during the span of months July 1987 through June 1988 (the accounting periods comprising Tax Year 1987 for which statistics are presented).

The unusually large number of part-year returns filed for Tax Year 1987, in turn, led to an unusually large increase in the total number of returns for the year. The increase in part-year returns was due to many S Corporations (and Personal Service Corporations)

**Figure J**

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

Industrial division	Total	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, forestry, and fishing.....	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 and public utilities.....	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, and 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.

## Corporation Income Tax Returns, 1991

having to change their accounting periods from a non-calendar year to a calendar year as required by the 1986 Act. In addition, other corporations changed to S Corporation status in order to take advantage of the lower individual income tax rates that applied to S Corporation profits (which are taxed through shareholders) allowed under the Act; some of these companies also had to file part-year returns if they were not already using the required calendar accounting period.

Thus, since the increase in returns for Tax Year 1987 was followed by a decline for 1988, the upsurge for the one year (1987) was an anomaly. The increases recorded for Tax Years 1989 and 1990 are only significant in that they reflect a return to the more gradual upward trend in filings that previously existed.

- [2] Starting with Tax Year 1987, statistics for net income or deficit, as well as for receipts and deductions, of S Corporations are limited to those derived from a trade or business. Investment or portfolio income (or loss), such as interest, dividends, rents, royalties and gain (loss) from sales of investment property, and the deductions related to this income, were not tabulated. Therefore, the overall statistics for receipts, deductions, and net income or deficit are slightly understated. (S Corporation net income or deficit from investment or portfolio income is allocated directly to shareholders for taxation.)
- [3] Filas, Gregory P., "Petroleum Refining," *1993 U.S. Industrial Outlook* (U.S. Department of Commerce, International Trade Administration, January 1993), p. 4-3.
- [4] See footnote 2 above.
- [5] One reason for the decline may concern the calculation of total receipts. For 1990, net long-term capital gains were included in the total receipts computation, while for 1991 such gains were excluded. If the net long-term capital gains were included in the calculation, total receipts would increase by \$12.9 billion. However, this would only have caused the percentage increase from 1990 to rise from 0.27 to 0.35 percent.
- [6] The preferential "alternative tax" rate on net long-term capital gains (reduced by net short-term capital losses) was repealed by the Tax Reform Act of 1986 for tax years that began on or after July 1, 1987, effectively taxing corporate capital gains at the regular corporate tax rates. (Also, because they were

no longer given preferential tax treatment, these gains were exempted from the "alternative minimum tax" on "tax preference" items.)

- [7] Candilis, Wray O., "Savings Institutions," *1993 U.S. Industrial Outlook* (U.S. Department of Commerce, International Trade Administration, January 1993), p. 45-1.
- [8] 1991 Corporation unpublished data.
- [9] Muir, S. Cassin, "Mutual Funds," *1993 U.S. Industrial Outlook* (U.S. Department of Commerce, International Trade Administration, January 1993), p. 48-1.
- [10] Miller, Randall and West, Heather, "Motor Vehicles and Parts," *1993 U.S. Industrial Outlook*, (U.S. Department of Commerce, International Trade Administration, January 1993), p. 35-3.
- [11] *Mergers & Acquisitions, 1991 Almanac and Index*, May/June 1990, Volume 25, Number 6.
- [12] In 1991, the statistical treatment of accounts payable and "other current liabilities" for banking and savings and loan associations was modified, resulting in a substantial increase in accounts payable and a corresponding decrease in "other current liabilities" compared to 1990. The amounts involved represented investors' deposits and withdrawable shares. For additional information, see *Statistics of Income -- 1991, Corporation Income Tax Returns*.
- [13] The behavior of a corporation reacquiring its stock to ward off hostile takeovers is well documented in financial literature. There are other possibilities for this behavior, one of which is to support the stock's price given its current value and management's expectations for its future value. For a discussion on this topic, see "Share Repurchases," *The Economist*, July 2, 1994, Vol. 332, No. 7870, pp. 70-71.
- [14] For 1991, statutory special deductions include the following: several dividends received deductions; the deduction for dividends paid on certain preferred stock of public utilities; the deduction for dividends paid by regulated investment companies and real estate investment trusts; the section 857 deduction for taxes paid by real estate investment trusts; and the deduction for small life insurance companies.
- [15] For 1990, the capital gains dividends deduction applicable to regulated investment companies (\$3.6 billion) was included in total statutory special de-

## Corporation Income Tax Returns, 1991

ductions (\$122.9 billion) because it was used to offset the long-term capital gain income reported for regulated investment companies (\$7.5 billion). However, for 1991, both the long-term capital gain for regulated investment companies (\$12.8 billion) and the corresponding capital gains dividends deduction (\$12.7 billion) were excluded from the statistics. To compare the 1991 total statutory special deductions to the 1990 amount for this article, the 1990 amount was adjusted to exclude the capital gains dividends deduction (\$119.3 billion).

[16] In general, a deductible "net operating loss" must

first be carried back for a period of 3 years; only the remainder is carried forward from subsequent years to be claimed as a deduction. Carryback adjustments from future tax years could not be shown on the tax returns used for the 1991 statistics and no attempt was made to obtain them at a later date.

[17] Regular tax is the tax based on the regular corporate tax rates applied to "income subject to tax" before all tax credits. The applicable credits are foreign tax credit, U.S. possessions tax credit, orphan drug credit, research credit, nonconventional fuel source sales or production credit, general business credit, and prior-year minimum tax credit.

# Corporation Income Tax Returns, 1991

**Table 1.--Selected Balance Sheet, Income Statement, and Tax Items, by Industrial Division and Asset Size<sup>1</sup>**

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

Item, industrial division	Total	Zero assets <sup>2</sup>	\$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>ALL INDUSTRIES<sup>3</sup></b>						
Number of returns.....	3,802,788	213,340	1,963,525	629,829	376,585	258,942
Total assets.....	19,029,508,839	--	60,831,833	102,269,942	133,398,224	183,078,016
Total receipts.....	11,436,474,767	171,630,701	343,585,144	313,008,384	326,731,486	397,472,192
Business receipts.....	9,965,628,799	103,002,307	336,589,796	306,704,640	319,681,772	387,917,237
Interest paid.....	735,721,055	48,552,641	2,920,665	3,625,766	4,407,496	5,850,103
Net income (less deficit).....	344,859,794	949,507	120,968	1,325,272	1,218,923	2,284,334
Total income tax <sup>4</sup> .....	121,121,231	1,362,849	322,162	561,866	771,038	1,003,751
Income tax after credits <sup>4</sup> .....	92,566,319	1,107,434	312,345	544,730	750,558	968,512
Net worth.....	5,276,485,550	--	-11,741,617	22,616,983	35,700,935	55,721,333
<b>AGRICULTURE, FORESTRY, AND FISHING</b>						
Number of returns.....	129,886	5,466	54,539	24,234	19,098	15,109
Total assets.....	67,756,553	--	1,858,927	4,125,595	6,817,300	10,718,344
Total receipts.....	85,945,700	614,175	6,868,833	6,749,297	10,416,224	10,675,750
Business receipts.....	80,981,260	481,545	6,654,849	6,431,862	9,770,007	9,918,472
Interest paid.....	2,634,724	37,268	100,783	202,411	260,196	386,322
Net income (less deficit).....	625,656	15,808	10,255	-72,603	25,396	118,845
Total income tax <sup>4</sup> .....	520,185	12,637	16,118	19,014	38,437	44,110
Income tax after credits <sup>4</sup> .....	473,493	12,637	15,537	17,824	37,025	42,854
Net worth.....	22,769,981	--	-395,030	752,817	2,459,245	4,873,642
<b>MINING</b>						
Number of returns.....	39,199	2,567	17,877	6,178	4,091	3,576
Total assets.....	212,962,835	--	519,506	910,005	1,457,485	2,467,152
Total receipts.....	103,286,287	806,808	1,034,785	1,650,578	1,863,146	3,749,136
Business receipts.....	90,512,940	645,903	905,915	1,596,031	1,768,208	3,546,523
Interest paid.....	6,315,413	63,989	23,268	47,231	35,738	103,757
Net income (less deficit).....	4,001,356	30,683	6,388	-30,352	-64,957	23,559
Total income tax <sup>4</sup> .....	1,814,367	11,647	7,134	209	7,708	10,811
Income tax after credits <sup>4</sup> .....	1,041,082	6,381	7,134	209	7,433	10,283
Net worth.....	106,585,141	--	-567,627	-216,911	-1,525,117	784,594
<b>CONSTRUCTION</b>						
Number of returns.....	416,987	16,601	225,018	70,180	42,695	29,086
Total assets.....	243,035,939	--	6,849,213	11,721,792	15,034,975	20,502,232
Total receipts.....	515,128,533	3,314,971	46,037,001	47,016,230	44,670,946	50,410,692
Business receipts.....	502,691,224	3,013,920	45,716,569	46,672,971	44,111,527	49,670,384
Interest paid.....	6,984,942	41,494	386,000	401,359	450,865	544,925
Net income (less deficit).....	6,103,605	-4,679	607,930	181,596	91,754	331,005
Total income tax <sup>4</sup> .....	2,008,680	4,620	45,813	73,715	83,628	131,905
Income tax after credits <sup>4</sup> .....	1,722,422	4,451	45,282	72,445	81,324	120,648
Net worth.....	70,666,636	--	-73,294	3,575,710	5,057,365	7,083,938
<b>MANUFACTURING</b>						
Number of returns.....	300,122	13,229	110,087	48,200	36,875	31,002
Total assets.....	4,028,360,038	--	3,818,746	7,866,983	13,250,568	21,966,740
Total receipts.....	3,658,501,307	15,548,651	21,584,514	24,860,989	33,329,767	52,558,920
Business receipts.....	3,409,490,090	14,566,634	21,266,005	24,328,118	32,844,031	51,843,537
Interest paid.....	145,611,955	648,285	212,397	297,178	485,238	752,385
Net income (less deficit).....	132,269,225	77,882	-365,493	-202,686	-186,352	254,546
Total income tax <sup>4</sup> .....	53,891,094	288,848	24,188	52,495	115,098	155,212
Income tax after credits <sup>4</sup> .....	32,104,071	54,211	23,743	44,207	111,778	149,142
Net worth.....	1,481,203,474	--	-874,199	1,249,033	3,005,659	7,780,182

Footnotes at end of table.

# Corporation Income Tax Returns, 1991

**Table 1.—Selected Balance Sheet, Income Statement, and Tax Items, by Industrial Division and Asset Size<sup>1</sup>--Continued**

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

Item, industrial division	\$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)
<b>ALL INDUSTRIES <sup>2</sup></b>							
Number of returns.....	267,503	37,995	24,631	11,009	7,516	5,982	5,933
Total assets.....	558,017,320	264,101,157	383,658,181	389,027,738	533,131,086	962,808,364	15,459,186,978
Total receipts.....	1,174,352,977	497,549,938	563,361,101	393,954,387	393,687,262	591,529,448	6,269,611,748
Business receipts.....	1,143,701,710	481,882,989	541,251,453	357,123,866	357,123,866	518,839,952	5,100,178,001
Interest paid.....	18,974,847	8,552,703	12,834,920	13,777,878	19,716,329	35,076,225	561,431,481
Net income (less deficit).....	7,988,035	4,674,078	6,704,013	7,161,796	8,230,729	18,512,359	285,689,781
Total income tax <sup>4</sup> .....	3,614,825	2,041,996	3,047,017	3,227,426	3,690,175	7,373,147	94,104,978
Income tax after credits <sup>4</sup> .....	3,458,630	1,935,290	2,819,044	2,915,160	3,266,933	6,075,433	68,412,250
Net worth.....	157,223,914	77,461,813	114,173,351	112,606,800	150,212,245	308,246,772	4,254,263,021
<b>AGRICULTURE, FORESTRY, AND FISHING</b>							
Number of returns.....	10,291	636	316	110	52	24	12
Total assets.....	18,665,630	4,380,985	4,860,527	3,895,042	3,765,090	3,924,818	4,744,293
Total receipts.....	19,825,842	5,400,772	5,260,286	5,317,040	4,836,649	4,952,464	5,028,367
Business receipts.....	18,504,470	5,067,062	4,992,505	5,133,434	4,642,884	4,626,624	4,757,547
Interest paid.....	729,742	167,857	201,163	140,418	109,839	170,682	128,044
Net income (less deficit).....	143,533	99,315	316	73,511	-61,822	67,212	205,889
Total income tax <sup>4</sup> .....	112,223	40,831	32,137	52,714	23,486	33,708	94,770
Income tax after credits <sup>4</sup> .....	108,207	39,430	29,778	50,804	22,745	32,332	64,320
Net worth.....	6,308,473	1,323,654	1,527,438	1,292,053	1,052,481	1,373,482	2,201,725
<b>MINING</b>							
Number of returns.....	3,290	693	450	186	113	80	97
Total assets.....	6,739,841	4,876,693	6,919,073	6,750,958	8,110,122	13,686,827	160,525,173
Total receipts.....	7,404,659	3,699,109	5,862,239	4,222,063	4,953,505	8,147,695	59,892,565
Business receipts.....	6,584,520	3,266,080	5,326,945	3,784,188	4,326,899	7,144,145	51,617,582
Interest paid.....	186,198	125,517	181,570	156,137	209,397	431,637	4,750,974
Net income (less deficit).....	288,611	-9,927	-5,542	-63,446	21,781	186,072	3,618,487
Total income tax <sup>4</sup> .....	59,442	31,260	50,289	53,094	57,971	173,833	1,350,969
Income tax after credits <sup>4</sup> .....	54,790	28,449	44,929	50,088	53,306	100,777	677,302
Net worth.....	705,063	1,679,168	3,123,478	3,157,827	3,713,394	6,703,153	89,028,118
<b>CONSTRUCTION</b>							
Number of returns.....	28,000	3,314	1,476	348	155	71	43
Total assets.....	57,302,073	22,705,473	22,168,428	12,031,637	12,505,546	11,354,233	50,860,335
Total receipts.....	127,115,811	47,715,518	44,501,466	21,492,836	19,089,247	17,157,203	46,606,613
Business receipts.....	125,328,268	46,881,643	43,691,133	20,908,537	18,536,546	16,480,671	41,679,056
Interest paid.....	1,256,980	421,742	477,313	252,075	278,073	293,311	2,180,807
Net income (less deficit).....	1,290,340	709,451	634,810	347,849	166,167	227,337	1,520,046
Total income tax <sup>4</sup> .....	439,284	179,332	200,464	111,381	100,412	88,341	549,782
Income tax after credits <sup>4</sup> .....	404,586	167,648	191,210	103,319	98,401	83,507	349,602
Net worth.....	17,959,203	6,939,964	6,422,546	3,631,307	3,645,368	2,672,803	13,751,726
<b>MANUFACTURING</b>							
Number of returns.....	41,421	7,954	5,728	2,292	1,292	952	1,091
Total assets.....	91,520,253	55,786,640	89,369,052	79,953,430	91,336,836	172,063,411	3,401,427,379
Total receipts.....	204,126,833	108,014,593	160,240,975	123,824,351	128,379,753	205,641,254	2,580,390,708
Business receipts.....	200,997,532	106,303,266	157,537,441	121,212,643	125,210,267	196,821,181	2,356,559,433
Interest paid.....	3,097,732	1,782,716	2,810,905	2,607,321	3,126,038	6,510,388	123,281,374
Net income (less deficit).....	2,462,452	1,941,038	3,907,768	3,769,267	3,463,045	6,802,099	110,345,658
Total income tax <sup>4</sup> .....	878,933	628,435	1,169,085	1,327,359	1,456,576	3,339,617	44,455,249
Income tax after credits <sup>4</sup> .....	835,957	578,241	1,019,986	1,108,748	1,145,142	2,316,510	24,716,408
Net worth.....	33,659,050	21,915,797	36,538,221	32,333,636	37,240,956	64,149,296	1,244,205,842

Footnotes at end of table.

# Corporation Income Tax Returns, 1991

**Table 1.—Selected Balance Sheet, Income Statement, and Tax Items, by Industrial Division and Asset Size<sup>1</sup>—Continued**

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

Item, industrial division	Total	Zero assets <sup>2</sup>	\$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>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns.....	164,980	10,781	84,838	25,596	15,510	12,563
Total assets.....	1,573,824,265	--	2,797,616	4,094,269	5,487,448	8,900,446
Total receipts.....	954,944,592	4,233,762	20,638,117	13,361,065	16,004,294	23,625,441
Business receipts.....	897,131,837	3,730,739	20,338,741	13,090,335	15,721,933	23,062,540
Interest paid.....	59,686,545	248,347	167,429	191,724	253,798	377,655
Net income (less deficit).....	37,742,965	-27,070	-23,131	61,440	65,162	-63,546
Total income tax..... <sup>4</sup>	17,143,124	22,713	18,438	34,211	32,513	57,034
Income tax after credits..... <sup>4</sup>	15,793,417	22,653	18,438	33,222	29,777	54,819
Net worth.....	528,942,779	--	-595,210	581,742	980,838	1,188,864
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns.....	1,043,534	56,368	461,215	208,047	125,305	82,642
Total assets.....	1,483,427,907	--	17,550,547	33,864,777	44,688,679	58,345,378
Total receipts.....	3,380,598,972	64,491,183	100,251,345	136,086,826	149,890,073	182,296,807
Business receipts.....	3,291,367,866	62,851,078	99,112,554	134,665,819	148,073,697	179,681,557
Interest paid.....	61,081,388	703,646	779,264	1,218,493	1,496,251	1,912,342
Net income (less deficit).....	29,951,221	-703,561	-1,308,282	128,078	290,333	779,476
Total income tax..... <sup>4</sup>	13,227,114	104,827	60,427	177,607	260,548	292,031
Income tax after credits..... <sup>4</sup>	12,015,216	102,683	59,130	175,990	258,342	287,872
Net worth.....	374,844,301	--	-3,035,581	7,188,596	13,561,839	18,949,221
<b>FINANCE, INSURANCE, AND REAL ESTATE</b>						
Number of returns.....	617,557	41,612	278,161	100,305	66,213	47,945
Total assets.....	10,780,681,276	--	8,399,703	16,417,698	23,449,608	34,057,346
Total receipts.....	1,924,317,623	71,754,442	24,846,690	14,914,624	13,979,755	15,062,648
Business receipts.....	928,022,390	7,522,078	22,930,478	13,382,708	12,124,438	12,891,023
Interest paid.....	426,757,261	46,502,076	369,410	405,544	577,828	826,554
Net income (less deficit).....	124,545,504	1,754,791	-349,259	34,013	160,754	254,428
Total income tax..... <sup>4</sup>	27,281,531	858,680	51,834	67,987	111,011	117,577
Income tax after credits..... <sup>4</sup>	24,850,137	846,724	49,938	67,584	105,795	115,588
Net worth.....	2,513,553,034	--	-4,223,606	3,348,582	5,617,332	8,636,868
<b>SERVICES</b>						
Number of returns.....	1,061,657	60,181	713,925	144,675	65,506	36,720
Total assets.....	636,751,574	--	18,674,246	22,938,977	22,754,209	25,928,213
Total receipts.....	809,724,469	10,697,649	121,393,330	67,577,686	56,061,235	58,875,502
Business receipts.....	761,589,005	10,025,538	118,806,219	65,762,438	54,760,676	57,117,480
Interest paid.....	26,544,428	305,936	850,297	847,794	833,542	931,352
Net income (less deficit).....	9,769,891	-135,931	1,576,713	1,229,104	892,088	607,306
Total income tax..... <sup>4</sup>	5,230,030	58,518	97,887	135,835	122,081	195,070
Income tax after credits..... <sup>4</sup>	4,561,377	57,333	92,823	132,458	119,069	187,306
Net worth.....	177,668,039	--	-1,722,663	6,031,999	6,539,866	6,361,705

Footnotes at end of table.

# Corporation Income Tax Returns, 1991

**Table 1.--Selected Balance Sheet, Income Statement, and Tax Items, by Industrial Division and Asset Size<sup>1</sup>--Continued**

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

Item, industrial division	\$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)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>							
Number of returns.....	11,483	1,766	1,207	421	247	201	367
Total assets.....	24,143,421	12,316,288	18,493,273	15,055,963	17,363,807	31,601,736	1,433,569,997
Total receipts.....	51,485,690	19,082,016	22,889,348	17,798,991	16,184,999	26,925,192	722,715,678
Business receipts.....	50,353,103	18,462,464	21,944,008	16,874,562	15,243,327	24,835,603	673,474,481
Interest paid.....	1,071,389	561,423	761,001	680,213	854,518	1,889,008	52,630,039
Net income (less deficit).....	34,415	149,728	-23,859	148,450	-217,025	607,758	37,030,643
Total income tax <sup>4</sup> .....	205,470	157,340	171,422	183,056	158,130	440,398	15,662,399
Income tax after credits <sup>4</sup> .....	189,389	151,244	164,706	178,694	145,903	419,280	14,385,291
Net worth.....	4,720,196	2,493,816	4,710,644	2,923,211	3,045,176	5,368,463	503,525,040
<b>WHOLESALE AND RETAIL TRADE</b>							
Number of returns.....	89,398	11,288	5,902	1,670	765	496	439
Total assets.....	186,808,548	78,129,237	88,349,495	57,810,918	53,106,215	79,406,388	785,367,725
Total receipts.....	610,826,612	256,651,308	252,213,445	158,691,721	139,378,665	192,858,372	1,136,962,614
Business receipts.....	602,247,512	252,523,296	247,828,418	155,714,400	136,619,919	188,324,066	1,083,725,549
Interest paid.....	6,407,551	2,554,372	3,016,121	1,990,443	1,995,803	3,072,575	35,934,526
Net income (less deficit).....	3,007,561	1,918,700	2,156,427	1,511,663	1,601,762	1,132,018	19,437,046
Total income tax <sup>4</sup> .....	1,063,314	506,126	662,673	508,897	545,818	899,050	8,145,796
Income tax after credits <sup>4</sup> .....	1,050,616	495,723	638,338	482,564	521,453	854,359	7,088,146
Net worth.....	55,995,630	21,649,541	24,186,660	16,691,388	15,250,877	22,951,908	181,454,222
<b>FINANCE, INSURANCE, AND REAL ESTATE</b>							
Number of returns.....	50,730	8,309	7,277	5,073	4,446	3,844	3,642
Total assets.....	106,389,092	57,991,510	118,300,999	181,633,128	315,462,633	601,295,224	9,317,284,336
Total receipts.....	36,871,877	18,975,596	28,095,711	27,642,985	45,987,198	89,920,529	1,536,265,568
Business receipts.....	28,714,008	13,662,635	18,175,037	12,446,748	20,349,116	39,467,020	7,726,357,101
Interest paid.....	3,512,004	1,784,279	3,981,070	6,709,725	11,819,178	20,744,298	329,525,294
Net income (less deficit).....	-406,069	-405,649	-208,838	1,289,776	3,218,119	8,918,447	110,284,992
Total income tax <sup>4</sup> .....	415,975	269,443	455,400	684,016	1,045,713	1,945,358	21,258,537
Income tax after credits <sup>4</sup> .....	398,060	263,340	446,746	656,582	1,014,424	1,885,747	18,999,610
Net worth.....	23,470,138	15,855,431	28,821,025	45,012,125	78,918,838	190,371,952	2,117,724,350
<b>SERVICES</b>							
Number of returns.....	32,469	4,020	2,252	906	446	314	242
Total assets.....	65,672,431	27,841,217	34,863,728	31,714,249	31,480,837	49,475,727	305,407,740
Total receipts.....	115,746,910	37,944,987	44,146,825	34,726,724	34,877,247	45,926,738	181,749,635
Business receipts.....	110,055,546	35,651,506	41,620,595	32,446,206	32,194,907	41,140,642	162,007,252
Interest paid.....	2,702,969	1,154,286	1,399,027	1,230,991	1,323,484	1,964,327	13,000,422
Net income (less deficit).....	1,145,178	274,418	225,926	97,952	38,703	571,415	3,247,020
Total income tax <sup>4</sup> .....	438,705	229,229	303,696	306,623	302,069	452,842	2,587,476
Income tax after credits <sup>4</sup> .....	415,546	211,216	281,500	284,075	265,559	382,921	2,131,571
Net worth.....	14,266,909	5,586,722	8,708,495	7,522,140	7,345,155	14,655,714	102,371,998

<sup>1</sup>Excludes Foreign Sales Corporations (Form 1120-FSC) and Interest Charge Domestic International Sales Corporations (Form 1120 IC-DISC).

<sup>2</sup>Zero assets class includes returns of liquidating or dissolving corporations which had disposed of all assets, final returns of merging companies whose assets were included in the returns of the acquiring corporations, part-year returns (except those of newly incorporated businesses), returns of foreign corporations with income "effectively connected" with a U.S. trade or business (except foreign insurance businesses providing separate data for U.S. branches, assets for which are included in the appropriate size class).

<sup>3</sup>Includes "Nature of business not allowable," which is not shown separately.

<sup>4</sup>For purposes of the statistics, includes not only regular tax, but alternative minimum tax, tax from recapture of investment and low-income housing credits, and certain other taxes. By law, only regular tax could be reduced by tax credits.

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

# Corporation Income Tax Returns, 1991

**Table 2.—Selected Balance Sheet, Income Statement, and Tax Items, by Asset Size <sup>1</sup>**

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

Item	Total	Zero assets <sup>2</sup>	\$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.....</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	15,306,867	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 U.S. 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	2,217,676
Other investments.....	4,749,822,622	--	1,854,547	4,638,773	6,981,916	10,691,198
Depreciable assets.....	4,549,055,093	--	61,696,583	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.....	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 1 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 1 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
<b>Net worth.....</b>	<b>5,276,485,550</b>	<b>--</b>	<b>-11,741,617</b>	<b>22,616,983</b>	<b>35,700,935</b>	<b>55,721,333</b>
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.....	1,257,360,248	--	-21,092,913	5,052,447	11,627,582	20,493,428
Other retained earnings (Form 1120S).....	108,505,379	--	-19,604,334	-4,848,065	-534,383	5,180,096
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
Taxable interest.....	883,325,876	55,728,259	599,560	863,652	1,214,360	1,580,415
Tax-exempt interest on State and local Government obligations.....	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 less net long-term capital loss.....	13,742,293	134,120	60,678	30,617	33,163	90,035
Net long-term capital gain less 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

Footnotes at end of table.

# Corporation Income Tax Returns, 1991

**Table 2.—Selected Balance Sheet, Income Statement, and Tax Items, by Asset Size<sup>1</sup>—Continued**

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

Item	\$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)
<b>Number of returns.....</b>	<b>267,503</b>	<b>37,995</b>	<b>24,631</b>	<b>11,009</b>	<b>7,516</b>	<b>5,982</b>	<b>5,933</b>
<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
Investments in U.S. 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	6,631,238	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.....	11,252,284	6,092,099	11,078,878	11,910,057	16,269,472	33,702,665	385,370,398
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 1 year.....	88,192,405	43,798,027	51,389,668	35,620,329	39,689,020	60,411,150	1,124,662,751
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 1 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
Net worth.....	157,223,914	77,461,813	114,173,351	112,606,800	150,212,245	308,246,772	4,254,263,021
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.....	34,306,328	7,111,991	9,870,477	12,187,916	18,628,151	41,778,546	1,117,396,294
Other retained earnings (Form 1120S)....	34,977,009	22,489,436	28,044,812	15,485,581	12,108,397	10,071,380	5,135,450
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>393,687,262</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
Taxable interest.....	4,738,504	2,632,155	6,768,555	11,869,956	21,713,594	41,418,695	734,198,171
Tax-exempt interest on State and local Government obligations.....	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 less 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 less 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

Footnotes at end of table.

# Corporation Income Tax Returns, 1991

## Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by Asset Size <sup>1</sup>--Continued

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

Item	Total	Zero assets <sup>2</sup>	\$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>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	2,834,793	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 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
<b>Net income (less deficit)</b> .....	<b>344,859,794</b>	<b>949,507</b>	<b>120,968</b>	<b>1,325,272</b>	<b>1,218,923</b>	<b>2,284,334</b>
Net income (less deficit), Form 1120A.....	-381,048	-42,032	-275,187	-48,106	-15,723	--
Net income (less deficit), Form 1120F.....	217,814	217,814	--	--	--	--
Net income (less deficit), Form 1120S <sup>3</sup> .....	29,074,913	-225,292	3,147,260	1,517,778	1,113,276	1,245,314
Net income.....	535,816,622	9,909,869	14,048,610	10,296,998	9,805,438	10,901,286
Deficit.....	190,956,827	8,960,362	13,927,643	8,971,726	8,586,515	8,616,953
<b>Statutory special deductions, total</b> ..... <sup>4</sup>	<b>122,575,062</b>	<b>3,835,632</b>	<b>1,680,992</b>	<b>1,562,463</b>	<b>1,227,484</b>	<b>1,407,176</b>
Net operating loss deduction.....	41,152,433	3,334,760	1,876,804	1,530,894	1,142,695	1,330,740
Dividends received deduction.....	12,614,637	42,016	3,731	30,153	58,087	63,988
Public utility dividends paid deduction.....	45,015	--	*14	--	--	--
<b>Income subject to tax</b> ..... <sup>5</sup>	<b>350,009,712</b>	<b>4,608,532</b>	<b>1,965,682</b>	<b>3,259,536</b>	<b>3,888,191</b>	<b>4,577,770</b>
<b>Income tax before credits, total</b> ..... <sup>6</sup>	<b>121,121,231</b>	<b>1,362,849</b>	<b>322,162</b>	<b>561,866</b>	<b>771,038</b>	<b>1,003,751</b>
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	*1033
Tax from recapture of investment and low-income housing credits.....	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	*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.....	2,206,371	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.

# Corporation Income Tax Returns, 1991

**Table 2.--Selected Balance Sheet, Income Statement, and Tax Items, by Asset Size <sup>1</sup>--Continued**

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

Item	\$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)
<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 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 re- lated foreign corporations.....	29,502	*20,662	48,050	115,725	151,633	906,809	30,525,893
<b>Net income (less deficit)</b> .....	<b>7,988,035</b>	<b>4,674,078</b>	<b>6,704,013</b>	<b>7,161,796</b>	<b>8,230,729</b>	<b>18,512,359</b>	<b>285,689,781</b>
Net income (less deficit), Form 1120A.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120F.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120S <sup>3</sup> .....	6,606,272	3,444,513	4,935,011	2,831,132	2,253,501	1,853,862	352,285
Net income.....	30,202,440	13,920,979	18,663,696	15,611,242	16,903,642	31,467,806	354,084,615
Deficit.....	22,214,405	9,246,901	11,959,683	8,449,446	8,672,912	12,955,447	68,394,834
<b>Statutory special deductions, total<sup>4</sup></b> .....	<b>3,181,531</b>	<b>1,717,588</b>	<b>2,352,897</b>	<b>2,541,550</b>	<b>3,517,355</b>	<b>9,151,223</b>	<b>90,199,170</b>
Net operating loss deduction.....	2,700,208	1,329,604	1,631,304	1,397,480	1,420,346	2,724,524	20,733,073
Dividends received deduction.....	301,915	185,143	218,067	269,936	311,829	731,928	10,397,844
Public utility dividends paid deduction.....	--	--	*34	*712	623	92	43,540
<b>Income subject to tax<sup>5</sup></b> .....	<b>11,859,370</b>	<b>5,935,347</b>	<b>8,690,360</b>	<b>9,145,163</b>	<b>10,440,637</b>	<b>20,327,939</b>	<b>265,311,186</b>
<b>Income tax before credits, total<sup>6</sup></b> .....	<b>3,614,825</b>	<b>2,041,996</b>	<b>3,047,017</b>	<b>3,227,426</b>	<b>3,690,175</b>	<b>7,373,147</b>	<b>94,104,978</b>
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
Tax from recapture of investment and low-income housing credits.....	*91	*137	1,024	942	146	199	70,138
Alternative minimum tax.....	156,644	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	56,617	52,009	68,167	136,269	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>3,458,630</b>	<b>1,935,29</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 was based.

<sup>1</sup> Excludes Foreign Sales Corporations (Form 1120-FSC) and Interest-Charge Domestic International Sales Corporations (Form 1120-IC-DISC).

<sup>2</sup> Zero assets class includes returns of liquidating or dissolving corporations which had disposed of all assets, final returns of merging companies whose assets were included in the returns of the acquiring corporations, part-year returns (except those of newly incorporated businesses), returns of foreign corporations with income "effectively connected" with a U.S. trade or business (except foreign insurance businesses providing separate data for U.S. branches, assets for which are included in the appropriate size class).

<sup>3</sup> Net income of S Corporations was taxed (with few exceptions) through shareholders. Therefore, the net income of these corporations was excluded from income subject to tax.

<sup>4</sup> Also includes deductions for dividends paid allowed regulated investment companies and real estate investment trusts. These deductions are not shown separately.

<sup>5</sup> See footnote 3.

<sup>6</sup> For purposes of the statistics, all of the taxes shown below, plus certain others not shown, are included in both income tax before and after credits. By law, tax credits could only offset regular tax.

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