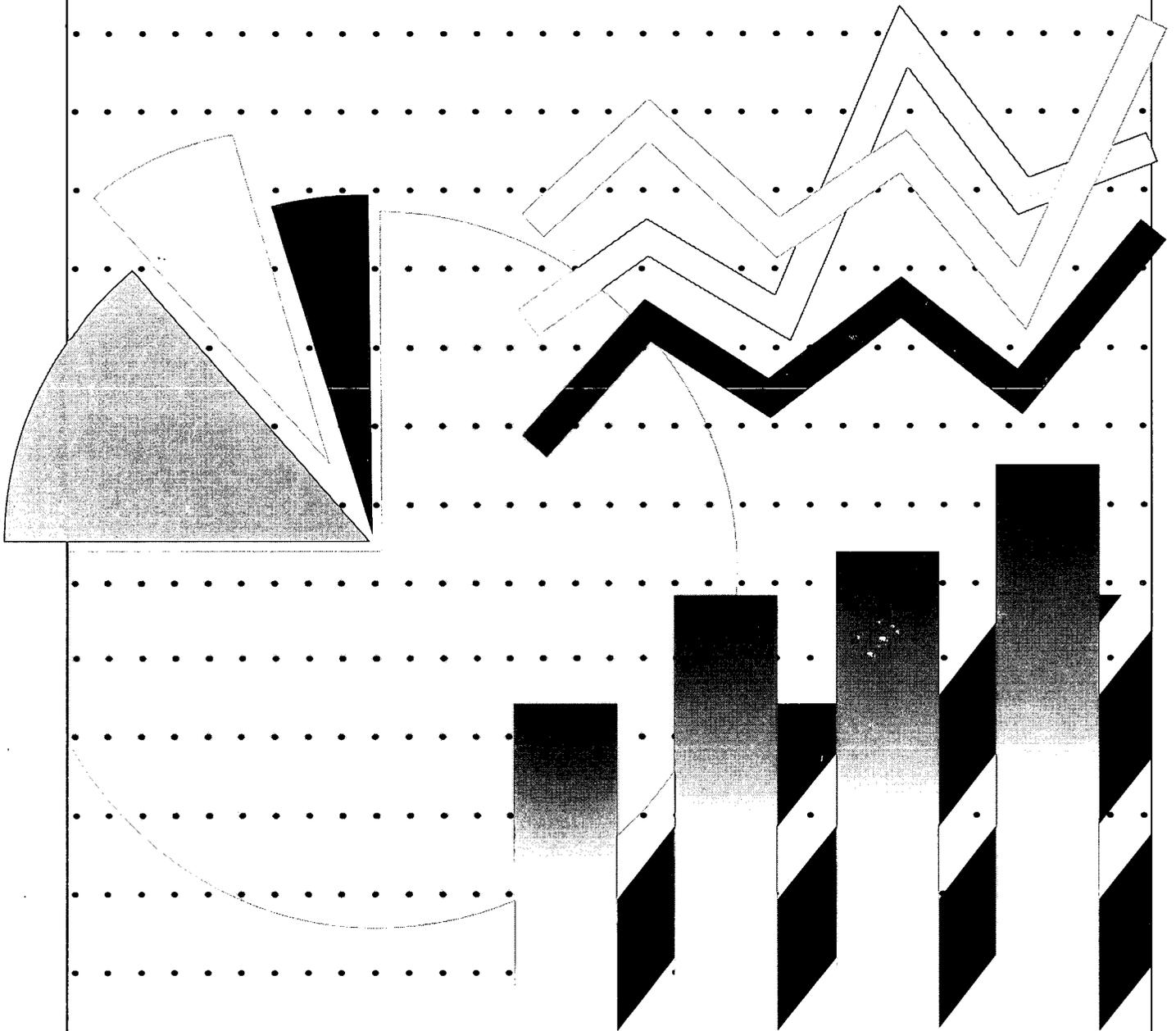


# SOI BULLETIN

SUMMER 1997



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

**Michael P. Dolan**  
Acting Commissioner

**James E. Donelson**  
Acting Chief Compliance Officer

**Wayne Thomas**  
National Director, Compliance Research

**Daniel F. Skelly**  
Director, Statistics of Income Division

# SOI BULLETIN

*A Quarterly Statistics of Income Report*

**Volume 17, Number 1**

The *Statistics of Income (SOI) Bulletin* is issued quarterly, in July, October, January, and April, by the Statistics of Income Division of the Internal Revenue Service. The report provides the earliest published annual financial statistics obtained from the various types of tax and information returns filed, as well as information from periodic or special analytical studies of particular interest to students of the U.S. tax system, tax policymakers, and tax administrators. It also includes personal income and tax data by State and historical data for selected types of taxpayers, in addition to data on tax collections and refunds and on other tax-related items.

Information on the availability of supplemental data on the topics included in this issue, special tabulations undertaken on a reimbursable basis, or other SOI subjects, may be obtained by telephoning the SOI Statistical Information Services office (202-874-0410), or by writing to the Director, Statistics of Income Division CP:R:S, Internal Revenue Service, P.O. Box 2608, Washington, D.C. 20013-2608.

Beth Kilss and Tom Petska of the Statistics of Income Division are the editors of the *Bulletin*. Wendy Alvey, James Hobbs, Lisa Smith, Mike Strudler, and also Bob Wilson, as a private contractor, made major contributions in the production of this issue. Views expressed in the articles are those of the authors and do not necessarily represent the views of the Treasury Department or the Internal Revenue Service.

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# Bulletin Board

## This Issue at a Glance

### **Sole Proprietorship Returns, 1995**

*by Therese Cruciano*

Profits reported by the Nation's 16.4 million nonfarm sole proprietors grew to \$169.3 billion for 1995, although this was only 1.5 percent more than for 1994. For 1994, proprietors reported profits that were 6.6 percent higher than for 1993. With the exception of transportation and public utilities, all industrial divisions reported increased profits for 1995. Proprietorships classified in finance, insurance, and real estate led the way (3.1 percent), followed by businesses in construction and services (1.9 percent and 1.5 percent, respectively). For 1995, receipts grew 2.1 percent to \$807.4 billion, while deductions grew 2.3 percent to \$638.1 billion; both of these percentages are much less than for 1994. The largest growth rate was for businesses classified in the finance, insurance, and real estate division. The services division remained the largest of the industrial divisions, with 34.1 percent of the receipts and 57.4 percent of the profits. For 1995, receipts for this division increased to \$97.2 billion, 1.3 percent more than 1994.

### **Corporation Income Tax Returns, 1994**

*by Madeline Deming Boerner*

Pre-tax profits reported on the 4.3 million corporation income tax returns for 1994 increased to \$577.3 billion, 15.9 percent more than 1993. The 7,043 returns with total assets of \$250 million or more accounted for almost 77 percent of this total. The \$577.3 billion in profits was the net result of "positive" net income, which increased 12.3 percent to \$739.5 billion, and net losses, which dropped 1.1 percent to \$162.2 billion. Reflecting the increase in "positive" net income, the "regular" income tax (before credits) increased from \$149.0 billion to \$167.5 billion, while the total income tax after credits (which includes the "alternative minimum tax" and represents the amount payable to the U.S. Government) increased from \$119.9 billion to \$135.5 billion. Alternative minimum tax continued to decline; for 1994, it was \$4.9 billion, while for 1993, it was \$4.5 billion. Total credits against income tax amounted to \$37.3 billion, compared to \$34.5 billion for 1993. The foreign tax credit, the largest of these credits, increased from \$22.9 billion to \$25.4 billion.

### **Foreign-Controlled Domestic Corporations, 1994**

*by James R. Hobbs*

There were 54,620 foreign-controlled domestic corporations (FCDC's) for 1994, each controlled by a foreign

"person." These companies generated \$1.4 trillion of total receipts and reported total assets of \$2.3 trillion. Over 90 percent of these amounts were reported by the 2,488 companies with either total assets of \$250 million or more or with total receipts of \$50 million or more. FCDC's comprised only 1.3 percent of all U.S. corporations for 1994, but accounted for 10.3 percent of the receipts and 10.0 percent of the assets reported on all corporation income tax returns. In comparison to 1993, their combined net income (less deficit) nearly doubled, from \$11.2 billion to \$21.9 billion. Uncombined, net income (less deficit) reflected an increase in "positive" net income from \$35.9 billion to \$44.7 billion, and a decrease in "negative" net income, i.e., in net losses, from \$24.7 billion to \$22.8 billion. Reflecting the increase in positive net income, total U.S. income tax (after credits) reported by FCDC's increased from \$8.2 billion to \$10.1 billion. Two industrial classifications (manufacturing and wholesale trade) continued to account for almost 75 percent of FCDC receipts. From a country perspective, domestic corporations controlled by "persons" in Japan accounted for 29.2 percent of the total receipts of FCDC's, followed by corporations controlled by "persons" in the United Kingdom, the Netherlands, and Germany, with 14.1, 10.7, and 9.6 percents of the total, respectively.

### **Foreign Sales Corporations, 1992**

*by Daniel S. Holik*

There were 3,073 Foreign Sales Corporations (FSC's) for 1992. These entities were created in accordance with the Deficit Reduction Act of 1984 to promote the export of products and services of their shareholders (mostly U.S. corporations), by exempting a portion of FSC foreign trade income from U.S. taxation. Gross receipts of FSC's and their related suppliers totaled \$152.3 billion. Statistics based on these receipts show that most FSC's exported manufactured products, especially nonelectrical machinery (\$29.8 billion), electrical machinery, equipment, and supplies (\$21.1 billion), and transportation equipment (\$18.1 billion). The largest nonmanufactured product or service was grains and soybeans (\$4.4 billion). After these receipts were reduced by the cost of goods sold and allocated by certain pricing rules, FSC's generated \$15.6 billion of "total income." Of this amount, \$6.0 billion (before deductions) was subject to U.S. income tax, with the remainder exempt from taxation. FSC's reported \$0.8 billion in U.S. income tax for 1992. They also distributed \$5.3 billion to their parent shareholders. In general, this amount was fully deductible by the parents, and so was, in effect, also exempt from taxation. Nearly two-thirds of all

FSC's were incorporated in the U.S. Virgin Islands.

## Some Observations and Insights

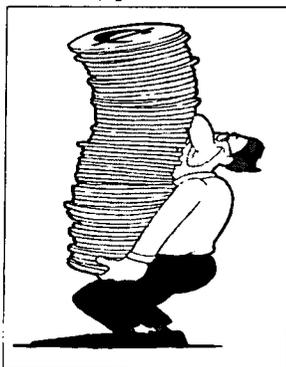
### SOI Budget Revisited

Last year, at about this same time, we brought you up to date on the SOI resource picture for Fiscal Year (FY) 1996 and its effect on our statistics. According to the IRS appropriation that includes SOI, our budget for FY 1997 was \$25.0 million, only slightly less than the revised amount (\$25.1 million) appropriated for 1996. However, SOI budgets for FY 1996 and FY 1997 were still well below the \$28.8 million authorized for 1995. In contrast, the total budget for the entire IRS was \$7,217.6 million for 1997, down from \$7,348.2 million for 1996 and \$7,482.5 million for 1995.

The principal casualty of the SOI budget reductions since FY 1995 has been the preliminary statistics on individual income tax returns that have been part of the SOI program since the 1920's; these statistics have now been cancelled. In addition, we have had to cancel a long-range study that would have traced intergenerational wealth transfers based on a collation of income and estate tax returns of decedents and their heirs.

How does the SOI budget stack up against those of other Federal statistical agencies? In comparison to perhaps the two best known Federal statistical agencies, the Census Bureau with its 1997 budget at \$359.5 million (up from \$297.0 million for 1996) and the Bureau of Labor Statistics with its 1997 budget at \$360.8 million (up from \$343.1 million), our budget is small, even though, because of SOI, the Internal Revenue Service still ranks among the top 10 major statistical agencies. Considering that the total amount appropriated for all Federal statistical programs for 1997 was estimated at \$2,754.6 million (according to a September 1996 Office of Management and Budget report to Congress), SOI's share remains below 1 percent of the total.

SOI's budget continues to be augmented with monies collected from outside sources, as permitted by section 6108 of the Internal Revenue Code. These monies are mainly from other Federal statistical agencies, for SOI statistical services or tax return data for use in their own statistical programs. Thus, the Bureau of Economic Analysis (BEA) helps fund the SOI partnership and non-



farm sole proprietorship programs (the resulting data appear each year in the *Bulletin*), as well as certain statistics on corporations. At the same time, in order to reduce costs and the reporting burden on respondents, the Census Bureau, like BEA, also in the Commerce Department, relies heavily on IRS, partly through SOI, which is reimbursed for its liaison activities on behalf of Census with the rest of IRS. (SOI involvement with the Census Bureau is thus just part of the much larger agreement negotiated between Census and IRS which provides that agency with specific data items and files concerning individuals and businesses, as required by law.)

One SOI program for which we will receive no reimbursable funding for FY 1997 is that on environmental excise taxes. The SOI statistical data for this program were largely supported by the Environmental Protection Agency (EPA), but with the expiration of the Oil Spill Liability Trust Fund at the end of 1994 and of Superfund taxes at the end of 1995, EPA sponsorship of this program has ended. Moreover, we will be dropping the SOI program that provides data on the taxes paid on ozone-depleting chemicals; this part of the environmental excise tax program was not funded by EPA.

In total, Federal agencies are paying SOI \$1.8 million (for FY 1997) for the statistical liaison services and SOI data we provide them with; about two-thirds of this total covers the SOI work we do for BEA.

### Industrial Classifications

From the beginning, SOI has always included corporation and business statistics by industry. In the earlier years, SOI and each of the other Federal statistical agencies which compiled industry statistics developed their own industrial classifications. There were no Governmentwide standards. The first Governmentwide industrial classification system, the Standard Industrial Classification (known popularly as the "SIC"), was published in 1938. However, it merely consolidated and codified the various systems then being used by the various statistical agencies. The SIC was revised from time to time thereafter, most recently for 1987, but its basic hierarchical structure, designed to provide data at different levels of industry aggregation based on "output," remained unchanged. (Starting with the late 1930's, SOI has generally used the latest SIC as the basis for its industry statistics. One recent exception was that the 1987 SIC revision was not used for the SOI corporate statistics due to resource constraints.)

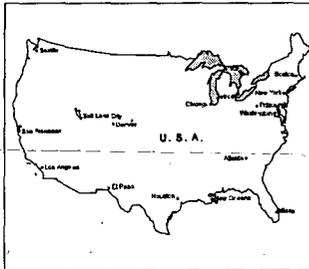
The SIC's basic structure and underlying concepts have remained the same over the years and the SIC industry

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groupings have continued to be dominated by manufacturing, just as they were in the 1930's when the U.S. economy was dominated by manufacturing. Changes which recognized new or emerging industries were gradually introduced over time,

but in the minds of many analysts the current SIC groupings never adequately reflected the growth of the so-called service industries and industries that were tied to new technologies. Increasingly, there were demands for a fundamental change in how industry data should be collected and classified in order to overcome these and other perceived deficiencies, including the underlying concept that used "output" as the basis for classification. At the same time, there were demands that the SIC be made more compatible with the classifications used by the United Nations, and also that it be replaced by a system common to the three countries--the United States, Canada, and Mexico--signatory to the North American Free Trade Agreement (NAFTA).



In July 1994, the Office of Management and Budget announced its intent to develop a new industrial classification system to replace the Standard Industrial Classification (in the United States), and, working jointly with Canadian and Mexican statistical agencies, to come up with a system that would be common insofar as possible to all three NAFTA countries. To the extent that the industry classifications in pre-existing systems were based on a mixture of production-based and market-based categories, i.e., "output," they were to be replaced by classifications based on a more consistent economic principle--according



to types of production activities performed. One of the intents of this reorganization was to allow for the presentation of more detail for the rapidly expanding service sector that now accounts for most economic activity but which comprises only 40 percent of

the SIC categories.

Under the new system, there will continue to be a common structure and a common hierarchy for each broad category of activity. However, within these categories there may be more detail, depending on the country, to

reflect important industries unique to the country. Like the SIC, different levels of aggregation will still be provided. The new system is to be known as the North American Industry Classification System, or NAICS, for short.

The NAICS hierarchy of industries groups the economy into 20 broad industrial "sectors," up from the 10 industrial "divisions" under the SIC. Many of the new sectors reflect recognizable parts of SIC divisions, such as the "utilities and transportation" sectors, broken out from the SIC division, "transportation, communications, and public utilities." Similarly, the SIC division for the service industries is being subdivided to form several new sectors with more descriptive names: "professional, scientific and technical services"; "management, support, waste management, and remediation services"; "education services"; "health and social assistance"; "arts, entertainment and recreation"; and "other services, except public administration." Still other sectors represent combinations of pieces obtained from more than one SIC division. Thus the new "information" sector includes "broadcasting and telecommunications" (formerly classified under "transportation, communications, and utilities"); "publishing" (formerly classified under "manufacturing"); and "software publishing, data processing, information services, motion picture and sound recording" (formerly classified under "services"). The "accommodations; food services and drinking places" sector brings together "hotels and other lodging places" (formerly classified under "services") and "eating and drinking places" (formerly classified under "retail trade").

NAICS industries are identified by a 6-digit code, in contrast to the 4-digit SIC code. The longer code accommodates the larger number of sectors and allows more flexibility in designating subsectors. The first 5 digits are standardized for all three NAFTA countries, but the sixth digit is reserved for industries unique to the country.

**David Jordan**, assisted by **Laura Rosage**, and before them, **Susan Hostetter**, of SOI have been the IRS representatives on interagency committees charged with revising the classification concepts used by the NAFTA countries and with identifying the industrial groupings to be used. Others participated in subcommittees and included **Paul Arnsberger**, **Amy Gill**, and **Ellen Legal**, all of SOI, and **Ken Beier** of the IRS Research Division. In carrying out their assignments, these people worked closely with other organizations in the Internal Revenue Service and Treasury's Office of Tax Analysis in the Treasury Department, as well as with the Census Bureau and BEA in the Commerce Department and the Bureau of Labor Statistics, along with many others in the public as well as private sectors.

Development of the new system is now nearly com-

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plete. The most recent draft was published in the *Federal Register* on April 9, 1997, with a request for comments from interested parties. SOI and the rest of IRS are in the process of reviewing the new classifications to see how they can be applied to corporation, partnership, and sole proprietorship tax returns and tax return schedules, inasmuch as classification of businesses by industry will continue to be a self-coding responsibility of the taxpayer, based on new instructions to be provided with the various tax return forms. Taxpayers will also be instructed to augment the code they report with a narrative description of the principal business activity underlying that code, just as they have in previous years. Space limitations in the tax return instructions will continue to be a constraint on the number of industry groupings and codes that can be provided for, although it is probable that more space will be allocated for this purpose than in the past.

The NAICS groupings to be used on the tax forms, particularly for corporations, will have to be collapsed so that they will reflect combinations of industrial activities representative of the business "enterprises" (or "companies") with diversified activities that comprise the tax return reporting unit. This is because NAICS, like its SIC predecessor, is designed primarily for use in classifying "establishments," rather than "enterprises," which can be comprised of one or many physically-separate "establishments."

Present plans call for the new classifications and codes to first appear on the tax returns for Tax Year 1998 to be filed in 1999. Of course, the final decision on the effective date will depend on whether IRS has resources enough to implement the plan. Assuming that resource problems can be overcome, the first SOI statistics under the new system will first appear during the years 2000 and 2001, years in which Statistics of Income reports for 1998 will be published. We will keep you posted on new developments, as they occur.

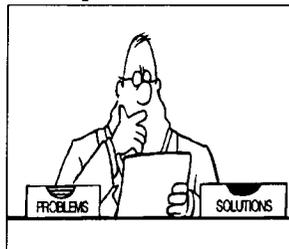
As a postscript to these developments and in response to a question we are frequently asked, it is quite probable that the industrial groupings for which we will be publishing data will continue to be different for corporations, nonfarm sole proprietorships, and partnerships, even if the same industry groupings appear on the return forms to be filed by each legal form of organization. This is because different industrial activities tend to be associated with different legal forms. Since SOI data are based on samples of returns, it is not practical for us to tabulate data separately for many of the smaller-size industry groupings; if

we did, the results would be subject to sampling error that would be too high for the data to be considered reliable. Thus, the industry groupings associated with corporations will focus more on the industrial activities of manufacturers and the growing services sector, together with businesses engaged in finance, insurance, and real estate activities. In contrast, the industry groupings of nonfarm sole proprietors will focus more on wholesalers and retailers and on self-employed professionals. The activities of partnerships, on the other hand, will continue to be distributed mainly among nonmanufacturing activities, including those associated with finance, insurance, and real estate.

### Behind the Scenes

We are pleased to announce the release of two other Statistics of Income reports: the *Source Book of Statistics of Income--1994, Corporation Income Tax Returns* and *Statistics of Income--1994, Individual Income Tax Returns*. The corporation *Source Book* presents the more detailed industry data by asset size for income statements, balance sheets, and more tax-related items that underlie data to be published by "major industrial group" in *Statistics of Income--1994, Corporation Income Tax Returns*. The more summarized corporation SOI report for 1994 is scheduled for release in the fall of 1997. This report, along with the report on individual income tax returns, are the latest in series that date back to Tax Year 1913 in the case of individuals, and to 1909 in the case of corporations (to cover the excise tax on corporation income in effect before 1913). The individual report for 1994 presents data on sources of income, personal exemptions, deductions, and tax credits by type, along with data on the more tax-related items.

While the individual income tax returns report is available for purchase from the Superintendent of Documents, U.S. Government Printing Office, the *Source Book* must be purchased directly from us. The 517-page *Source Book* can be obtained either in its entirety or by page (two pages for each "minor" industrial group, one for "all returns" and the other for returns showing (positive) net income, with similar presentations by "major" industrial group and "industrial division." Because of the growing number of Small Business Corporations (qualifying companies that elect to be taxed through their shareholders), separate statistics are also presented for these corporations, by industrial division only, with separate pages for "all returns" and for "returns with net income." Magnetic tape or diskette versions of the tables contained in the 1994 *Source Book* are also available for sale.



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For further information on how to obtain these two SOI reports, please see the "SOI Products & Services" section at the end of this report.

### More Farewells !

In our last issue we reported to you on two recent SOI retirements that had a direct bearing on the *SOI Bulletin*. So far this fiscal year, there have been nine other SOI employees who have retired after many years of Government service. Their names deserve mention in the Bulletin Board:

**James Harte**, a senior mathematical statistician, most recently in charge of sample designs for the SOI tax-exempt organization programs;

**John Kozelec**; a statistician whose telephone voice may be familiar to some in his role as a senior member of our Statistical Information Services office;

**Barbara Marshall, Jeanette Simms, and Frances Strong**, statistical assistants in our Individual Statistics Branch;

**Elnora Mason**, an analyst, who, among other duties, helped manage the SOI tape library in our Statistical Computing Branch;

**Ray Salen**, a computer specialist in the Individual Statistics Branch;

**Brenda Taylor**, a computer operator in our Statistical Computing Branch; and

**Alan Zempel**, Chief, Corporation Special Projects Section, whose most recent responsibilities have focused on the SOI partnership and S Corporation programs.

Intentionally or not, these people, along with others who have recently left SOI, have contributed to the current IRS downsizing effort necessitated by budget reductions. Their departure has left us with a large void that will not be easily filled.

### Your Call

#### More on Income Tax Collection Statistics

Also in the last issue of the *Bulletin*, we reported on the various types of statistics on income tax published by the Internal Revenue Service and by other organizations in the Treasury Department. In particular, we described how they differed from each other. Here are some of the data (for individuals and corporations), so you can see for yourselves what the differences amount to. As a reference point, SOI "tax liability" data are also presented for the tax years most closely related to the fiscal years for which "tax

collections" data are shown. Because Tax Year 1994 is the most recent for which SOI data are available, the most recent fiscal year for which data are shown is FY 1995. Rounding of the data shown is consistent with how they were published. Please consult the *Spring Bulletin* for a discussion on the "why's" and "wherefore's."

#### Individual income tax liability

Individual income tax liability ("total income tax"), <i>Statistics of Income—Individual Income Tax Returns</i>	
Tax Year (or Liability Year) 1994	Tax Year (or Liability Year) 1993
\$534,856,339,000	\$500,735,016,000

#### Individual income tax collections

Individual income tax "net collections," i.e., tax collections after refunds, excluding interest paid on refunds, <i>Internal Revenue Service Data Book</i>	
Fiscal Year 1995	Fiscal Year 1994
\$590,454,263,000	\$542,856,179,000

Individual income tax "receipts," i.e., tax "receipts" after refunds, excluding interest paid on refunds, <i>Treasury Monthly Statement, Financial Management Service, U.S. Department of the Treasury</i>	
Fiscal Year 1995 (as revised)	Fiscal Year 1994 (as revised)
\$590,243,000,000	\$543,005,000,000

#### Corporation income tax liability

Corporation income tax liability ("total income tax after credits"), <i>Statistics of Income—Corporation Income Tax Returns</i>	
Tax Year (or Liability Year) 1994	Tax Year (or Liability Year) 1993
\$135,436,652,000	\$119,937,320,000

#### Corporation income tax collections

Corporation income tax "net collections," i.e., tax collections after refunds, excluding interest paid on refunds, <i>Internal Revenue Service Data Book</i>	
Fiscal Year 1995	Fiscal Year 1994
\$156,752,634,000	\$140,278,154,000

Corporation income tax "receipts" after refunds, excluding interest paid on refunds, <i>Treasury Monthly Statement, Financial Management Service, U.S. Department of the Treasury</i>	
Fiscal Year 1995 (as revised)	Fiscal Year 1994 (as revised)
\$157,004,000,000	\$140,385,000,000

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### Upcoming Features

The following articles or “data releases” will be included in the Fall 1997 issue of the *Bulletin*:

- ◆ Individual Income Tax Returns, 1995;
- ◆ Partnerships, 1995;
- ◆ Corporate Foreign Tax Credit, 1993;
- ◆ U.S. Possessions Corporations, 1993;
- ◆ Transactions of Foreign-Controlled Corporations, 1993; and
- ◆ Private Foundations and Charitable Trusts, 1994.

# Sole Proprietorship Returns, 1995

by *Therese Cruciano*

**N**onfarm sole proprietorship profits for 1995 increased 1.5 percent over their 1994 level to \$169.3 billion. With the exception of a decline in profits for the transportation and public utilities division, all of the principal sole proprietorship industrial divisions reported increased profits. The finance, insurance, and real estate division reported the largest percentage increase in profits at 3.1 percent, followed by the construction and services divisions with increases of 1.9 percent and 1.5 percent, respectively.

Following the 6.6 percent increase from 1993 to 1994 in sole proprietorship profits, the modest growth for 1995 reflects the slow growth of both receipts and deductions: total business receipts increased 2.1 percent to \$807.4 billion, while total business deductions grew by 2.3 percent to \$638.1 billion. The growth rates of both receipts and deductions were substantially lower than the 1994 levels of 4.4 percent and 3.8 percent, respectively. The finance, insurance, and real estate division reported the largest percentage increases in receipts (6.2 percent) and deductions (7.9 percent) for 1995.

Overall, 1995 was a relatively slow-growth year for sole proprietorships. When inflation is taken into account, sole proprietorship profits actually decreased 1.0 percent from 1994. In constant dollars, total business deductions declined 0.2 percent and total business receipts declined 0.3 percent for 1995. The latter was the first decline since the recession year of 1991. Further, deficits reported by sole proprietorships increased by 4.5 percent (in constant dollars) for 1995. This increase was the largest percentage increase in annual losses over the past decade.

## Returns and Receipts

The number of individual income tax returns reporting nonfarm sole proprietorship activity for 1995 increased 1.7 percent, from nearly 16.2 million for 1994 to 16.4 million (Figure A) [1]. The two largest industrial divisions showed slightly larger increases in the number of sole proprietorship returns for 1995, 2.0 percent for services and 2.5 percent for wholesale and retail trade. Total business receipts (the sum of "income from sales and operations" and "other business income") for all nonfarm sole proprietorship industries increased 2.1 percent, from \$790.6 billion to \$807.4 billion [2]. With the exception of the transportation and public utilities division, which

showed a 1.5 percent decline in receipts, all of the remaining sole proprietorship industrial divisions for 1995 reported growth in business receipts. The finance, insurance, and real estate division showed the largest percentage growth in receipts, an increase of 6.2 percent. Sole proprietorships in the wholesale and retail trade division produced the second largest percentage increase, 3.8 percent. This division also showed the greatest dollar increase in receipts for 1995 with a \$9.3 billion increase. The second largest dollar increase in receipts was \$3.6 billion, produced by sole proprietorships in the services division.

As shown in Figure B, sole proprietorship receipts (in constant dollars) increased annually from 1984 through 1988 [3]. Since 1988, the growth in receipts stopped, resulting in year-to-year fluctuations between gains and losses. For 1995, total receipts decreased 0.3 percent (in constant dollars), the first decline since the recession year of 1991.

## Deductions

Total business deductions (cost of sales and operations, plus business expenses, including expenses for a home office) increased 2.3 percent from \$623.8 billion for 1994 to \$638.1 billion for 1995 (Figure A)[4,5]. Just as with total business receipts, all of the sole proprietorship principal divisions, except transportation and public utilities, reported increased business deductions for 1995. Sole proprietorships in the finance, insurance, and real estate division showed the largest percentage growth in deductions, an increase of 7.9 percent. Sole proprietorships in the wholesale and retail trade division produced the second largest percentage increase (4.0 percent), as well as the largest dollar increase (\$9.3 billion). Like receipts, when taking inflation into account, business deductions actually declined for 1995 (Figure B). This decline of 0.2 percent contrasts with the 1.5 percent growth in deductions (in constant dollars) shown for 1994.

Representing 48.1 percent of total 1995 business deductions, the cost of sales and operations was nearly \$307.0 billion (Figure C). This amount represents a 2.0 percent increase from the 1994 level. Total business "expenses" (total business deductions minus the cost of sales and operations) was \$331.2 billion for 1995, an increase of 2.6 percent from the 1994 amount. The main components of total business expenses are presented graphically in Figure D. The largest component, net salaries and wages, accounted for 16.4 percent of the total. For 1995, net salaries and wages totaled \$54.5 billion, 1.5 percent more than for 1994 (Figure C). The next largest

*Therese Cruciano is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.*

# Sole Proprietorship Returns, 1995

**Figure A**

## Nonfarm Sole Proprietorship Returns, Receipts, and Deductions, by Industry, Tax Years 1994 and 1995

[Number of returns is in thousands--money amounts are in billions of dollars]

Industrial group	Number of returns			Total business receipts			Total business deductions		
	1994	1995	Percentage increase	1994	1995	Percentage increase	1994	1995	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All industries</b> .....	<b>16,153.9</b>	<b>16,423.9</b>	<b>1.7</b>	<b>790.6</b>	<b>807.4</b>	<b>2.1</b>	<b>623.8</b>	<b>638.1</b>	<b>2.3</b>
Construction.....	1,985.6	2,111.4	6.3	115.9	118.9	2.7	95.4	98.1	2.8
Special trade contractors.....	1,631.6	1,731.2	6.1	80.6	82.0	1.7	64.2	65.3	1.7
Transportation and public utilities.....	744.1	737.1	-0.9	40.4	39.8	-1.5	34.3	34.0	-0.8
Wholesale and retail trade.....	2,954.5	3,027.0	2.5	248.0	257.3	3.8	231.4	240.7	4.0
Wholesale trade.....	379.4	374.3	-1.4	38.6	41.9	8.4	33.2	36.9	10.9
Retail trade.....	2,575.0	2,652.7	3.0	209.3	215.4	2.9	198.2	203.8	2.8
Food stores.....	153.3	152.5	-0.5	34.9	36.0	3.2	33.9	34.7	2.4
Automotive dealers and service stations.....	166.2	183.2	10.2	52.1	53.5	2.6	50.3	51.8	3.0
Eating and drinking places.....	240.8	232.9	-3.3	27.2	27.1	-0.2	25.7	25.9	0.9
Finance, insurance, and real estate.....	1,344.7	1,275.1	-5.2	54.1	57.5	6.2	34.2	36.9	7.9
Finance.....	121.2	135.2	11.6	9.6	10.9	13.6	8.0	9.7	22.3
Insurance.....	428.2	402.8	-5.9	19.2	20.3	5.9	10.5	10.8	2.5
Real estate.....	795.3	737.1	-7.3	25.4	26.3	3.5	15.7	16.4	4.2
Services.....	7,803.3	7,957.6	2.0	271.7	275.3	1.3	176.0	178.1	1.2
Business and personal services.....	2,926.3	3,006.8	2.8	70.8	71.2	0.5	50.0	51.0	1.9
Medical services.....	803.0	802.4	-0.1	73.4	73.1	-0.4	39.4	39.4	0.2
Legal services.....	273.9	281.1	2.6	23.5	23.5	0.3	12.9	12.8	-0.5
Consulting and management services.....	849.1	788.1	-7.2	22.1	23.5	6.3	10.8	11.3	4.6
All other industries.....	1,321.8	1,315.7	-0.5	60.6	58.6	-3.2	52.6	50.4	-4.2

NOTE: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

**Figure B**

## Nonfarm Sole Proprietorship Receipts, Deductions, and Profits, Tax Years 1984-1995

[Money amounts are in billions of dollars]

Tax year	Total business receipts			Total business deductions			Net income less deficit		
	Current dollars	Constant dollars <sup>1</sup>		Current dollars	Constant dollars <sup>1</sup>		Current dollars	Constant dollars <sup>1</sup>	
		Amount	Percentage increase		Amount	Percentage increase		Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1984.....	516.0	679.8	6.8	445.3	586.7	5.9	70.8	93.3	12.9
1985.....	540.0	688.8	1.3	461.3	588.4	0.3	78.8	100.5	7.7
1986.....	559.4	694.0	0.8	469.0	581.9	-1.1	90.4	112.2	11.6
1987.....	610.8	735.0	5.9	505.4	608.2	4.5	105.5	127.0	13.2
1988.....	672.0	780.5	6.2	545.7	633.8	4.2	126.3	146.7	15.5
1989.....	692.8	772.4	-1.0	560.2	624.5	-1.5	132.7	147.9	0.8
1990.....	730.6	780.6	1.1	589.2	629.5	0.8	141.4	151.1	2.2
1991.....	712.6	732.4	-6.2	571.2	587.1	-6.7	141.5	145.4	-3.8
1992.....	737.1	737.1	0.6	583.1	583.1	-0.7	154.0	154.0	5.9
1993.....	757.2	738.0	0.1	600.8	585.6	0.4	156.5	152.5	-1.0
1994.....	790.6	753.0	2.0	623.8	594.1	1.5	166.8	158.9	4.2
1995.....	807.4	750.4	-0.3	638.1	593.0	-0.2	169.3	157.3	-1.0

<sup>1</sup> Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, January-February, 1997. The deflator represents the annual average of current-weighted prices, based on 1992=100.

NOTE: Percentage increases were calculated after rounding.

components were car and truck expenses (9.9 percent) and depreciation (7.9 percent). These items were \$32.8 billion and \$26.2 billion, respectively, for 1995. The car and truck expenses represented a 6.3 percent increase from 1994 while the depreciation only a 0.3 percent increase.

In constant dollars, the depreciation deduction for 1995

was \$24.3 billion (Figure E). This amount represents a 2.4 percent decline from 1994.

The depreciation deduction first began to decline for 1986, following the enactment of the Tax Reform Act of 1986 (TRA86). TRA86 reduced the allowable depreciation deduction by lengthening the cost recovery periods

# Sole Proprietorship Returns, 1995

**Figure C**

## Components of Nonfarm Sole Proprietorship Business Deductions, Tax Years 1994 and 1995

(Money amounts are in millions of dollars)

Business deductions	1994	1995	Percentage increase
	(1)	(2)	(3)
<b>Business deductions, total<sup>1,2</sup></b> .....	<b>623,833.1</b>	<b>638,126.8</b>	<b>2.3</b>
<b>Cost of sales and operations</b> .....	<b>301,004.3</b>	<b>306,958.5</b>	<b>2.0</b>
Inventory, beginning of year.....	31,280.7	31,167.7	-0.4
Cost of labor.....	23,497.4	24,383.4	3.8
Purchases.....	216,364.9	219,305.5	1.4
Materials and supplies.....	34,304.4	34,427.1	0.4
Other costs.....	29,159.1	31,030.6	6.4
Inventory, end of year.....	33,602.1	33,355.8	-0.7
<b>Business expenses, total</b> .....	<b>322,828.8</b>	<b>331,168.3</b>	<b>2.6</b>
Advertising expenses.....	7,987.5	8,309.6	4.0
Bad debts from sales or services.....	1,066.6	996.6	-6.6
Car and truck expenses.....	30,844.8	32,784.9	6.3
Commissions.....	9,029.1	9,591.6	6.2
Depletion.....	551.6	457.5	-17.1
Depreciation <sup>3</sup> .....	26,157.8	26,233.8	0.3
Employee benefit programs.....	1,291.8	1,298.8	0.5
Insurance.....	13,288.8	12,977.6	-2.3
Legal and professional services.....	6,208.5	6,340.0	2.1
Meals and entertainment deducted.....	3,193.6	3,208.7	0.5
Mortgage interest.....	3,842.8	4,076.3	6.1
Other interest paid on business indebtedness.....	5,326.8	5,980.2	12.3
Office expenses.....	8,001.7	8,344.2	4.3
Pension and profit-sharing plans.....	604.7	649.0	7.3
Rent on machinery and equipment.....	5,656.8	6,218.4	9.9
Rent on other business property.....	21,112.7	21,284.6	0.8
Repairs.....	10,385.3	10,171.8	-2.1
Supplies.....	16,506.9	16,902.1	2.4
Net salaries and wages.....	53,649.1	54,470.7	1.5
Taxes paid.....	13,600.2	13,471.2	-0.9
Travel.....	6,084.1	6,505.0	6.9
Utilities.....	16,917.7	17,205.8	1.7
Home office business deductions.....	3,134.6	3,337.9	6.5
Other business deductions.....	57,488.4	59,408.1	3.3

<sup>1</sup> Includes returns with Schedule C-EZ attached. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

<sup>2</sup> Total business deductions are calculated before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

<sup>3</sup> Depreciation does not include depreciation reported on Form 8829 for home office businesses.

NOTE: Percentage increases were calculated after rounding.

and changing the depreciation methods for property placed in service after July 31, 1986. The depreciation deduction dropped 2.1 percent for 1986 and continued to decline through 1992. Beginning with 1993, when the limit on expensing of certain capital expenditures was increased, the trend reversed and depreciation increased until 1995 [6]. The 1995 depreciation deduction accounted for 4.1 percent of total business deductions. Depreciation deductions as a percentage of total business deductions remained

below the 1985 (pre-TRA86) level of 5.7 percent.

Beginning with Tax Year 1992, certain smaller businesses could elect to not itemize depreciation and other business deductions by filing the Schedule C-EZ, *Net Profit From Business*, a simplified version of the Schedule C, *Profit or Loss From Business*. (The Schedule C and Schedule C-EZ are the source of the sole proprietorship statistics.) Taxpayers could use the Schedule C-EZ if they had gross receipts of \$25,000 or less; business expenses of \$2,000 or less; used the cash accounting method; had no inventories; did not report a deficit from the business; had only one business as a sole proprietor; had no employees; claimed no deduction for home business expenses; and had no prior-year disallowed passive activity losses from the business. Since taxpayers using the Schedule C-EZ did not itemize business deductions, the detailed deductions in Table 2 are slightly understated and will not add to the totals.

The numbers and percentages of nonfarm sole proprietorship returns filed on Schedule C-EZ are presented by industrial division in Figure F. Of the nearly 2.2 million Schedule C-EZ returns filed for 1995, taxpayers in the services industries filed over 1.3 million, or 60.9 percent. For 1995, business receipts from Schedule C-EZ filers totaled almost \$7.9 billion, or 1.0 percent of total business receipts reported. However, the business deductions reported on the Schedule C-EZ returns, accounted for only 0.1 percent of total business deductions for all industries. Even in the services division with its concentration of Schedule C-EZ filers, deductions reported on Schedule C-EZ accounted for only 0.3 percent of total business deductions.

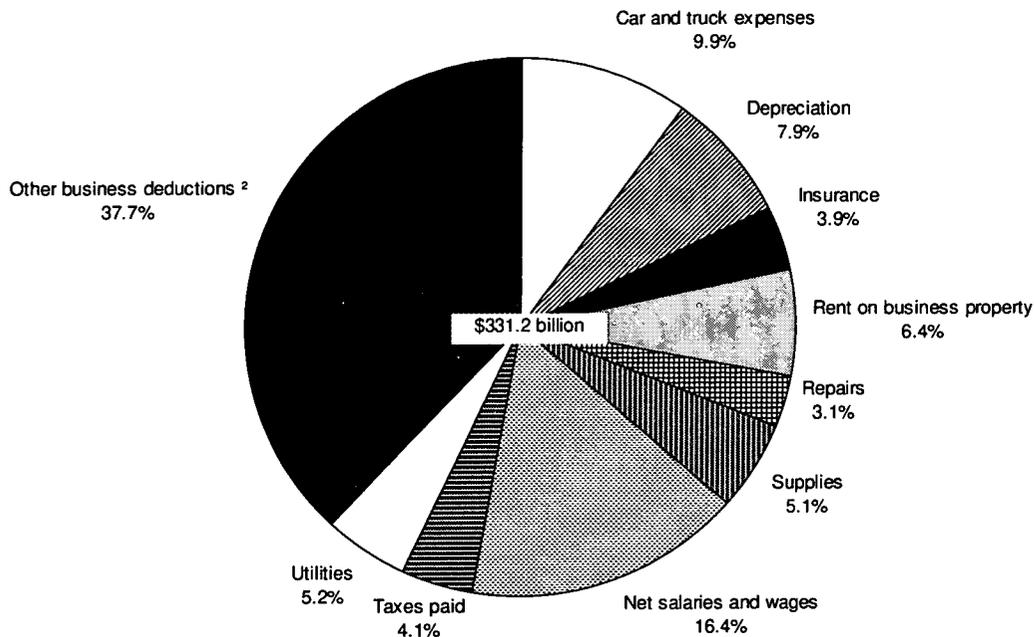
## Profits and Losses

With the exception of transportation and public utilities, all of the principal industrial divisions reported increased sole proprietorship profits for 1995. Total profits (in both current and constant dollars) are presented in Figure B, while profits by industrial group are presented in Figure G [7]. Total profits increased 1.5 percent, from \$166.8 billion for 1994 to \$169.3 billion for 1995. However, in constant dollars, total profits declined by 1.0 percent for 1995 (Figure B). These percentage changes represent slower growth than the 6.6 percent increases (in current dollars) and 4.2 percent (in constant dollars) reported for 1994. Among the largest industrial divisions, the transportation and public utilities division reported the largest percentage change in profits for 1995, a 5.3 percent decline. The finance, insurance, and real estate division produced the next largest percentage change, an increase of 3.1 percent.

# Sole Proprietorship Returns, 1995

**Figure D**

**Nonfarm Sole Proprietorship Total Business Expenses, Tax Year 1995<sup>1</sup>**



<sup>1</sup>Total business expenses equals all business deductions minus cost of sales and operations.

<sup>2</sup>Other business deductions includes: commissions, office expenses, advertising expenses, travel, meals and entertainment, bad debts, depletion, employee benefits, interest, legal and professional services, pension and profit-sharing, and home office deductions. Other business deductions also includes all Schedule C-EZ deductions.

TRA86 may have influenced 1995 sole proprietorship profits through its placement of restrictions on "passive losses." Beginning in 1987, these restrictions were an effort to curb investment in "tax shelters" [8]. However, these restrictions have had a limited effect on overall sole

proprietorship profits, amounting to only \$73.5 million in nondeductible losses reported for 1995.

Net income and deficit for sole proprietorships between 1984 and 1995, in current and constant dollars, are presented in Figure E. For 1995, net income (in constant

**Figure E**

**Nonfarm Sole Proprietorship Net Income, Deficit, and Depreciation, Tax Years 1984-1995**

[Money amounts are in billions of dollars]

Tax year	Current dollars			Constant dollars <sup>1</sup>			Percentage increase in constant dollars <sup>1</sup>		
	Net income	Deficit	Depreciation	Net income	Deficit	Depreciation	Net income	Deficit	Depreciation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1984.....	89.8	19.1	23.9	118.4	25.1	31.5	10.1	0.7	4.3
1985.....	98.8	20.0	26.3	126.0	25.5	33.5	6.4	1.6	6.3
1986.....	110.5	20.1	26.4	137.1	24.9	32.8	8.8	-2.4	-2.1
1987.....	123.8	18.3	25.6	149.0	22.0	30.8	8.7	-11.6	-6.1
1988.....	145.5	19.2	26.1	169.0	22.3	30.3	13.4	1.4	-1.6
1989.....	152.4	19.7	24.5	169.9	21.9	27.3	0.5	-1.8	-9.9
1990.....	161.7	20.2	23.7	172.7	21.6	25.4	1.6	-1.4	-7.0
1991.....	162.4	20.9	23.1	166.9	21.5	23.7	-3.4	-0.5	-6.7
1992.....	173.5	19.5	23.3	173.5	19.5	23.3	4.0	-9.3	-1.7
1993.....	177.0	20.5	25.0	172.5	20.0	24.3	-0.6	2.6	4.3
1994.....	187.8	21.0	26.2	178.9	20.0	24.9	3.7	0.2	2.5
1995.....	191.7	22.5	26.2	178.2	20.9	24.3	-0.4	4.5	-2.4

<sup>1</sup> Constant dollars are based on the overall implicit price deflator for gross domestic product computed and reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, January-February, 1997. The deflator represents the annual average of current-weighted prices, based on 1992=100.

NOTE: Percentage increases were calculated after rounding.

# Sole Proprietorship Returns, 1995

**Figure F**

## Nonfarm Sole Proprietorship Returns with Schedule C-EZ, by Industry, Tax Year 1995

(Money amounts are in millions of dollars)

Industrial division	Number of returns			Total business receipts			Total business deductions		
	Total	With Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total	Total	On Schedule C-EZ	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All industries.....</b>	<b>16,423,872</b>	<b>2,187,016</b>	<b>13.3</b>	<b>807,363.6</b>	<b>7,893.1</b>	<b>1.0</b>	<b>638,126.8</b>	<b>943.7</b>	<b>0.1</b>
Construction.....	2,111,403	243,499	11.5	118,938.1	1,116.4	0.9	98,115.2	115.4	0.1
Transportation and public utilities.....	737,071	60,695	8.2	39,811.4	183.4	0.5	34,014.9	21.9	0.1
Wholesale and retail trade.....	3,026,959	224,234	7.4	257,278.1	760.1	0.3	240,671.4	93.4	( <sup>1</sup> )
Finance, insurance, and real estate.....	1,275,117	87,847	6.9	57,473.8	279.0	0.5	36,867.4	41.6	0.1
Services.....	7,957,579	1,331,765	16.7	275,272.7	4,681.7	1.7	178,087.4	583.6	0.3
All other industries.....	1,315,743	238,976	18.2	58,589.6	872.5	1.5	50,370.5	87.9	0.2

<sup>1</sup> Less than 0.05 percent.

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

dollars) declined 0.4 percent, while deficits (in constant dollars) increased 4.5 percent. The decline in net income is the third such decrease in recent years (the others being 1991 and 1993), whereas the increase in deficit is the largest over the past decade. This decline in net income (in constant dollars) resulted from receipts declining more than deductions for 1995 (Figure B).

### Industry Trends

Using receipts as a measure of business size, Figure A shows that services continued to be the largest sole proprietorship industrial division for 1995 with 34.1 percent of all business receipts. Total receipts for this division, at \$275.3 billion, were 1.3 percent more than the \$271.7 billion reported for 1994. Figure G shows that services division profits grew 1.5 percent to \$97.2 billion, accounting for 57.4 percent of sole proprietorship profits for 1995. Within this division, the medical services group reported a slight decrease in receipts and increase in deductions, resulting in declining profits (1.0 percent) to a level of \$33.7 billion. Nevertheless, profits from medical services sole proprietorships comprised 34.7 percent of total profits for the industrial division. Business and personal services reported growth in deductions (1.9 percent) and receipts (0.5 percent). The net effect of these changes was a 2.5 percent decrease in profits to \$20.2 billion, accounting for 20.8 percent of profits for the entire division. Consulting and management services profits increased 7.9 percent, the result of a 6.3 percent increase in receipts overcoming a 4.6 percent increase in deductions. Sole proprietorships in the legal services group reported a slight growth in receipts. When coupled with a decline in deductions, the growth of profits was 1.3 percent.

The second largest sole proprietorship industrial division with 31.9 percent of total receipts was wholesale and retail trade. The 3.8 percent increase in receipts for this division was offset by an increase in deductions of 4.0 percent, leading to profits of approximately the same level as the previous year. Within this division, the wholesale trade group showed an 8.4 percent increase in receipts and

**Figure G**

## Nonfarm Sole Proprietorship Profits, by Industry, Tax Years 1994 and 1995

(Money amounts are in billions of dollars)

Industrial group	Net income less deficit		
	1994	1995	Percentage increase
	(1)	(2)	(3)
<b>All industries.....</b>	<b>166.8</b>	<b>169.3</b>	<b>1.5</b>
Construction.....	20.4	20.8	1.9
Special trade contractors.....	16.4	16.7	1.8
Transportation and public utilities.....	6.1	5.8	-5.3
Wholesale and retail trade.....	16.6	16.6	0.2
Wholesale trade.....	5.4	5.1	-6.6
Retail trade.....	11.2	11.6	3.6
Food stores.....	1.1	1.4	26.5
Automotive dealers and service stations.....	1.8	1.7	-7.3
Eating and drinking places.....	1.5	1.3	-18.7
Finance, insurance, and real estate.....	20.0	20.6	3.1
Finance.....	1.6	1.2	-28.1
Insurance.....	8.6	9.5	10.2
Real estate.....	9.7	9.9	2.2
Services.....	95.7	97.2	1.5
Business and personal services.....	20.7	20.2	-2.5
Medical services.....	34.0	33.7	-1.0
Legal services.....	10.6	10.7	1.3
Consulting and management services.....	11.3	12.1	7.9
All other industries.....	8.0	8.2	3.4

NOTE: Detail may not add to totals because of rounding. Percentage increases were calculated before rounding.

# Sole Proprietorship Returns, 1995

a 10.9 percent increase in deductions, leading to a 6.6 percent decline in profits. The other component of this division, the retail trade group, reported smaller growth in both receipts and deductions than the wholesale trade group, and showed a 3.6 percent growth in profits. Sole proprietorships in the retail trade group accounted for 83.7 percent of the receipts and 69.6 percent of the profits for the division. Within the retail trade group, a 26.5 percent growth in profits reported by food stores contrasted with the 7.3 percent and 18.7 percent declines in profits reported by the automotive dealers and service stations and eating and drinking places groups, respectively.

The third largest industrial division was construction, with receipts totaling \$118.9 billion. This amount was 14.7 percent of all sole proprietorship receipts for 1995, representing a 2.7 percent increase from 1994. Deductions likewise increased by 2.8 percent. Construction profits increased by 1.9 percent in 1995, which was much smaller than the 12.1 percent increase reported for the previous year. Special trade contractors reported the largest portion (80.3 percent) of these profits. As a group, they showed increases of 1.7 percent for receipts and 1.8 percent for profits.

The fourth largest division was finance, insurance, and real estate, which accounted for 7.1 percent of sole proprietorship receipts for 1995. Receipts increased by 6.2 percent to \$57.5 billion, and despite a 7.9 percent increase in deductions, yielded a 3.1 percent growth in profits. This growth in profits was the largest percentage gain in profits of all the principal industrial divisions. The 10.2 percent and 2.2 percent increases in profits for the insurance and real estate groups, respectively, more than compensated for the 28.1 percent decline in profits reported by the small finance group.

## Summary

Profits for nonfarm sole proprietorships for 1995 grew by 1.5 percent to a level of \$169.3 billion. Receipts and deductions both increased (2.1 percent and 2.3 percent, respectively), but their growth rates were much slower than for 1994. All of the principal industrial divisions, except transportation and public utilities, showed increased profits for 1995. The largest percentage growth in profits was reported by the finance, insurance, and real estate division. The services division remained the largest sole proprietorship industrial division, accounting for 34.1 percent of receipts and 57.4 percent of profits. Services division receipts grew by 1.3 percent to \$275.3 billion, while profits grew 1.5 percent to \$97.2 billion. In constant dollars, total sole proprietorship profits declined 1.0

percent. This was the third such decline in profits over the last five years.

## Data Sources and Limitations

The 1995 sole proprietorship estimates are based on a stratified probability sample of unaudited individual income tax returns, Forms 1040 and 1040PC, processed by the Internal Revenue Service during 1996. Returns in the sample were stratified based on: (1) the presence or absence of Schedule C, *Profit or Loss From Business (Sole Proprietorship)* or Schedule C-EZ, *Net Profit From Business* and Schedule F, *Farm Income and Expenses*; (2) the larger of positive income or negative income (i.e., "adjusted gross income" before statutory adjustments); and (3) tax year. The returns were selected at rates that ranged from 0.02 percent to 100 percent. The 1995 nonfarm sole proprietorship data are based on a sample of 39,539 returns and a population of 16,604,604 returns [9]. The corresponding sample and population for the 1994 data were 37,462 and 16,160,509 returns, respectively.

Since the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. Estimated coefficients of variation for the number of returns and money amounts for selected items and industrial divisions are presented in Figure H. The reliability of estimates based on samples,

**Figure H**

### Coefficients of Variation for Selected Items, Tax Year 1995

[Coefficients of variation are percentages]

Industrial division	Coefficients of variation				
	Total receipts <sup>1</sup>	Total deductions	Net income	Net deficit	Depreciation
	(1)	(2)	(3)	(4)	(5)
All industries.....	0.82	0.92	1.12	2.23	1.48
Construction.....	3.06	3.22	3.78	9.81	4.53
Transportation and public utilities.....	4.09	4.24	5.43	9.95	5.58
Wholesale and retail trade....	2.02	2.03	3.57	4.64	3.66
Finance, insurance, and real estate.....	3.36	3.45	4.42	5.75	6.46
Services.....	1.34	1.56	1.63	3.87	2.41

<sup>1</sup> Positive only.

and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the appendix to this issue of the *Bulletin*.

# Sole Proprietorship Returns, 1995

## Notes and References

[1] For 1995, the 16,423,872 nonfarm sole proprietorship returns accounted for 18,391,236 nonfarm businesses. Actually, there may have been more businesses than those counted; processing for tax administration purposes allows only three businesses (reported on separate Schedules C) per return, and combines any remaining businesses on one (or more) of the three Schedules C. *Statistics of Income--1981, Sole Proprietorship Returns* contains a more detailed explanation of the relationship between proprietors and proprietorships.

For purposes of the statistics, if a proprietor owned more than one business, the statistics for each business were combined with those of the proprietor's dominant business and included in the industrial group for that business activity. When this occurred, the sum of net incomes (for businesses reporting a positive net income) reduced by the sum of net deficits (for businesses reporting a deficit) yielded the profits for a specific industrial group.

The *Standard Industrial Classification Manual, 1987*, issued by the U.S. Office of Management and Budget, was used to classify data by industry. These classifications were applied on a "per business" (rather than on a "per establishment") basis for *Statistics of Income* (SOI) by combining various industry groups, although businesses were further combined as described above. While the wording of the industry titles used for the sole proprietorship statistics diverge somewhat from those appearing in the *Standard Industrial Classification Manual*, the definitions are consistent.

[2] Statistics for "business receipts, total" in Table 2 represent the total receipts of the business, mainly gross receipts from sales and operations. Business receipts also include miscellaneous business receipts, such as incidental sales of scrap, shown separately in the statistics as "other business income." However, business receipts exclude incidental investment income received through the business. Examples of such incidental investment income are interest, dividends, income or loss from rents or royalties, and capital or ordinary gain or loss from the sale of investment and business property. Sole proprietors report incidental investment income, in combination with nonbusiness related investment income, as part of their total income on their individual income tax returns.

[3] Based on the overall implicit price deflator for gross domestic product (GDP). The deflator is obtained by dividing GDP in current dollars by real (i.e., inflation-adjusted for base year 1992) GDP and by multiplying by 100. The values are very similar to those of BEA's chain-type price index for GDP, in which annual adjustments are obtained by averaging estimates of aggregate price changes using detailed output weights for both the current and the preceding year. See U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, January-February, 1997. Indices used for this article were:

Year	Indices	Year	Indices
1984	75.9	1990	93.6
1985	78.4	1991	97.3
1986	80.6	1992	100.0
1987	83.1	1993	102.6
1988	86.1	1994	105.0
1989	89.7	1995	107.6

[4] Sole proprietors report personal, i.e., nonbusiness, income and expense items apart from business income or loss, which are reported on the attached Schedules C, *Profit or Loss From Business* (or, to a lesser extent, on Schedule C-EZ, *Net Profit From Business*). Salaries paid to owners qualify as personal income, not as a business expense, and are therefore part of the owner's taxable income. Similarly, sole proprietors deduct charitable contributions made through the business as personal expenses on Schedule A, *Itemized Deductions*. However, the owner of a sole proprietorship may choose to deduct any foreign taxes paid as a business expense, unless the owner elects to claim these taxes as a credit against U.S. income tax.

[5] Business deductions include the home office business deduction. After 1990, home office expenses were calculated separately on Form 8829, *Expenses for Business Use of Your Home*, and the deductible portion brought forward to the Schedule C. In some cases, these expenses were limited. Prior to 1990, these expenses were not limited and were included with other expenses, such as depreciation deduction, utilities, and "other" expenses on the Schedule C.

[6] The increase in the depreciation deduction for 1993 may be attributed in part to a provision of the Omnibus Budget Reconciliation Act of 1993 (OBRA93). The cost of certain tangible property (as described in Internal Revenue Code section 179) may be treated as a current expense rather than a capital expenditure subject to depreciation deductions. The provision of

## Sole Proprietorship Returns, 1995

OBRA93 (related to these expenses) increased the maximum amount of investment certain small businesses could immediately deduct on property placed in service after 1992 from \$10,000 to \$17,500. The total amount of this deduction for 1995 for all individual taxpayers (including sole proprietorships) was \$17.0 billion, a 7.0 percent increase from 1994.

- [7] Net income minus deficit (loss) before Federal income tax, yields profits. Proprietors compute their tax on total "taxable income," which includes their business profits, plus any other income.
- [8] Losses generated by any "flow-through" business activity (i.e., such as partnerships or S Corporations for which profits and certain other amounts are passed through to the owners for taxation), in which the taxpayer did not "materially participate" (i.e., was not involved regularly and substantially in the operations of the activity) qualified as passive activity losses. The Tax Reform Act of 1986 (TRA86) gradually

eliminated the use of passive losses as a means to offset nonpassive income, such as salaries and wages. TRA86 provided for a 5-year phase-in (ending in 1991) of the limitations on passive losses for investments made prior to 1987; since Tax Year 1991, the restrictions applied to all passive losses. However, exceptions up to \$25,000 were made for certain real estate losses. Under prior law, passive losses were fully deductible.

- [9] The difference between the number of returns in the population and the total number of returns in Tables 1 and 2 is mainly due to moving certain Schedule C data to other parts of the Form 1040 during SOI editing. This editing occurs for individual returns where a Schedule C or multiple Schedules C are attached, but the data are not consistent with SOI's definition of proper filing of that schedule(s). Also, data from a few amended returns and tentative returns are not reflected in these statistics.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All nonfarm industries.....</b>	<b>16,423,872</b>	<b>807,363,638</b>	<b>26,738,439</b>	<b>6,218,381</b>	<b>21,284,600</b>	<b>10,056,582</b>	<b>78,854,134</b>	<b>169,262,336</b>
<b>Agricultural services, forestry, and fishing.....</b>	<b>509,952</b>	<b>19,170,533</b>	<b>1,378,488</b>	<b>174,318</b>	<b>255,406</b>	<b>356,656</b>	<b>2,673,431</b>	<b>3,235,201</b>
Agricultural services.....	437,941	16,352,904	1,150,360	144,407	236,315	305,183	2,530,792	2,479,048
Veterinary services, including pets.....	26,641	3,287,530	147,450	12,082	67,942	97,971	639,694	767,934
Livestock breeding.....	31,182	303,313	48,837	3,465	6,892	8,497	20,834	-210,528
Animal services, except livestock breeding, and veterinary.....	87,049	2,100,611	169,610	17,466	74,389	52,379	181,014	-29,990
Landscape and horticultural services.....	247,401	7,493,386	638,484	87,195	63,778	101,307	1,155,868	1,569,804
Farm labor, management, and crop services.....	45,667	3,168,065	145,979	24,199	23,314	45,029	533,381	381,828
Forestry, except logging.....	16,658	753,812	76,836	10,917	1,561	13,265	60,386	130,051
Commercial fishing.....	49,664	2,040,551	145,373	18,930	17,233	35,901	81,765	636,268
Hunting and trapping.....	5,689	23,266	5,919	64	297	2,306	488	-10,166
<b>Mining.....</b>	<b>119,322</b>	<b>4,623,965</b>	<b>368,062</b>	<b>34,025</b>	<b>61,074</b>	<b>161,566</b>	<b>213,400</b>	<b>-93,646</b>
Metal mining.....	1,044	39,855	12,024	3	163	1,866	13,697	-17,855
Coal mining.....	*18	*41,555	*2,636	*8	*33	*916	*2,490	*231
Oil and gas extraction.....	107,562	4,312,334	333,400	25,965	51,843	155,386	175,607	-51,731
Quarrying and nonmetallic minerals, except fuels.....	10,698	230,221	20,003	8,048	9,035	3,399	21,606	-24,292
<b>Construction.....</b>	<b>2,111,403</b>	<b>118,938,100</b>	<b>3,658,797</b>	<b>822,185</b>	<b>632,358</b>	<b>1,011,421</b>	<b>18,782,159</b>	<b>20,826,810</b>
General building contractors and operative builders.....	309,807	32,727,943	656,260	143,913	95,128	370,157	4,614,532	3,483,420
General building contractors.....	278,741	28,920,888	586,147	134,747	85,305	340,959	4,103,107	2,958,969
Operative builders.....	31,066	3,807,055	70,113	9,166	9,822	29,198	511,425	524,450
Heavy construction contractors.....	70,393	4,235,839	243,888	69,110	21,003	76,574	647,888	619,650
Highway and street construction.....	17,279	1,111,397	98,556	16,301	689	21,877	203,014	104,615
Heavy construction, except highway.....	53,114	3,124,442	145,333	52,809	20,314	54,697	444,874	515,036
Special trade contractors.....	1,731,203	81,974,319	2,758,648	609,162	516,227	564,690	13,519,739	16,723,740
Plumbing, heating, and air conditioning.....	155,143	10,315,590	252,323	37,068	51,835	77,614	1,360,292	1,544,517
Painting and paperhanging.....	229,836	6,856,857	185,247	43,058	45,686	27,431	1,116,273	2,091,850
Electrical work.....	137,959	7,757,794	225,300	25,930	44,310	48,805	1,233,593	1,497,129
Masonry, stonework, tile setting, and plastering.....	190,434	10,503,246	177,978	92,845	46,157	40,395	2,616,716	2,449,958
Carpentering and flooring.....	555,260	20,668,580	542,448	116,644	130,703	104,812	3,157,770	5,175,130
Roofing, siding, and sheet metal work.....	109,529	6,135,897	131,674	34,986	53,915	33,747	1,328,492	1,083,563
Concrete work.....	45,946	3,239,125	162,397	30,599	13,584	18,355	601,797	315,709
Miscellaneous special trade contractors.....	307,096	16,497,231	1,081,282	228,031	130,037	213,530	2,104,807	2,565,883
<b>Manufacturing.....</b>	<b>497,780</b>	<b>32,101,683</b>	<b>1,731,373</b>	<b>328,875</b>	<b>762,098</b>	<b>520,614</b>	<b>4,977,915</b>	<b>4,143,519</b>
Food and kindred products.....	20,427	1,236,840	31,412	2,521	31,780	13,459	104,362	113,950
Textile mill products.....	*4,425	*390,842	*14,019	*432	*5,228	*7,103	*16,352	*29,268
Apparel and other textile products.....	34,033	2,071,285	121,989	21,359	118,095	15,635	553,944	219,704
Lumber and wood products, except furniture (including logging).....	93,471	8,891,803	694,514	133,800	88,524	204,944	1,252,513	632,758
Furniture and fixtures.....	23,733	1,472,873	47,866	1,275	46,823	12,816	355,105	307,447
Printing, publishing, and allied industries.....	113,492	5,528,410	258,712	60,538	154,349	83,485	728,229	765,431
Leather and leather products.....	*4,372	*204,525	*6,784	*2,084	*5,605	*1,399	*63,450	*25,105
Stone, clay, and glass products.....	24,824	493,529	37,613	1,560	14,635	23,098	62,177	57,248
Primary metal industries.....	*404	*363,195	*2,583	*246	*1,342	*19	*18,878	*18,484
Fabricated metal products.....	31,025	2,122,185	102,430	31,100	51,103	25,857	393,805	428,978
Machinery, except electrical.....	48,049	4,309,589	246,615	37,240	103,273	64,473	814,871	830,233
Electrical and electronic equipment.....	17,870	1,108,343	25,514	3,195	21,756	17,973	151,581	198,778
Paper and allied products.....	5,001	628,955	18,893	4,598	26,366	3,816	55,065	47,381
Other manufacturing industries.....	76,655	3,279,310	122,430	28,928	93,218	46,536	407,585	468,754
<b>Transportation and public utilities.....</b>	<b>737,071</b>	<b>39,811,359</b>	<b>3,206,505</b>	<b>965,667</b>	<b>371,862</b>	<b>790,274</b>	<b>3,001,723</b>	<b>5,797,110</b>
Local and interurban passenger transit.....	98,628	2,324,098	109,859	218,578	56,760	40,346	89,591	565,289
Taxicabs.....	55,875	986,196	17,326	160,141	50,230	8,469	9	277,062
Bus and limousine transportation.....	40,016	1,299,519	84,790	57,122	6,530	30,300	89,582	283,844
Other highway passenger transportation.....	*2,737	*38,383	*7,743	*1,314	--	*1,577	--	*4,383
Trucking and warehousing.....	461,633	30,002,756	2,775,106	653,274	158,142	646,644	2,368,398	4,384,576
Trucking, local and long distance, including trash collection without own dump.....	351,145	27,489,768	2,718,503	590,027	127,434	623,696	2,248,373	3,721,899
Courier or package delivery service.....	110,150	2,399,428	46,112	63,053	18,090	9,032	110,337	629,898
Public warehousing.....	337	113,560	10,491	194	12,618	13,916	9,688	32,779
Water transportation.....	7,036	310,766	12,559	3,789	5,544	6,725	13,871	45,419
Air transportation.....	11,045	491,411	45,799	549	26,499	23,645	60,896	72,259
Transportation services.....	83,697	5,079,152	104,126	74,670	103,454	37,393	296,278	456,702
Travel agents and tour operators.....	54,785	3,602,445	37,793	33,721	86,039	14,064	134,569	378,717
Other transportation services.....	28,912	1,476,707	66,332	40,949	17,415	23,329	161,709	77,985
Communication services.....	43,672	1,052,631	93,158	10,265	12,593	20,677	157,872	172,483
Utilities, including dumps, snowplowing, road cleaning, etc.....	31,360	550,544	65,898	4,541	8,870	14,845	14,816	100,382

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Wholesale and retail trade.....</b>	<b>3,026,959</b>	<b>257,278,099</b>	<b>4,348,312</b>	<b>1,075,502</b>	<b>7,516,338</b>	<b>2,467,308</b>	<b>18,117,003</b>	<b>16,615,003</b>
Wholesale trade.....	374,280	41,906,934	540,389	140,444	315,695	208,943	1,495,337	5,050,095
Durable goods, including machinery, wood, metals, etc.....	209,281	21,918,649	284,007	68,485	158,291	95,123	716,401	3,411,254
Nondurable goods, including food, fiber, chemicals, etc.....	164,999	19,988,286	256,382	71,959	157,404	113,821	778,936	1,638,841
Retail trade.....	2,652,679	215,371,165	3,807,924	935,058	7,200,643	2,258,365	16,621,666	11,564,907
Building materials, paint, hardware, garden supply, and mobile home dealers.....	75,483	9,667,826	186,512	35,009	155,752	148,729	1,052,584	641,533
Lumber and other building materials dealers.....	26,327	2,673,267	59,181	13,222	22,606	39,730	245,945	232,846
Paint, glass, and wallpaper stores.....	4,691	627,918	9,506	4,998	22,220	6,247	117,772	50,619
Hardware stores.....	14,956	2,815,575	42,929	10,242	54,842	41,719	201,191	124,742
Retail nurseries and garden supply stores.....	22,894	2,032,200	57,163	5,080	35,376	29,167	210,576	129,160
Mobile home dealers.....	6,615	1,518,867	17,732	1,466	20,708	31,866	277,100	104,165
General merchandise stores.....	44,917	4,805,923	58,251	10,474	158,675	38,739	240,887	312,861
Variety stores.....	16,954	1,930,946	21,643	7,844	79,547	19,576	101,501	170,265
Computer and software stores.....	11,150	1,436,035	19,573	1,648	17,063	12,042	44,750	85,351
Other general merchandise stores.....	16,813	1,438,941	17,035	982	62,064	7,121	94,636	57,245
Food stores.....	152,501	36,046,872	515,198	143,219	876,651	323,471	2,358,259	1,361,708
Grocery stores.....	91,076	28,023,974	336,627	101,538	549,331	242,388	1,623,583	1,012,544
Retail bakeries.....	20,269	1,730,235	75,765	13,792	124,475	48,744	341,894	135,427
Miscellaneous food stores.....	41,156	6,292,663	102,806	27,889	202,845	34,339	392,783	213,737
Automotive dealers and service stations.....	183,175	53,504,090	489,353	96,028	660,570	480,256	2,535,344	1,711,781
Motor vehicle dealers--new car dealers (franchised).....	13,577	1,426,808	3,544	4,767	5,979	8,640	39,639	128,938
Motor vehicle dealers--used cars only.....	79,223	16,988,391	91,720	18,100	135,938	179,718	519,120	593,383
Auto parts and accessories and selected home supply stores.....	26,490	4,030,533	80,207	13,877	88,508	70,579	340,330	338,741
Gasoline service stations.....	28,941	25,486,897	263,067	45,787	401,052	137,565	1,437,832	541,666
Boat dealers.....	4,129	1,222,290	9,415	7,899	9,638	22,215	39,880	1,857
Miscellaneous automotive dealers.....	30,816	4,349,171	41,400	5,599	19,455	61,539	158,543	107,195
Apparel and accessory stores.....	101,610	7,979,217	95,826	24,091	662,164	72,726	595,522	490,777
Men's and boy's clothing stores.....	1,565	498,873	6,761	128	33,747	5,401	30,255	15,179
Women's ready-to-wear stores.....	25,382	1,763,156	22,279	11,294	191,882	13,614	114,106	94,824
Women's accessory and specialty stores.....	14,665	860,092	11,205	395	50,911	10,413	93,094	35,752
Family clothing stores.....	20,902	1,932,097	24,574	7,403	170,757	23,884	86,925	89,301
Shoe stores.....	6,360	1,001,601	8,263	1,655	71,679	13,126	94,676	45,645
Apparel and accessory stores, not elsewhere classified.....	32,736	1,923,399	22,744	3,216	143,188	6,288	176,466	210,077
Furniture and home furnishings stores.....	111,443	11,002,191	250,937	42,955	434,574	167,182	1,187,226	851,363
Furniture stores.....	29,151	3,832,370	78,008	5,515	166,156	92,696	430,071	251,723
Home furnishings and equipment stores, except appliances.....	24,419	3,501,146	53,460	10,354	121,545	36,023	397,610	307,288
Household appliance stores.....	22,570	1,407,939	31,743	18,895	73,802	13,288	128,688	135,689
Television, audio, and electronic stores.....	18,860	1,392,731	31,259	1,422	36,842	16,507	184,106	88,653
Music and record stores.....	16,442	868,006	56,466	6,769	36,228	8,668	46,750	68,010
Eating and drinking places.....	232,852	27,132,722	903,280	183,330	1,769,419	419,470	5,004,484	1,254,916
Eating places.....	134,268	21,892,551	762,176	136,879	1,502,845	339,765	4,402,395	809,442
Drinking places.....	53,929	4,565,808	122,358	38,825	244,483	72,236	537,436	335,961
Catering services.....	44,655	674,363	18,746	7,627	22,091	7,469	64,653	109,513
Miscellaneous retail stores.....	1,750,699	65,232,325	1,308,567	399,952	2,482,839	607,791	3,647,360	4,939,970
Drug stores.....	6,691	3,674,868	23,640	15,825	52,969	8,391	260,167	273,362
Liquor stores.....	15,815	5,110,302	81,633	5,231	187,117	62,985	368,608	230,395
Used merchandise and antique stores.....	118,502	3,957,587	78,007	47,433	310,980	49,297	189,279	236,394
Sporting goods and bicycle shops.....	55,000	3,984,970	81,823	19,077	121,573	37,864	238,741	192,090
Book stores.....	9,937	785,648	16,395	3,449	57,600	7,340	79,199	57,070
Stationery stores.....	6,001	1,051,932	15,851	5,094	73,236	23,003	85,385	68,399
Jewelry stores.....	41,904	3,822,269	48,276	37,330	193,628	38,392	210,203	481,443
Hobby, toy, and game shops.....	50,873	1,639,261	23,663	7,004	102,311	23,198	67,422	-70,412
Camera and photographic supply stores.....	*3,408	*448,193	*11,005	*5,166	*41,260	*2,081	*20,264	*48,681
Luggage and leather goods stores.....	*1,663	*301,190	*2,028	*14	*46,311	*1,392	*4,883	*16,940
Fabric and needlework stores.....	26,112	773,287	11,486	889	67,494	4,094	59,601	23,219
Catalog or mail order.....	90,421	2,241,896	30,697	6,152	36,446	9,443	56,042	72,467
Vending machine selling.....	43,381	1,460,622	128,837	10,359	17,182	11,153	58,618	159,968
Sales by door-to-door, telephone, etc.....	979,213	16,069,248	355,313	134,270	226,318	122,669	475,379	2,106,458
Gift, novelty, and souvenir shops.....	77,714	2,790,591	70,259	21,788	299,587	28,316	217,267	-33,846
Fuel oil dealers.....	4,483	1,222,948	21,847	289	3,604	12,278	62,917	25,982
Florists.....	50,443	2,894,051	99,226	18,603	140,789	44,873	391,543	81,946
Other retail shops.....	169,137	13,003,461	208,383	61,977	504,434	121,022	801,394	969,413

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Finance, insurance, and real estate.....</b>	<b>1,275,117</b>	<b>57,473,784</b>	<b>1,401,801</b>	<b>486,707</b>	<b>1,345,361</b>	<b>1,375,885</b>	<b>2,610,392</b>	<b>20,600,260</b>
Finance.....	135,239	10,930,057	162,856	37,155	262,544	566,960	250,327	1,180,779
Credit agencies and mortgage bankers.....	16,367	885,903	13,763	5,334	22,441	21,367	24,772	269,208
Security and commodity brokers and services.....	55,834	5,394,430	81,472	24,122	187,773	174,130	155,971	647,244
Security brokers and dealers.....	16,528	2,398,578	12,442	7,889	30,338	91,642	31,471	219,407
Investment advisors and services.....	25,424	1,564,278	43,673	16,002	47,840	21,425	74,390	486,425
Commodity contract brokers, exchanges and services.....	13,882	1,431,574	25,357	232	109,595	61,063	50,110	-58,588
Other financial services.....	63,037	4,649,724	67,621	7,698	52,330	371,463	69,584	264,328
Insurance agents and brokers.....	350,400	17,964,367	376,565	203,610	561,883	193,998	1,527,804	8,400,804
Insurance services.....	52,427	2,321,879	56,564	27,788	29,781	24,894	190,062	1,118,585
Real estate.....	737,051	26,257,477	805,815	218,154	491,152	590,033	642,199	9,900,092
Real estate property managers.....	50,810	1,532,350	64,882	9,344	59,041	54,313	118,946	385,384
Operators and lessors of buildings.....	7,014	720,691	101,623	5,564	8,480	140,616	56,961	-30,240
Operators and lessors, other than buildings.....	5,788	366,928	47,795	154	3,762	48,011	18,228	47,355
Real estate agents and brokers.....	651,101	21,284,903	557,140	200,984	409,529	216,611	346,157	9,354,254
Title abstract companies.....	8,212	125,499	4,693	--	2,991	191	19,439	57,459
Subdividers and developers.....	14,126	2,227,111	29,683	2,108	7,350	130,291	82,469	85,881
<b>Services.....</b>	<b>7,957,579</b>	<b>275,272,662</b>	<b>10,614,695</b>	<b>2,309,650</b>	<b>10,330,077</b>	<b>3,347,248</b>	<b>28,369,716</b>	<b>97,180,886</b>
Hotels and other lodging places.....	52,503	4,679,724	520,743	26,777	107,192	546,410	653,709	156,962
Hotels, motels, and tourist courts.....	38,928	3,991,861	441,829	17,993	90,844	461,006	573,872	182,213
Rooming and boarding houses.....	6,869	293,993	22,480	8,686	14,573	25,360	55,007	5,888
Camps and camping parks.....	6,706	393,870	56,434	99	1,776	60,044	24,830	-31,139
Personal services.....	1,193,865	27,562,326	994,756	346,431	2,136,490	279,834	2,763,708	7,967,947
Coin-operated laundries and dry cleaning.....	15,802	1,058,285	89,699	10,448	138,956	29,944	123,742	125,220
Other cleaning services, including laundry, dry cleaning, garment, carpet, and upholstery.....	52,654	2,835,474	117,489	55,060	230,781	28,880	576,784	420,445
Photographic portrait studios.....	38,978	1,370,203	73,883	17,218	73,745	8,170	74,099	171,699
Beauty shops.....	401,136	9,490,948	254,548	135,602	1,198,258	105,690	1,391,356	2,789,451
Barber shops.....	78,799	1,444,067	24,271	37,319	175,253	13,671	137,575	655,249
Funeral service and crematories.....	11,388	1,043,989	89,627	8,908	17,125	22,544	65,305	205,523
Miscellaneous personal services, including valet parking.....	595,108	10,319,361	345,239	81,876	302,373	70,934	394,846	3,600,361
Business services.....	1,812,942	43,641,384	2,252,250	323,152	789,317	427,576	4,148,154	12,256,560
Advertising, except direct mail.....	68,412	3,047,096	88,344	25,386	43,882	13,590	50,510	724,783
Consumer credit reporting and collecting services.....	*1,342	*40,858	*4	*957	*381	*9	*28	*11,524
Janitorial and related services to buildings.....	457,224	6,965,782	211,402	34,537	61,112	36,395	1,102,665	2,361,140
Computer and data processing services.....	220,462	4,208,901	251,596	38,537	73,021	28,016	245,691	1,539,186
Mailing, reproduction, commercial art and photography, and stenographic services.....	174,038	4,200,327	224,822	51,732	116,221	23,280	270,590	1,309,787
Computer repair, maintenance, and leasing.....	24,915	1,240,008	114,770	1,955	8,859	12,028	220,207	122,028
Equipment rental and leasing, except computer and automotive.....	35,881	1,856,199	458,570	9,779	34,064	98,991	88,780	183,850
Other business services.....	830,668	22,082,213	902,741	160,269	451,776	215,267	2,169,684	6,004,263
Automobile repair and services.....	385,021	24,049,776	1,152,457	227,802	1,073,021	318,586	2,837,509	2,430,005
Automotive rentals or leasing, without drivers.....	15,509	357,657	130,148	8,081	11,837	15,644	14,861	-21,676
Automobile parking, except valet.....	2,729	192,362	3,359	2	75,203	1,643	18,217	44,849
Automotive repair shops.....	281,469	19,358,643	736,944	208,522	885,389	219,681	2,393,373	1,841,734
Automotive services, except repair.....	85,314	4,141,115	282,006	11,197	100,593	81,618	411,058	565,096
Miscellaneous repair services.....	294,278	9,936,903	307,108	60,295	220,858	87,629	688,700	2,257,278
TV and audio equipment repair.....	24,394	931,769	12,110	5,876	25,484	2,624	37,182	181,449
Electrical repair, except TV and audio equipment.....	70,689	2,363,288	85,496	12,572	39,244	10,988	187,587	623,530
Reupholstery and furniture repair.....	43,143	1,561,995	22,832	20,971	73,862	22,556	206,692	351,609
Other miscellaneous repair.....	156,050	5,079,851	186,670	20,876	82,267	51,460	257,239	1,100,690
Motion pictures.....	66,050	2,732,932	327,172	37,788	153,261	27,458	197,203	483,003
Motion picture and video production.....	50,265	1,237,307	137,914	30,341	24,498	7,638	23,475	328,548
Motion picture and tape distribution and allied services.....	5,032	173,626	3,720	4,943	863	2,016	11,187	38,049
Motion picture theaters.....	*173	*51,814	*776	*106	*7,295	*368	*10,076	*-1,448
Video tape rentals.....	10,580	1,270,184	184,763	2,399	120,605	17,437	152,465	117,855
Amusement and recreation services, except motion pictures.....	635,631	13,801,109	850,507	109,810	500,677	166,204	558,760	3,734,098
Entertainers, producers, agents, and related services.....	345,742	6,339,381	401,355	61,740	142,797	40,929	144,849	2,482,335
Bowling centers.....	3,420	189,311	21,768	944	761	19,727	40,531	-3,531
Professional sports and racing, including promoters and managers.....	84,477	2,607,353	153,127	8,940	37,746	13,654	62,432	508,674
Other amusement and recreational services.....	189,309	4,365,308	267,770	34,588	264,726	83,498	275,805	683,949
Physical fitness facilities.....	12,683	299,756	6,487	3,598	54,646	8,396	35,143	62,670

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with and without net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income less deficit
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Services--Continued</b>								
Medical and health services.....	802,433	73,109,797	1,775,667	499,362	2,954,013	764,924	9,818,382	33,677,378
Offices of physicians.....	197,308	28,020,543	481,310	147,027	994,271	172,732	2,900,994	15,880,972
Offices of dentists.....	108,958	22,564,977	660,003	191,718	915,023	316,127	4,540,841	8,455,757
Offices of osteopathic physicians.....	12,250	1,530,351	23,780	8,528	34,351	13,093	155,007	999,374
Offices of chiropractors.....	35,037	3,907,574	135,073	48,951	216,553	72,822	527,776	1,519,355
Offices of optometrists.....	16,317	2,469,802	103,161	7,669	139,511	33,758	325,290	566,929
Offices of podiatrists.....	6,129	1,000,672	35,265	17,608	58,741	15,059	110,982	397,831
Registered and practical nurses.....	45,369	735,590	13,697	1,190	15,000	2,205	55,321	410,620
Nursing and personal care facilities.....	69,922	2,271,339	74,702	8,215	63,359	81,044	491,331	455,838
Medical and dental laboratories.....	24,910	1,086,759	31,771	5,966	47,993	5,578	141,860	252,726
Other medical and health services.....	286,235	9,522,191	216,906	62,491	469,211	52,505	568,980	4,737,976
Legal services.....	281,073	23,536,158	463,288	213,462	1,133,212	225,167	3,029,954	10,730,199
Educational services.....	250,054	2,557,223	166,116	11,372	141,081	22,582	210,246	792,294
Child day care.....	563,509	5,950,518	243,027	73,385	106,395	74,760	580,922	1,956,810
Ministers and chaplains.....	203,071	2,454,327	48,663	13,424	34,003	10,325	352	1,531,443
Engineering services.....	91,527	4,185,352	148,903	36,317	97,991	32,100	517,514	1,743,350
Architectural services.....	56,724	2,729,888	87,187	21,142	117,585	21,480	426,627	789,022
Surveying services.....	20,038	666,261	55,504	10,605	4,874	1,062	143,001	205,089
Accounting, auditing, and bookkeeping services.....	343,399	7,250,097	371,141	109,039	297,360	136,459	833,207	2,907,664
Management services.....	99,591	2,966,555	71,987	16,940	66,622	42,717	226,545	1,728,889
Consulting services.....	688,496	20,486,489	679,826	156,521	221,083	142,957	612,865	10,417,345
Public relations.....	14,871	484,802	23,780	2,915	12,997	1,546	16,715	204,793
Counseling, except health practitioners.....	102,503	2,491,041	74,612	13,112	162,045	17,471	105,643	1,210,757
<b>Nature of business not allocable.....</b>	<b>188,689</b>	<b>2,693,452</b>	<b>30,406</b>	<b>21,454</b>	<b>10,027</b>	<b>25,610</b>	<b>108,395</b>	<b>957,193</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All nonfarm industries.....</b>	<b>12,213,472</b>	<b>707,246,092</b>	<b>19,400,612</b>	<b>4,907,630</b>	<b>16,909,979</b>	<b>6,752,924</b>	<b>67,028,658</b>	<b>191,728,953</b>
<b>Agricultural services, forestry, and fishing.....</b>	<b>357,090</b>	<b>16,594,366</b>	<b>907,252</b>	<b>137,663</b>	<b>208,276</b>	<b>248,111</b>	<b>2,376,248</b>	<b>4,174,084</b>
Agricultural services.....	297,091	14,001,249	723,689	111,646	190,556	204,340	2,240,526	3,350,236
Veterinary services, including pets.....	20,039	3,223,626	119,719	11,414	62,953	82,317	635,495	841,093
Livestock breeding.....	3,022	162,866	4,145	1,405	2	2,417	--	18,400
Animal services, except livestock breeding, and veterinary.....	42,801	1,323,084	45,497	5,136	50,772	25,600	120,417	277,602
Landscape and horticultural services.....	194,961	6,624,982	468,192	77,901	56,456	69,123	987,896	1,762,099
Farm labor, management, and crop services.....	36,268	2,666,692	86,135	15,790	20,373	24,884	496,717	451,042
Forestry, except logging.....	13,001	663,921	59,885	10,873	1,099	8,458	54,241	146,264
Commercial fishing.....	44,215	1,920,368	123,490	15,144	16,618	35,313	81,463	673,441
Hunting and trapping.....	2,782	8,827	189	--	2	--	19	4,143
<b>Mining.....</b>	<b>69,134</b>	<b>2,850,982</b>	<b>164,504</b>	<b>10,571</b>	<b>29,233</b>	<b>34,779</b>	<b>143,285</b>	<b>685,788</b>
Metal mining.....	3	16,711	619	--	--	102	5,583	4,098
Coal mining.....	4	8,842	376	6	--	296	2,004	1,910
Oil and gas extraction.....	65,221	2,666,777	155,388	2,873	20,198	30,982	117,011	667,274
Quarrying and nonmetallic minerals, except fuels.....	3,906	158,652	8,121	7,693	9,035	3,399	18,686	12,507
<b>Construction.....</b>	<b>1,811,166</b>	<b>106,327,914</b>	<b>2,976,722</b>	<b>634,984</b>	<b>514,507</b>	<b>746,132</b>	<b>16,081,086</b>	<b>22,555,523</b>
General building contractors and operative builders.....	247,167	28,272,845	469,890	124,993	83,217	82,217	3,686,294	4,125,593
General building contractors.....	220,958	24,699,986	414,012	116,739	74,633	200,076	3,244,156	3,534,837
Operative builders.....	26,210	3,572,859	55,879	8,254	8,585	16,095	442,139	590,755
Heavy construction contractors.....	57,091	3,639,715	199,641	52,215	20,108	54,995	499,234	691,261
Highway and street construction.....	12,585	846,743	78,261	13,804	580	12,744	128,295	141,138
Heavy construction, except highway.....	44,506	2,792,972	121,380	38,411	19,527	42,251	370,940	550,123
Special trade contractors.....	1,506,908	74,415,354	2,307,191	457,775	411,182	474,966	11,895,557	17,738,670
Plumbing, heating, and air conditioning.....	125,286	9,424,937	221,418	29,006	48,420	70,228	1,232,335	1,645,872
Painting and paperhanging.....	217,964	6,375,084	167,543	38,652	42,969	24,953	899,897	2,150,825
Electrical work.....	113,030	6,981,351	196,704	25,511	38,324	45,162	952,708	1,640,302
Masonry, stonework, tile setting, and plastering.....	178,664	10,080,156	165,413	77,345	44,986	39,264	2,542,957	2,491,657
Carpentering and flooring.....	488,784	18,757,745	445,488	73,721	91,569	88,248	2,867,835	5,437,277
Roofing, siding, and sheet metal work.....	102,351	5,667,639	126,073	28,980	50,977	33,064	1,166,597	1,099,469
Concrete work.....	33,770	2,770,584	130,511	17,091	9,538	16,705	509,354	380,407
Miscellaneous special trade contractors.....	247,057	14,357,858	854,039	167,469	84,400	157,342	1,723,874	2,892,861
<b>Manufacturing.....</b>	<b>339,476</b>	<b>27,364,916</b>	<b>1,287,608</b>	<b>268,779</b>	<b>624,515</b>	<b>368,042</b>	<b>4,293,282</b>	<b>4,962,805</b>
Food and kindred products.....	9,480	1,049,367	15,778	1,672	11,446	6,762	59,648	164,727
Textile mill products.....	--	--	--	--	--	--	--	--
Apparel and other textile products.....	18,037	1,807,245	81,492	17,056	96,613	11,134	525,568	289,314
Lumber and wood products, except furniture (including logging).....	64,629	6,823,864	480,485	95,523	84,283	137,419	975,094	835,422
Furniture and fixtures.....	17,320	1,323,675	45,180	214	37,923	5,674	320,830	398,837
Printing, publishing, and allied industries.....	83,963	4,529,538	190,108	53,837	108,533	56,375	573,545	1,049,369
Leather and leather products.....	3,170	201,174	1,174	2,084	5,603	1,399	63,450	31,723
Stone, clay, and glass products.....	10,508	428,142	27,412	1,560	9,989	14,623	61,559	82,632
Primary metal industries.....	--	--	--	--	--	--	--	--
Fabricated metal products.....	27,369	2,003,648	89,299	26,401	49,315	21,844	363,122	456,460
Machinery, except electrical.....	39,173	4,080,074	220,993	37,151	93,622	57,344	790,825	840,820
Electrical and electronic equipment.....	15,385	944,161	23,335	3,088	19,054	17,227	128,331	203,591
Paper and allied products.....	3,859	626,620	18,893	4,598	26,366	3,815	55,060	50,129
Other manufacturing industries.....	41,763	2,793,486	76,897	24,919	75,200	27,303	341,257	571,512
<b>Transportation and public utilities.....</b>	<b>562,689</b>	<b>32,946,184</b>	<b>2,262,346</b>	<b>787,921</b>	<b>271,753</b>	<b>552,970</b>	<b>2,168,869</b>	<b>6,761,412</b>
Local and interurban passenger transit.....	87,409	2,094,253	78,117	206,422	28,527	31,028	63,970	636,385
Taxicabs.....	50,109	930,223	6,747	160,130	25,232	7,633	9	321,201
Bus and limousine transportation.....	34,875	1,127,794	68,062	46,292	3,295	22,547	63,961	301,961
Other highway passenger transportation.....	2,426	36,236	3,308	--	--	849	--	13,223
Trucking and warehousing.....	365,072	24,677,077	2,013,655	529,918	126,645	466,565	1,645,955	4,935,859
Trucking, local and long distance, including trash collection without own dump.....	279,221	22,406,265	1,976,797	467,690	97,746	452,175	1,550,948	4,207,119
Courier or package delivery service.....	85,558	2,172,713	30,566	62,075	16,428	8,852	85,992	694,287
Public warehousing.....	293	98,099	6,292	154	12,470	5,537	9,015	34,453
Water transportation.....	6,600	305,400	8,965	3,789	5,435	5,715	13,031	51,070
Air transportation.....	8,045	355,548	16,741	371	9,602	13,482	35,336	138,590
Transportation services.....	56,600	4,135,448	43,313	37,347	86,618	18,828	258,765	586,425
Travel agents and tour operators.....	37,876	2,848,489	23,880	22,181	69,905	8,184	113,682	468,766
Other transportation services.....	18,724	1,286,960	19,434	15,166	16,713	10,644	145,083	117,659
Communication services.....	21,013	891,591	48,870	8,681	9,825	10,647	138,021	267,303
Utilities, including dumps, snowplowing, road cleaning, etc.....	17,950	486,868	52,685	1,392	5,101	6,704	13,790	145,780

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>12</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>13</sup>	Payroll <sup>14</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Wholesale and retail trade.....</b>	<b>1,717,831</b>	<b>214,449,150</b>	<b>2,900,934</b>	<b>742,508</b>	<b>5,349,976</b>	<b>1,717,021</b>	<b>14,123,045</b>	<b>23,175,835</b>
Wholesale trade.....	229,223	37,886,885	396,163	91,561	249,689	153,322	1,208,310	5,999,004
Durable goods, including machinery, wood, metals, etc.....	145,673	20,338,416	195,643	48,402	133,187	78,187	611,672	3,864,732
Nondurable goods, including food, fiber, chemicals, etc.....	83,549	17,548,469	200,519	43,159	116,502	75,135	596,638	2,134,272
Retail trade.....	1,488,608	176,562,265	2,504,771	650,947	5,100,287	1,563,699	12,914,735	17,176,831
Building materials, paint, hardware, garden supply, and mobile home dealers.....	53,571	8,032,074	153,019	24,098	105,564	115,285	877,716	831,074
Lumber and other building materials dealers.....	17,774	2,265,734	54,210	13,214	36,755	36,755	228,542	268,039
Paint, glass, and wallpaper stores.....	*4,318	*475,278	*4,456	*1,924	*14,593	*902	*84,480	*56,937
Hardware stores.....	9,080	2,140,475	27,839	3,658	39,267	30,395	156,607	178,278
Retail nurseries and garden supply stores.....	16,979	1,777,147	48,915	4,387	28,528	18,667	179,768	193,773
Mobile home dealers.....	5,421	1,373,441	17,599	916	12,176	28,567	228,319	134,047
General merchandise stores.....	31,805	4,222,335	46,428	9,740	142,705	25,638	191,933	387,445
Variety stores.....	15,348	1,873,457	20,843	7,844	79,154	18,189	95,860	178,351
Computer and software stores.....	6,653	1,263,953	13,469	1,625	16,312	4,744	39,948	107,096
Other general merchandise stores.....	9,804	1,084,925	12,117	271	47,239	2,704	56,125	101,998
Food stores.....	106,272	29,735,676	379,564	96,774	673,130	220,749	1,804,841	1,759,077
Grocery stores.....	71,509	23,174,561	269,728	82,232	437,625	181,511	1,343,721	1,214,204
Retail bakeries.....	14,233	1,199,171	49,929	1,897	94,039	15,789	157,889	186,731
Miscellaneous food stores.....	20,529	5,361,945	59,907	12,646	141,466	17,656	303,231	358,141
Automotive dealers and service stations.....	128,077	45,716,809	392,407	79,543	506,067	343,678	2,198,532	2,275,054
Motor vehicle dealers--new car dealers (franchised).....	13,368	1,315,533	2,717	4,766	5,613	7,926	36,823	130,421
Motor vehicle dealers--used cars only.....	54,474	14,014,946	68,096	10,456	97,693	102,444	445,070	863,670
Auto parts and accessories and selected home supply stores.....	20,692	3,453,528	62,060	9,998	64,972	52,993	269,349	412,241
Gasoline service stations.....	22,938	22,134,321	223,572	41,352	320,705	119,460	1,271,645	637,317
Boat dealers.....	1,436	1,030,548	4,614	7,531	3,274	12,594	29,459	50,844
Miscellaneous automotive dealers.....	15,189	3,767,933	31,348	5,439	13,811	48,260	146,187	180,562
Apparel and accessory stores.....	68,444	6,325,937	56,254	11,869	474,255	43,188	372,078	740,343
Men's and boy's clothing stores.....	1,132	241,704	170	128	28,865	1,391	13,784	26,909
Women's ready-to-wear stores.....	16,546	1,415,226	9,858	1,308	137,902	7,935	76,189	193,586
Women's accessory and specialty stores.....	8,317	634,952	6,267	372	42,785	6,273	40,217	75,835
Family clothing stores.....	16,758	1,691,842	20,350	6,848	126,777	20,150	64,837	128,014
Shoe stores.....	2,314	696,528	3,146	190	33,846	2,402	49,638	68,710
Apparel and accessory stores, not elsewhere classified.....	23,377	1,645,686	16,462	3,022	104,080	5,038	127,414	247,290
Furniture and home furnishings stores.....	80,529	9,358,554	190,346	37,927	339,211	125,891	950,645	1,087,976
Furniture stores.....	19,449	3,338,449	69,370	2,732	137,686	72,613	343,291	351,475
Home furnishings and equipment stores, except appliances.....	20,505	3,024,634	43,730	9,170	87,032	30,504	354,586	351,390
Household appliance stores.....	16,911	1,151,586	19,115	18,776	58,769	9,767	83,523	157,422
Television, audio, and electronic stores.....	15,553	1,020,501	20,923	480	25,490	4,433	122,495	125,282
Music and record stores.....	8,111	823,383	37,208	6,769	30,233	8,572	46,750	102,407
Eating and drinking places.....	146,158	20,058,890	501,263	128,931	1,125,192	260,883	3,567,099	2,126,805
Eating places.....	78,934	16,032,121	409,716	99,083	951,639	208,317	3,067,633	1,503,784
Drinking places.....	34,727	3,516,265	83,555	24,539	156,939	47,127	462,734	493,010
Catering services.....	32,497	510,505	7,992	5,309	16,615	5,439	36,733	130,010
Miscellaneous retail stores.....	873,751	53,111,990	785,490	262,064	1,734,163	428,387	2,951,890	7,969,057
Drug stores.....	5,601	3,315,189	16,682	14,304	41,506	8,187	229,022	278,941
Liquor stores.....	11,122	4,278,180	67,986	1,800	141,397	57,882	351,952	270,505
Used merchandise and antique stores.....	68,353	2,963,304	45,965	41,311	185,932	30,695	174,534	461,484
Sporting goods and bicycle shops.....	27,327	3,071,158	49,534	15,416	67,067	30,186	211,139	336,970
Book stores.....	3,924	667,485	9,250	3,424	48,893	4,321	66,849	88,386
Stationery stores.....	4,186	1,000,579	8,477	4,866	67,438	20,713	77,237	95,286
Jewelry stores.....	30,634	3,361,254	32,705	26,902	168,382	25,152	165,564	534,418
Hobby, toy, and game shops.....	19,084	963,917	8,389	5,336	40,196	12,014	55,596	69,499
Camera and photographic supply stores.....	*2,980	*405,672	*9,788	*5,166	*30,767	*905	*8,529	*61,310
Luggage and leather goods stores.....	*1,663	*301,190	*2,028	*14	*46,311	*1,392	*4,883	*16,940
Fabric and needlework stores.....	12,772	618,253	8,545	6	51,780	996	43,951	74,318
Catalog or mail order.....	28,796	2,012,013	14,917	6,075	32,236	8,197	54,639	278,580
Vending machine selling.....	13,533	1,208,570	39,575	2,244	12,701	2,838	58,573	277,768
Sales by door-to-door, telephone, etc.....	481,500	12,939,834	219,110	60,426	163,041	88,876	363,476	3,432,246
Gift, novelty, and souvenir shops.....	31,667	1,960,438	37,235	13,810	205,100	18,179	146,014	144,103
Fuel oil dealers.....	*2,897	*1,051,663	*19,270	*45	*1,249	*8,201	*51,229	*51,177
Florists.....	28,908	1,929,656	43,341	15,174	72,125	18,773	240,265	228,493
Other retail shops.....	98,806	11,063,635	152,694	45,744	358,041	90,881	648,439	1,268,634

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Finance, insurance, and real estate.....</b>	<b>980,141</b>	<b>51,909,422</b>	<b>1,053,100</b>	<b>429,809</b>	<b>1,092,974</b>	<b>573,497</b>	<b>2,410,561</b>	<b>23,208,762</b>
Finance.....	92,614	8,220,007	89,442	25,129	129,014	95,128	205,362	2,269,197
Credit agencies and mortgage bankers.....	10,957	838,298	10,424	4,896	21,228	14,254	24,653	287,044
Security and commodity brokers and services.....	32,746	3,698,723	40,925	17,309	66,185	53,676	121,896	1,138,994
Security brokers and dealers.....	11,365	1,464,421	9,485	1,645	18,211	8,394	17,167	379,921
Investment advisors and services.....	16,845	1,366,970	27,662	15,548	34,160	19,567	70,778	573,122
Commodity contract brokers, exchanges and services.....	4,536	867,333	3,778	116	13,814	25,715	33,950	185,950
Other financial services.....	48,912	3,682,985	38,093	2,924	41,601	27,198	58,813	843,160
Insurance agents and brokers.....	298,843	17,349,923	332,330	193,453	530,175	179,657	1,500,967	8,614,682
Insurance services.....	47,017	2,238,346	47,395	22,694	25,059	18,484	189,532	1,151,107
Real estate.....	541,667	24,101,147	583,934	188,533	408,726	280,229	514,700	11,173,776
Real estate property managers.....	34,255	1,301,149	48,826	5,517	26,880	18,143	60,393	592,677
Operators and lessors of buildings.....	4,386	449,277	64,725	5,376	6,039	79,666	34,626	49,384
Operators and lessors, other than buildings.....	3,263	252,594	25,808	44	3,174	10,834	9,756	103,957
Real estate agents and brokers.....	483,612	20,203,032	430,469	175,910	364,815	119,887	324,625	10,071,576
Title abstract companies.....	8,169	125,167	4,597	--	2,991	191	19,439	58,741
Subdividers and developers.....	7,983	1,769,928	9,508	1,687	4,827	51,508	65,860	297,442
<b>Services.....</b>	<b>6,216,845</b>	<b>252,496,064</b>	<b>7,827,731</b>	<b>1,882,163</b>	<b>8,810,149</b>	<b>2,497,597</b>	<b>25,343,545</b>	<b>105,135,639</b>
Hotels and other lodging places.....	29,925	3,277,539	301,107	19,913	93,251	322,259	426,128	492,685
Hotels, motels, and tourist courts.....	24,197	2,962,668	274,718	11,228	84,702	285,694	382,442	444,460
Rooming and boarding houses.....	3,147	192,794	8,514	8,672	8,273	13,890	32,681	40,537
Camps and camping parks.....	2,581	122,077	17,874	13	276	22,675	11,005	7,688
Personal services.....	922,868	24,751,683	750,071	257,484	1,790,336	234,854	2,339,534	8,903,692
Coin-operated laundries and dry cleaning.....	12,770	938,463	68,500	8,826	113,096	23,386	118,804	139,254
Other cleaning services, including laundry, dry cleaning, garment, carpet, and upholstery.....	38,804	2,260,599	90,492	39,397	185,973	17,248	425,849	522,670
Photographic portrait studios.....	24,258	1,176,019	55,663	16,311	49,119	7,987	65,190	257,256
Beauty shops.....	343,713	8,502,397	188,701	98,551	1,010,383	90,076	1,154,090	3,000,159
Barber shops.....	72,020	1,415,036	22,397	37,319	158,856	13,671	137,575	688,002
Funeral service and crematories.....	9,947	1,043,980	89,515	8,908	17,125	22,544	65,305	220,119
Miscellaneous personal services, including valet parking.....	421,356	9,415,190	234,803	48,172	628,331	288,396	3,526,059	13,856,950
Business services.....	1,422,474	39,514,652	1,507,888	253,616	40,144	7,350	46,077	804,729
Advertising, except direct mail.....	47,428	2,764,836	64,532	18,274	*381	--	*28	*11,818
Consumer credit reporting and collecting services.....	*1,330	*39,052	*3	*943	52,000	34,918	762,888	2,448,161
Janitorial and related services to buildings.....	417,514	6,253,588	199,835	30,604	66,211	26,865	243,100	1,859,431
Computer and data processing services.....	149,712	3,868,246	170,118	33,569	--	--	--	--
Mailing, reproduction, commercial art and photography, and stenographic services.....	124,464	3,784,999	165,983	31,713	5,714	3,175	219,365	174,664
Computer repair, maintenance, and leasing.....	16,209	1,094,988	56,615	1,955	--	--	--	--
Equipment rental and leasing, except computer and automotive.....	22,108	1,384,536	183,197	6,973	25,235	34,545	70,282	381,075
Other business services.....	643,710	20,324,407	667,605	129,584	360,287	164,863	1,971,751	6,720,269
Automobile repair and services.....	276,890	20,438,324	843,075	174,469	870,272	198,633	2,373,951	3,060,663
Automotive rentals or leasing, without drivers.....	8,743	215,281	56,240	562	3,797	5,537	5,298	50,701
Automobile parking, except valet.....	2,669	176,088	1,049	--	*67,760	*104	*17,591	*46,719
Automotive repair shops.....	202,470	16,348,097	566,698	163,316	713,040	85,675	49,784	382,130
Automotive services, except repair.....	63,008	3,698,857	219,088	10,592	184,793	65,869	602,066	2,534,661
Miscellaneous repair services.....	221,251	9,047,182	236,073	52,676	22,569	1,626	33,188	224,223
TV and audio equipment repair.....	14,769	847,196	7,720	401	--	--	--	--
Electrical repair, except TV and audio equipment.....	54,357	2,256,105	55,356	10,734	35,968	10,467	184,052	690,249
Reupholstery and furniture repair.....	34,838	1,368,644	20,030	20,954	49,793	19,428	142,291	369,743
Other miscellaneous repair.....	117,288	4,575,237	152,968	20,587	76,462	34,348	242,535	1,250,445
Motion pictures.....	42,049	2,138,730	212,881	25,805	124,273	13,054	164,548	604,868
Motion picture and video production.....	30,203	930,492	53,227	19,238	15,760	1,452	17,208	412,996
Motion picture and tape distribution and allied services.....	--	--	--	--	--	--	--	--
Motion picture theaters.....	--	--	--	--	--	--	--	--
Video tape rentals.....	7,980	1,037,909	156,116	1,623	106,666	9,587	135,405	149,065
Amusement and recreation services, except motion pictures.....	419,376	11,337,680	451,668	66,624	275,149	95,900	408,863	4,910,491
Entertainers, producers, agents, and related services.....	250,701	5,703,412	275,215	34,663	83,734	26,187	105,900	2,956,902
Bowling centers.....	*402	*115,688	*12,290	*103	*469	*9,866	*23,187	*15,106
Professional sports and racing, including promoters and managers.....	31,649	1,890,378	36,018	4,062	13,134	5,269	41,844	939,809
Other amusement and recreational services.....	127,047	3,340,843	121,829	24,198	125,424	46,446	205,571	935,686
Physical fitness facilities.....	9,578	287,360	6,316	3,598	52,388	8,131	32,361	62,988

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 1.--Nonfarm Sole Proprietorships: Business Receipts, Selected Deductions, Payroll, and Net Income, by Industrial Groups--Continued**

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

Industrial group	Businesses with net income							
	Number of returns	Business receipts	Depreciation deduction <sup>1,2</sup>	Rent paid on machinery and equipment <sup>1</sup>	Rent paid on other business property <sup>1</sup>	Interest paid deduction <sup>1,3</sup>	Payroll <sup>1,4</sup>	Net income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>Services-Continued</b>								
Medical and health services.....	669,575	70,930,694	1,655,861	469,027	2,790,259	696,222	9,503,069	34,256,647
Offices of physicians.....	177,786	27,545,675	458,473	141,019	968,156	170,112	2,858,236	16,019,161
Offices of dentists.....	101,070	22,199,302	624,922	185,153	889,066	296,290	4,449,987	8,511,470
Offices of osteopathic physicians.....	11,413	1,522,087	23,780	8,528	34,351	13,093	155,007	1,001,168
Offices of chiropractors.....	28,958	3,774,177	124,441	47,307	184,724	63,131	500,857	1,556,828
Offices of optometrists.....	11,607	2,320,870	90,063	7,232	127,858	26,954	301,846	607,978
Offices of podiatrists.....	6,129	1,000,672	35,265	17,608	58,741	15,059	110,982	397,831
Registered and practical nurses.....	35,243	720,297	13,697	1,190	15,000	2,205	55,321	421,323
Nursing and personal care facilities.....	60,334	1,973,409	58,284	8,050	54,265	60,981	417,936	505,366
Medical and dental laboratories.....	17,372	837,011	30,946	5,041	31,484	2,992	114,442	282,670
Other medical and health services.....	219,664	9,037,195	195,989	47,899	426,612	45,404	538,454	4,952,852
Legal services.....	238,393	22,584,418	427,136	190,818	1,015,089	209,334	2,785,419	11,012,226
Educational services.....	200,958	2,202,395	111,928	3,011	95,904	13,705	172,752	963,599
Child day care.....	476,044	5,090,466	174,608	44,311	84,349	49,444	403,190	2,145,285
Ministers and chaplains.....	173,578	2,360,456	32,868	12,685	16,886	5,340	262	1,624,379
Engineering services.....	68,919	4,082,582	110,010	35,834	89,378	28,690	482,963	1,836,882
Architectural services.....	48,449	2,486,522	75,119	20,192	105,347	20,383	377,031	839,788
Surveying services.....	19,601	633,582	45,193	8,797	3,587	1,062	139,917	210,701
Accounting, auditing, and bookkeeping services.....	284,523	6,882,890	295,249	104,495	275,430	115,037	804,203	3,133,379
Management services.....	84,449	2,802,596	54,351	10,358	30,586	25,499	199,766	1,884,347
Consulting services.....	519,608	19,123,738	468,943	116,224	178,259	99,246	526,793	11,369,029
Public relations.....	11,395	471,697	21,981	2,904	12,798	1,518	16,437	210,412
Counseling, except health practitioners.....	86,520	2,338,239	51,720	12,921	145,872	13,153	90,595	1,284,957
<b>Nature of business not allocable.....</b>	<b>159,098</b>	<b>2,307,093</b>	<b>20,414</b>	<b>13,231</b>	<b>8,596</b>	<b>14,775</b>	<b>88,738</b>	<b>1,069,106</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 not shown to avoid disclosure of specific sole proprietorship information. However, the data are included in the appropriate totals.

<sup>3</sup> Excludes amounts reported on Schedule C-EZ filed by certain small businesses not required to itemize their business deductions. Therefore, totals shown may be slightly understated.

<sup>4</sup> Depreciation does not include depreciation reported on Form 8829 for home office businesses.

<sup>5</sup> Interest paid is the sum of mortgage interest and other interest paid on business indebtedness (see Table 2).

<sup>6</sup> Payroll is the sum of net salaries and wages plus the cost of labor reported as part of cost of sales and operations (see Table 2).

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

# Sole Proprietorship Returns, 1995

## Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups

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

Net income status, item	All nonfarm industries	Agricultural services, forestry, and fishing					Mining	
		Total	Livestock breeding	Animal services, except livestock breeding, and veterinary	Landscape and horticultural services	All other agricultural services, forestry, and fishing	Total	Oil and gas extraction
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	16,423,872	509,952	31,182	87,049	247,401	144,320	119,322	107,562
Business receipts, total <sup>1</sup> .....	807,363,638	19,170,533	303,313	2,100,611	7,493,386	9,273,223	4,623,965	4,312,334
Income from sales and operations <sup>1</sup> .....	796,597,098	18,921,149	287,954	2,057,778	7,473,580	9,101,838	4,337,225	4,030,027
Other business income.....	10,766,540	249,384	15,359	42,833	19,806	171,386	286,741	282,307
Business deductions, total <sup>1,2</sup> .....	638,126,845	15,933,613	511,513	2,130,937	5,923,633	7,367,530	4,740,149	4,386,591
Cost of sales and operations.....	306,958,514	5,028,224	150,917	636,182	1,835,069	2,406,055	933,371	836,195
Inventory, beginning of year.....	31,167,684	253,382	*11,606	87,011	47,158	107,607	73,866	25,369
Cost of labor.....	24,383,409	606,784	*555	*29	396,186	210,013	38,138	33,560
Purchases.....	219,305,493	3,112,759	171,757	552,307	556,205	1,832,491	339,894	297,796
Materials and supplies.....	34,427,096	846,365	*2,970	33,930	666,067	143,397	44,862	30,022
Other costs.....	31,030,583	571,514	10,384	73,904	247,084	240,142	507,116	477,124
Inventory, end of year.....	33,355,750	382,581	*46,355	110,999	77,631	127,595	70,505	27,676
Advertising expenses.....	8,309,645	144,694	3,005	24,777	82,788	34,123	6,833	6,263
Bad debts from sales or services.....	996,588	7,863	*1	*3,173	1,074	3,615	11,981	11,762
Car and truck expenses.....	32,784,939	960,279	32,222	117,030	575,352	235,675	147,597	138,342
Commissions.....	9,591,619	82,631	3,375	23,253	18,162	37,842	9,962	9,215
Depletion.....	457,480	393	*52	*30	*9	*302	402,345	399,524
Depreciation <sup>3</sup> .....	26,233,844	1,374,944	48,710	167,609	637,218	521,408	367,078	332,677
Employee benefit programs.....	1,298,834	29,905	*4,956	*290	9,863	14,796	3,512	3,243
Insurance.....	12,977,567	496,447	6,257	39,492	238,484	212,214	58,337	52,823
Legal and professional services.....	6,340,021	129,583	12,948	17,611	38,716	60,308	88,466	83,784
Meals and entertainment deducted.....	3,208,742	56,111	1,348	4,527	15,519	34,717	10,570	8,727
Mortgage interest.....	4,076,344	154,185	*1,231	26,979	34,379	91,596	22,507	20,546
Other interest paid on business indebtedness.....	5,980,239	202,470	7,266	25,400	66,928	102,876	139,059	134,840
Office expenses.....	8,344,181	146,999	2,826	14,040	64,988	65,146	33,212	31,067
Pension and profit-sharing plans.....	649,043	9,897	* (*)	*364	*143	9,390	1,036	1,025
Rent on machinery and equipment.....	6,218,381	174,318	3,465	17,466	87,195	66,191	34,025	25,965
Rent on other business property.....	21,284,600	255,406	6,892	74,389	63,778	110,346	61,074	51,843
Repairs.....	10,171,788	610,246	4,890	58,481	261,043	285,832	68,096	44,115
Supplies.....	16,902,055	692,783	14,669	111,387	214,490	352,237	43,717	31,933
Net salaries and wages.....	54,470,725	2,066,647	20,279	180,985	759,682	1,105,700	175,262	142,047
Taxes paid.....	13,471,220	403,651	6,144	41,003	147,961	208,543	158,560	147,325
Travel.....	6,504,973	100,030	8,547	19,470	10,754	61,258	18,404	15,452
Utilities.....	17,205,789	407,877	4,091	91,859	137,969	173,958	53,191	46,093
Home office business deductions.....	3,337,929	40,341	*783	18,270	13,375	7,912	5,704	4,830
Depreciation, Form 8829.....	504,595	3,544	*128	*2,002	*1,266	*149	*984	*723
Other business deductions.....	59,408,094	2,322,085	166,639	414,764	586,308	1,154,374	1,882,854	1,803,590
Net income less deficit <sup>1,2</sup> .....	169,262,336	3,235,201	-210,528	-29,990	1,569,804	1,905,915	-93,646	-51,731
Net income <sup>1,2</sup> .....	191,728,953	4,174,084	18,400	277,602	1,762,099	2,115,983	685,788	667,274
Deficit <sup>2</sup> .....	22,466,617	938,883	228,928	307,592	192,295	210,068	779,435	719,005

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued**

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

Net income status, item	All nonfarm industries	Agricultural services, forestry, and fishing					Mining	
		Total	Livestock breeding	Animal services, except livestock breeding, and veterinary	Landscape and horticultural services	All other agricultural services, forestry, and fishing	Total	Oil and gas extraction
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	12,213,472	357,090	3,022	42,801	194,961	116,306	69,134	65,221
Business receipts, total <sup>1</sup> .....	707,246,092	16,594,366	162,866	1,323,084	6,624,982	8,483,434	2,850,982	2,666,777
Income from sales and operations <sup>1</sup> .....	698,186,178	16,403,367	162,222	1,292,909	6,613,243	8,334,992	2,690,228	2,509,294
Other business income.....	9,059,914	190,999	*644	30,175	11,739	148,442	160,755	157,482
Business deductions, total <sup>1,2</sup> .....	515,524,890	12,420,384	144,566	1,045,482	4,862,883	6,367,454	2,164,979	1,999,288
Cost of sales and operations.....	253,923,653	4,035,265	*110,859	331,598	1,548,553	2,044,255	490,694	460,554
Inventory, beginning of year.....	21,765,412	163,454	*10,800	*38,764	26,495	87,395	13,224	10,806
Cost of labor.....	20,747,878	552,962	--	*29	344,467	208,465	27,657	25,709
Purchases.....	180,361,518	2,360,274	*100,975	312,794	434,367	1,512,137	204,650	196,328
Materials and supplies.....	29,273,787	715,438	*1,121	*21,629	550,582	142,106	33,928	22,797
Other costs.....	25,173,205	454,211	*9,340	*2,870	244,136	197,865	225,854	216,909
Inventory, end of year.....	23,398,146	211,073	*11,377	*44,488	51,494	103,713	14,619	11,995
Advertising expenses.....	6,552,159	107,439	*89	12,912	67,759	26,679	4,963	4,737
Bad debts from sales or services.....	597,274	5,170	--	*2,381	*635	2,153	*1,533	*1,512
Car and truck expenses.....	26,000,963	768,009	*3,668	65,726	486,786	211,830	122,702	121,997
Commissions.....	8,014,464	40,848	*114	2,479	17,005	21,251	6,523	6,055
Depletion.....	222,423	*167	--	*11	*9	*147	183,397	181,673
Depreciation <sup>3</sup> .....	18,995,664	903,717	*4,025	43,497	466,926	389,269	164,412	155,296
Employee benefit programs.....	1,140,401	23,747	--	*149	9,770	13,827	1,592	1,451
Insurance.....	10,784,502	416,161	*573	21,449	202,518	191,620	43,043	39,612
Legal and professional services.....	4,756,933	94,061	*799	5,845	34,911	52,506	29,239	27,674
Meals and entertainment deducted.....	2,578,739	41,193	*130	2,731	10,292	28,041	4,856	4,851
Mortgage interest.....	2,876,809	93,920	--	*15,035	14,574	64,312	9,861	9,330
Other interest paid on business indebtedness.....	3,876,114	154,191	*2,417	10,565	54,549	86,660	24,919	21,652
Office expenses.....	6,845,304	124,522	*802	9,722	55,321	58,677	15,914	14,498
Pension and profit-sharing plans.....	628,021	9,890	--	*357	*143	9,390	*370	*370
Rent on machinery and equipment.....	4,907,630	137,663	*1,405	5,136	77,901	53,220	10,571	2,873
Rent on other business property.....	16,909,979	208,276	*2	50,772	56,456	101,046	29,233	20,198
Repairs.....	7,764,720	462,674	*306	16,437	198,610	247,321	41,165	28,740
Supplies.....	13,500,705	547,667	*2,286	62,860	170,723	311,799	25,450	16,382
Net salaries and wages.....	46,280,780	1,823,286	--	120,388	643,429	1,059,469	115,628	91,302
Taxes paid.....	10,792,010	331,139	*250	20,656	122,847	187,385	85,276	78,337
Travel.....	4,993,160	56,693	*2,808	9,292	6,458	38,136	9,206	7,862
Utilities.....	13,451,085	305,841	*792	40,974	108,942	155,133	33,464	31,387
Home office business deductions.....	2,683,335	39,012	*781	*18,120	12,198	7,912	*2,062	*1,402
Depreciation, Form 8829.....	404,948	3,536	*121	*2,000	*1,266	*149	*92	*92
Other business deductions.....	45,532,363	1,654,271	12,461	174,284	473,184	994,342	705,971	666,639
Net income <sup>1,2</sup> .....	191,728,953	4,174,084	18,400	277,602	1,762,099	2,115,983	685,788	667,274
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	2,187,016	72,833	*42	*8,670	40,716	23,406	11,892	11,850
Business receipts.....	7,893,118	329,996	*66	*21,816	161,031	147,283	7,579	7,543
Business deductions.....	943,690	35,604	--	*2,107	22,385	11,113	3,396	3,366
Net income.....	6,944,593	294,391	*66	*19,509	138,646	136,170	4,184	4,177

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Mining--Cont'd		Construction					
	All other mining	Total	General building and heavy construction contractors	Special trade contractors				
				Total	Plumbing, heating, and air conditioning	Painting and paperhanging	Electrical work	Masonry, stonework, tile setting, and plastering
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	11,760	2,111,403	380,200	1,731,203	155,143	229,836	137,959	190,434
Business receipts, total <sup>1</sup> .....	311,631	118,938,100	36,963,781	81,974,319	10,315,590	6,856,857	7,757,794	10,503,246
Income from sales and operations <sup>1</sup> .....	307,198	118,051,264	36,579,414	81,471,850	10,313,972	6,831,605	7,730,142	10,454,512
Other business income.....	4,434	886,836	384,367	502,469	1,618	25,252	27,651	48,734
Business deductions, total <sup>1,2</sup> .....	353,557	98,115,182	32,863,799	65,251,383	8,771,073	4,765,006	6,260,664	8,053,287
Cost of sales and operations.....	97,176	57,082,619	22,567,247	34,515,372	5,219,605	2,197,125	3,659,806	4,687,999
Inventory, beginning of year.....	*48,497	2,352,711	1,688,760	663,950	169,533	*1,902	60,454	*12,621
Cost of labor.....	*4,578	11,404,860	3,299,772	8,105,087	694,747	853,182	573,607	1,927,500
Purchases.....	*42,098	18,113,662	6,680,868	11,452,794	2,734,354	263,330	1,324,141	646,138
Materials and supplies.....	*14,841	17,688,404	6,739,666	10,948,738	1,372,129	771,080	1,501,262	1,486,132
Other costs.....	29,992	9,962,646	5,777,732	4,184,913	407,768	311,104	277,025	673,769
Inventory, end of year.....	*42,829	2,439,663	1,599,551	840,111	158,925	*3,473	76,684	58,161
Advertising expenses.....	570	523,825	108,791	415,035	66,113	49,452	29,417	35,117
Bad debts from sales or services.....	*219	75,915	8,094	67,821	13,028	*32,713	*475	*1,796
Car and truck expenses.....	9,255	6,305,734	1,218,817	5,086,917	504,900	574,570	424,694	695,038
Commissions.....	*747	796,413	325,154	471,259	23,561	16,694	4,344	115,322
Depletion.....	2,821	6,243	*382	*5,861	*3,163		*367	
Depreciation <sup>3</sup> .....	34,402	3,578,649	894,380	2,684,269	249,377	181,214	223,157	174,024
Employee benefit programs.....	*269	157,891	42,218	115,673	18,061	*13,149	13,360	11,130
Insurance.....	5,515	2,669,199	635,330	2,033,869	253,484	194,540	197,268	215,077
Legal and professional services.....	4,681	558,870	240,994	317,876	40,442	29,079	29,129	29,874
Meals and entertainment deducted.....	1,844	185,473	42,809	142,664	8,516	21,185	10,975	12,529
Mortgage interest.....	*1,961	427,988	232,025	195,963	31,351	*16,188	15,223	7,067
Other interest paid on business indebtedness.....	4,220	583,433	214,707	368,727	46,263	11,243	33,582	33,329
Office expenses.....	2,145	554,225	143,154	411,071	65,364	47,247	43,037	29,120
Pension and profit-sharing plans.....	*11	43,549	5,793	37,756	*9,673	*3,376	*3,845	*12,554
Rent on machinery and equipment.....	8,059	822,185	213,022	609,162	37,068	43,058	25,930	92,845
Rent on other business property.....	*9,231	632,358	116,131	516,227	51,835	45,686	44,310	46,157
Repairs.....	23,981	1,315,319	290,057	1,025,261	63,859	77,008	49,067	77,190
Supplies.....	11,784	3,554,278	564,027	2,990,251	432,883	298,804	157,186	278,372
Net salaries and wages.....	33,215	7,377,299	1,962,648	5,414,651	665,545	263,091	659,986	689,216
Taxes paid.....	11,235	1,520,216	410,565	1,109,651	153,284	51,100	159,904	111,185
Travel.....	2,952	364,956	94,358	270,598	25,961	19,363	39,624	39,396
Utilities.....	7,098	1,394,333	321,008	1,073,324	177,340	91,091	120,534	79,759
Home office business deductions.....	*873	297,074	62,950	234,124	22,390	46,052	21,462	26,881
Depreciation, Form 8829.....	*261	80,148	5,768	74,380	*2,947	*4,033	*2,143	3,953
Other business deductions.....	79,264	7,171,742	2,143,030	5,028,712	576,135	430,645	281,074	541,015
Net income less deficit <sup>1,2</sup> .....	-41,915	20,826,810	4,103,070	16,723,740	1,544,517	2,091,850	1,497,129	2,449,958
Net income <sup>1,2</sup> .....	18,515	22,555,523	4,816,854	17,738,670	1,645,872	2,150,825	1,640,302	2,491,657
Deficit <sup>2</sup> .....	60,430	1,728,713	713,783	1,014,930	101,355	58,974	143,173	41,698

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Mining--Cont'd			Construction				
	All other mining	Total	General building and heavy construction contractors	Special trade contractors				
				Total	Plumbing, heating, and air conditioning	Painting and paperhanging	Electrical work	Masonry, stonework, tile setting, and plastering
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	3,913	1,811,166	304,258	1,506,908	125,286	217,964	113,030	178,664
Business receipts, total <sup>1</sup> .....	184,206	106,327,914	31,912,560	74,415,354	9,424,937	6,375,084	6,981,351	10,080,156
Income from sales and operations <sup>1</sup> .....	180,933	105,634,123	31,553,936	74,080,187	9,423,400	6,349,935	6,953,748	10,031,429
Other business income.....	*3,272	693,791	358,624	335,167	1,537	*25,149	27,603	48,727
Business deductions, total <sup>1,2</sup> .....	165,691	83,772,391	27,095,707	56,676,684	7,779,065	4,224,260	5,341,048	7,588,499
Cost of sales and operations.....	30,140	49,044,501	18,901,359	30,143,142	4,631,694	1,859,421	3,095,979	4,516,334
Inventory, beginning of year.....	*2,418	1,884,034	1,351,387	532,647	161,409	*1,902	58,731	*12,473
Cost of labor.....	*1,948	9,712,551	2,534,844	7,177,707	634,751	658,270	361,485	1,927,500
Purchases.....	*8,322	15,549,434	5,431,799	10,117,635	2,450,576	243,924	1,249,876	626,883
Materials and supplies.....	*11,131	15,447,611	5,824,278	9,623,333	1,136,002	688,397	1,278,670	1,395,610
Other costs.....	*8,946	8,299,956	4,919,576	3,380,380	392,828	270,400	222,744	611,883
Inventory, end of year.....	*2,623	1,849,086	1,160,526	688,561	143,872	*3,473	75,527	*58,015
Advertising expenses.....	*227	436,368	85,505	350,864	57,123	44,701	25,195	32,143
Bad debts from sales or services.....	*21	46,525	3,611	42,914	12,873	*14,149	*474	*1,796
Car and truck expenses.....	*705	5,474,653	1,040,333	4,434,320	437,961	524,247	335,714	604,570
Commissions.....	*468	683,524	230,938	452,585	22,437	16,694	4,342	*106,252
Depletion.....	*1,724	2,646	*367	*2,279	--	--	--	--
Depreciation <sup>3</sup> .....	9,116	2,897,890	664,138	2,233,752	218,472	163,510	194,710	161,460
Employee benefit programs.....	*140	138,751	34,400	104,350	17,645	*12,973	10,384	*10,456
Insurance.....	3,432	2,312,673	511,972	1,800,701	229,470	180,383	170,249	201,849
Legal and professional services.....	1,565	401,119	143,309	257,810	33,772	26,697	21,053	28,468
Meals and entertainment deducted.....	*5	154,231	35,043	119,188	6,138	20,246	6,962	11,743
Mortgage interest.....	*531	312,426	145,499	166,927	28,724	*16,188	11,778	*6,339
Other interest paid on business indebtedness.....	3,267	433,706	125,666	308,040	41,504	8,765	33,383	32,925
Office expenses.....	*1,416	478,495	117,325	361,170	57,128	44,460	36,618	27,373
Pension and profit-sharing plans.....	--	43,343	5,607	37,736	*9,673	*3,376	*3,845	*12,554
Rent on machinery and equipment.....	*7,698	634,984	177,209	457,775	29,006	38,652	25,511	77,345
Rent on other business property.....	*9,035	514,507	103,325	411,182	48,420	42,969	38,324	44,986
Repairs.....	12,425	1,041,635	213,982	827,653	56,135	66,475	35,667	60,595
Supplies.....	9,068	3,110,237	428,751	2,681,486	425,767	293,437	147,544	273,552
Net salaries and wages.....	*24,326	6,368,535	1,650,685	4,717,850	597,584	241,627	591,223	615,458
Taxes paid.....	6,939	1,285,995	338,670	947,326	137,788	47,636	126,586	99,602
Travel.....	*1,344	297,166	72,207	224,960	16,771	15,402	36,067	35,265
Utilities.....	2,077	1,175,741	262,663	913,078	159,511	79,162	109,602	74,673
Home office business deductions.....	*660	277,016	59,216	217,800	22,390	44,165	20,915	25,074
Depreciation, Form 8829.....	--	78,832	5,393	73,439	*2,947	*4,033	*1,994	3,953
Other business deductions.....	39,333	6,094,098	1,737,819	4,356,278	469,208	407,592	249,416	516,394
Net income <sup>1,2</sup> .....	18,515	22,555,523	4,816,854	17,738,670	1,645,872	2,150,825	1,640,302	2,491,657
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	*42	243,499	28,718	214,781	*16,500	35,956	19,314	17,467
Business receipts.....	*36	1,116,420	128,282	988,138	*73,423	191,402	44,272	97,854
Business deductions.....	*30	115,397	6,108	109,289	*11,873	11,332	12,907	11,295
Net income.....	*6	1,001,023	122,174	878,849	*61,551	180,070	31,365	86,559

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued

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

Net income status, item	Construction—Continued		Manufacturing				
	Special trade contractors—Cont'd		Total	Lumber and wood products, except furniture (including logging)	Printing, publishing, and allied industries	Machinery, except electrical	All other manufacturing industries
	Carpentering and flooring	All other special trade contractors					
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	555,260	462,571	497,780	93,471	113,492	48,049	242,767
Business receipts, total <sup>1</sup> .....	20,668,580	25,872,253	32,101,683	8,891,803	5,528,410	4,309,589	13,371,881
Income from sales and operations <sup>1</sup> .....	20,506,840	25,634,779	31,840,354	8,800,656	5,422,324	4,300,716	13,316,658
Other business income.....	161,740	237,474	261,329	91,146	106,086	8,873	55,223
Business deductions, total <sup>1,2</sup> .....	15,494,254	21,907,098	27,960,509	8,258,996	4,765,912	3,479,356	11,456,245
Cost of sales and operations.....	7,941,770	10,809,068	14,188,278	3,871,905	2,092,870	1,643,421	6,580,082
Inventory, beginning of year.....	126,511	292,929	1,029,388	225,530	129,501	70,706	603,651
Cost of labor.....	2,116,713	1,939,339	2,483,914	611,997	293,199	389,299	1,189,419
Purchases.....	2,209,489	4,275,341	7,546,495	2,016,142	889,032	679,208	3,962,114
Materials and supplies.....	2,843,838	2,974,298	2,599,988	469,736	632,904	437,641	1,059,708
Other costs.....	895,775	1,619,473	1,635,677	757,958	333,434	166,281	378,004
Inventory, end of year.....	250,556	292,313	1,107,184	209,457	185,199	99,715	612,814
Advertising expenses.....	79,623	155,312	247,043	17,214	78,470	31,128	120,231
Bad debts from sales or services.....	*3,954	15,856	26,753	*1,018	7,814	*5,001	12,920
Car and truck expenses.....	1,578,823	1,308,892	816,086	214,782	168,055	92,498	340,751
Commissions.....	155,533	155,806	359,481	132,793	70,121	49,161	107,406
Depletion.....	*1,215	*1,117	4,658	*1,086	*964	..	*2,608
Depreciation <sup>3</sup> .....	537,427	1,319,069	1,683,378	694,476	217,175	246,469	525,258
Employee benefit programs.....	23,766	36,207	71,518	9,827	12,659	23,704	25,328
Insurance.....	468,140	705,360	583,093	273,532	49,340	75,416	184,805
Legal and professional services.....	75,669	113,683	207,373	26,450	47,993	25,468	107,464
Meals and entertainment deducted.....	41,051	48,407	65,899	11,688	21,800	4,233	28,179
Mortgage interest.....	45,903	80,232	182,704	63,437	28,931	18,743	71,593
Other interest paid on business indebtedness.....	58,910	185,400	337,910	141,507	54,554	45,730	96,119
Office expenses.....	86,134	140,169	240,408	18,363	95,084	33,821	93,140
Pension and profit-sharing plans.....	*2,571	5,737	24,212	*1,067	11,245	*6,307	5,594
Rent on machinery and equipment.....	116,644	293,616	328,875	133,800	60,538	37,240	97,298
Rent on other business property.....	130,703	197,536	762,098	88,524	154,349	103,273	415,952
Repairs.....	154,235	603,902	731,959	448,929	76,992	59,281	146,756
Supplies.....	840,914	982,091	642,500	117,517	154,427	99,432	271,124
Net salaries and wages.....	1,041,057	2,095,757	2,494,001	640,516	435,029	425,572	992,884
Taxes paid.....	218,940	415,238	617,056	151,113	99,750	107,455	258,739
Travel.....	65,852	80,401	154,810	25,966	50,860	11,045	66,939
Utilities.....	215,212	389,388	574,349	86,200	115,221	115,951	256,977
Home office business deductions.....	70,826	46,512	79,459	*229	35,136	*2,933	41,161
Depreciation, Form 8829.....	5,021	56,283	47,996	*38	41,537	*146	6,275
Other business deductions.....	1,497,850	1,701,992	2,506,572	1,082,759	613,668	215,872	594,273
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>5,175,130</b>	<b>3,965,155</b>	<b>4,143,519</b>	<b>632,758</b>	<b>765,431</b>	<b>830,233</b>	<b>1,915,098</b>
Net income <sup>1,2</sup> .....	5,437,277	4,372,737	4,962,805	835,422	1,049,369	840,820	2,237,193
Deficit <sup>2</sup> .....	262,147	407,582	819,286	202,665	283,938	10,588	322,096

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Construction--Continued		Total	Manufacturing			
	Special trade contractors--Cont'd			Lumber and wood products, except furniture (including logging)	Printing, publishing, and allied industries	Machinery, except electrical	All other manufacturing industries
	Carpentering and flooring	All other special trade contractors					
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	488,784	383,179	339,476	64,629	83,963	39,173	151,711
Business receipts, total <sup>1</sup> .....	18,757,745	22,796,082	27,364,916	6,823,864	4,529,538	4,080,074	11,931,441
Income from sales and operations <sup>1</sup> .....	18,646,539	22,675,137	27,138,439	6,736,419	4,448,503	4,062,484	11,891,033
Other business income.....	111,206	120,945	226,477	87,445	81,034	17,590	40,408
Business deductions, total <sup>1,2</sup> .....	13,320,468	18,423,345	22,401,858	5,988,442	3,480,168	3,239,253	9,693,995
Cost of sales and operations.....	6,711,512	9,328,201	11,570,171	2,703,903	1,514,918	1,574,766	5,776,584
Inventory, beginning of year.....	83,776	214,356	757,476	180,291	78,312	70,603	428,270
Cost of labor.....	1,927,871	1,667,831	2,160,846	477,462	216,606	389,299	1,077,479
Purchases.....	1,778,296	3,768,080	6,312,503	1,348,501	764,632	679,128	3,520,243
Materials and supplies.....	2,497,108	2,627,545	1,948,985	383,799	294,536	380,122	890,529
Other costs.....	613,666	1,268,859	1,188,072	480,641	293,786	155,226	258,420
Inventory, end of year.....	189,205	218,470	797,711	166,790	132,954	99,611	398,357
Advertising expenses.....	60,557	131,145	179,055	12,842	58,819	29,447	77,947
Bad debts from sales or services.....	*1,369	12,253	17,762	*216	6,617	*5,001	5,928
Car and truck expenses.....	1,421,523	1,110,307	671,034	163,111	130,547	75,720	301,656
Commissions.....	155,515	147,345	320,600	131,950	46,031	49,007	93,613
Depletion.....	*1,215	*697	*2,793	*904	*962	--	*927
Depreciation <sup>3</sup> .....	440,694	1,054,906	1,241,755	480,447	149,126	220,847	391,336
Employee benefit programs.....	18,906	33,987	61,156	9,604	7,415	23,702	20,434
Insurance.....	413,934	604,815	478,706	209,106	38,722	70,880	159,999
Legal and professional services.....	60,668	87,152	138,164	18,364	23,539	23,867	72,395
Meals and entertainment deducted.....	31,620	42,481	48,682	6,226	15,445	3,717	23,294
Mortgage interest.....	41,705	62,192	136,731	43,773	20,749	18,315	53,895
Other interest paid on business indebtedness.....	46,543	144,919	231,311	93,647	35,626	39,029	63,008
Office expenses.....	77,837	117,753	171,115	13,186	60,678	21,698	75,554
Pension and profit-sharing plans.....	*2,571	5,717	24,209	*1,065	11,245	*6,307	5,592
Rent on machinery and equipment.....	73,721	213,541	268,779	95,523	53,837	37,151	82,269
Rent on other business property.....	91,569	144,915	624,515	84,283	108,533	93,622	338,077
Repairs.....	122,388	486,392	556,279	315,430	62,638	49,091	129,120
Supplies.....	742,022	799,163	486,625	79,386	132,767	85,977	188,495
Net salaries and wages.....	939,964	1,731,995	2,132,436	497,633	356,939	401,526	876,339
Taxes paid.....	191,387	344,326	523,066	115,856	79,527	103,116	224,566
Travel.....	50,018	71,437	106,339	14,391	31,785	8,662	51,502
Utilities.....	177,929	312,201	445,773	66,109	76,587	94,902	208,175
Home office business deductions.....	63,014	42,242	64,744	*229	30,863	*2,933	30,719
Depreciation, Form 8829.....	4,794	55,718	45,853	*38	40,982	*146	*4,687
Other business deductions.....	1,340,754	1,372,914	1,870,022	826,963	413,386	199,767	429,906
<b>Net income <sup>1,2</sup>.....</b>	<b>5,437,277</b>	<b>4,372,737</b>	<b>4,962,805</b>	<b>835,422</b>	<b>1,049,369</b>	<b>840,820</b>	<b>2,237,193</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	68,587	56,957	75,023	*18,622	*19,033	*12,196	25,172
Business receipts.....	357,356	223,831	256,338	*38,226	*103,654	*35,670	78,788
Business deductions.....	41,532	20,349	30,036	*4,298	*12,868	*204	12,666
<b>Net income.....</b>	<b>315,824</b>	<b>203,481</b>	<b>226,302</b>	<b>*33,928</b>	<b>*90,786</b>	<b>*35,466</b>	<b>66,122</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Transportation and public utilities					Wholesale and retail trade			
	Total	Local and interurban passenger transit	Trucking and warehousing	All other transportation	Communication services and utilities, including dumps, snowplowing, road cleaning, etc.	Total	Wholesale trade		
							Total	Durable goods, including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>									
Number of returns <sup>1</sup> .....	737,071	98,628	461,633	101,778	75,032	3,026,959	374,280	209,281	164,999
Business receipts, total <sup>1</sup> .....	39,811,359	2,324,098	30,002,756	5,881,328	1,603,176	257,278,099	41,906,934	21,918,649	19,988,286
Income from sales and operations <sup>1</sup> .....	39,427,051	2,262,684	29,807,949	5,817,142	1,539,276	254,429,088	41,208,403	21,627,747	19,580,655
Other business income.....	384,308	61,414	194,807	64,187	63,900	2,849,012	698,532	290,901	407,631
Business deductions, total <sup>1,2</sup> .....	34,014,936	1,758,810	25,619,586	5,308,896	1,327,645	240,671,390	36,856,857	18,507,412	18,349,445
Cost of sales and operations.....	7,198,380	*49,571	3,750,096	3,079,982	318,731	169,936,841	28,191,829	13,908,082	14,283,747
Inventory, beginning of year.....	126,405	*5,778	20,118	88,874	*11,634	22,130,608	1,845,055	1,163,850	681,205
Cost of labor.....	686,877	--	590,172	40,560	56,145	3,999,165	638,465	229,031	409,434
Purchases.....	3,658,467	*30,488	963,851	2,516,206	147,923	156,755,990	25,342,102	12,572,166	12,769,936
Materials and supplies.....	429,326	*1,361	392,428	13,175	22,363	6,102,123	886,215	539,073	347,142
Other costs.....	2,454,007	*16,477	1,806,515	535,422	95,593	5,181,085	1,347,026	638,741	708,285
Inventory, end of year.....	156,702	*4,534	22,988	114,254	*14,927	24,232,131	1,867,034	1,234,778	632,256
Advertising expenses.....	170,502	14,729	70,101	75,155	10,517	2,698,157	218,502	133,863	84,639
Bad debts from sales or services.....	28,423	*225	17,750	5,693	*4,756	308,991	40,840	25,056	15,783
Car and truck expenses.....	5,005,066	345,502	4,398,861	143,605	117,098	5,437,225	1,418,127	792,622	625,505
Commissions.....	801,678	94,311	145,599	145,599	22,834	1,905,557	657,362	368,109	289,254
Depletion.....	4,806	--	*3,528	*1,165	*114	6,824	*57	*48	*10
Depreciation <sup>3</sup> .....	3,201,572	109,714	2,771,351	162,348	158,158	4,263,176	501,984	275,303	226,681
Employee benefit programs.....	43,253	*3,626	31,377	6,392	1,858	235,686	26,994	13,842	13,152
Insurance.....	1,707,673	142,799	1,449,233	69,628	46,013	2,286,636	223,210	124,001	99,209
Legal and professional services.....	180,688	6,417	126,183	38,401	9,687	1,001,375	116,017	71,911	44,106
Meals and entertainment deducted.....	487,548	10,609	441,357	21,807	13,775	521,175	217,531	128,937	88,594
Mortgage interest.....	199,738	*16,449	153,275	23,227	6,787	1,032,771	66,338	16,568	49,770
Other interest paid on business indebtedness.....	590,536	23,897	493,369	44,535	28,735	1,434,537	142,606	78,555	64,050
Office expenses.....	221,357	6,044	123,471	65,522	26,320	1,276,748	266,840	142,378	124,462
Pension and profit-sharing plans.....	20,868	*13,688	4,569	*2,477	*135	52,894	12,089	4,064	8,026
Rent on machinery and equipment.....	965,667	218,578	653,274	79,009	14,806	1,075,502	140,444	68,485	71,959
Rent on other business property.....	371,862	56,760	158,142	135,496	21,464	7,516,338	315,695	158,291	157,404
Repairs.....	2,520,960	124,091	2,278,561	59,658	58,651	1,883,368	170,486	55,371	115,115
Supplies.....	489,875	25,841	368,870	45,139	50,025	2,916,513	363,723	221,033	142,690
Net salaries and wages.....	2,314,846	89,591	1,778,226	330,485	116,543	14,117,838	856,872	487,370	369,502
Taxes paid.....	837,431	34,343	697,788	80,016	25,284	4,491,003	267,133	165,677	101,456
Travel.....	404,788	6,147	250,092	96,692	51,857	1,345,778	435,143	236,691	198,452
Utilities.....	535,292	33,011	362,865	101,039	38,377	5,545,440	534,155	271,072	263,083
Home office business deductions.....	47,795	*778	30,682	6,423	9,911	418,689	140,451	74,350	66,101
Depreciation, Form 8829.....	4,933	*145	3,755	*136	*897	85,137	38,405	8,704	29,701
Other business deductions.....	5,642,459	327,762	4,656,662	485,603	172,432	8,868,979	1,520,308	676,973	843,335
Net income less deficit <sup>1,2</sup> .....	5,797,110	565,289	4,384,576	574,380	272,865	16,615,003	5,050,095	3,411,254	1,638,841
Net income <sup>1,2</sup> .....	6,761,412	636,385	4,935,859	776,085	413,083	23,175,835	5,999,004	3,864,732	2,134,272
Deficit <sup>2</sup> .....	964,302	71,097	551,282	201,705	140,218	6,560,832	948,909	453,478	495,430

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Transportation and public utilities					Wholesale and retail trade			
	Total	Local and interurban passenger transit	Trucking and warehousing	All other transportation	Communication services and utilities, including dumps, snowplowing, road cleaning, etc.	Total	Wholesale trade		
							Total	Durable goods, including machinery, wood, metals, etc.	Nondurable goods, including food, fiber, chemicals, etc.
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
<b>BUSINESSES WITH NET INCOME</b>									
Number of returns <sup>1</sup> .....	562,689	87,409	365,072	71,245	38,963	1,717,831	229,223	145,673	83,549
Business receipts, total <sup>1</sup> .....	32,946,184	2,094,253	24,677,077	4,796,396	1,378,459	214,449,150	37,886,885	20,338,416	17,548,469
Income from sales and operations <sup>1</sup> .....	32,645,826	2,035,778	24,544,474	4,746,893	1,318,681	212,266,847	37,282,525	20,052,819	17,229,706
Other business income.....	300,358	*58,475	132,603	49,503	59,777	2,182,303	604,359	285,596	318,763
Business deductions, total <sup>1,2</sup> .....	26,184,930	1,457,868	19,741,218	4,020,422	965,422	191,273,218	31,887,880	16,473,683	15,414,197
Cost of sales and operations.....	5,599,866	*45,038	2,899,988	2,379,583	275,257	140,220,992	25,173,012	12,763,637	12,409,375
Inventory, beginning of year.....	80,163	*5,778	16,843	46,120	*11,422	15,625,584	1,437,636	920,704	516,932
Cost of labor.....	408,558	--	335,971	*17,610	*54,976	3,280,903	483,036	202,943	280,093
Purchases.....	3,070,554	*30,210	823,309	2,074,746	*142,289	129,297,165	22,678,670	11,509,209	11,169,461
Materials and supplies.....	302,470	*285	268,587	*12,165	*21,433	5,110,776	849,708	523,671	326,037
Other costs.....	1,828,645	*13,298	1,477,662	278,650	*59,035	4,183,407	1,272,623	622,927	649,696
Inventory, end of year.....	90,523	*4,534	22,384	49,707	*13,898	17,276,842	1,548,662	1,015,818	532,844
Advertising expenses.....	116,452	5,626	44,783	59,631	6,412	1,973,270	156,567	115,587	40,979
Bad debts from sales or services.....	22,566	*225	16,728	3,923	*1,690	208,851	15,156	6,507	8,649
Car and truck expenses.....	3,922,698	317,577	3,414,967	94,504	95,650	3,714,978	1,018,143	640,423	377,720
Commissions.....	639,418	86,180	416,552	126,388	10,297	1,513,562	619,379	332,677	286,702
Depletion.....	4,429	--	*3,154	*1,162	*114	4,526	*50	*47	*3
Depreciation <sup>3</sup> .....	2,257,715	77,972	2,010,193	68,887	100,664	2,846,396	361,486	189,439	172,047
Employee benefit programs.....	33,758	*3,098	25,020	4,191	*1,449	188,983	23,002	13,267	9,735
Insurance.....	1,304,690	107,484	1,110,401	48,560	38,245	1,761,010	188,591	108,925	79,666
Legal and professional services.....	142,550	4,737	106,221	25,433	6,159	699,423	85,889	57,471	28,418
Meals and entertainment deducted.....	413,712	6,857	379,882	19,271	7,702	375,712	176,237	110,542	65,695
Mortgage interest.....	156,520	*12,794	120,068	17,335	6,323	734,857	45,919	12,839	33,080
Other interest paid on business indebtedness.....	396,450	18,235	346,497	20,690	11,029	982,164	107,403	65,347	42,055
Office expenses.....	162,954	4,121	98,028	40,603	20,202	857,639	195,151	113,944	81,207
Pension and profit-sharing plans.....	20,197	*13,688	4,269	*2,151	*89	52,060	11,779	3,832	7,947
Rent on machinery and equipment.....	787,921	206,422	529,918	41,508	10,073	742,508	91,561	48,402	43,159
Rent on other business property.....	271,753	28,527	126,645	101,655	14,926	5,349,976	249,689	133,187	116,502
Repairs.....	1,963,886	106,052	1,774,003	35,883	47,948	1,410,164	132,665	36,507	96,157
Supplies.....	409,710	19,826	314,242	35,734	39,909	1,814,302	251,755	133,142	118,613
Net salaries and wages.....	1,760,311	63,970	1,309,984	289,522	96,835	10,842,142	725,274	408,729	316,545
Taxes paid.....	622,934	25,783	518,050	60,922	18,179	3,399,999	221,735	134,783	86,953
Travel.....	329,265	*1,060	202,543	82,345	43,317	898,285	340,703	203,761	136,941
Utilities.....	412,725	18,461	285,304	79,266	29,694	4,001,871	423,107	230,677	192,429
Home office business deductions.....	44,941	*481	28,729	*6,420	*9,311	293,351	116,024	62,159	53,865
Depreciation, Form 8829.....	4,631	*145	3,463	*132	*892	54,538	34,677	6,204	28,473
Other business deductions.....	4,365,678	279,330	3,644,082	371,097	71,170	6,294,500	1,145,485	539,091	606,394
<b>Net income <sup>1,2</sup>.....</b>	<b>6,761,412</b>	<b>636,385</b>	<b>4,935,859</b>	<b>776,085</b>	<b>413,083</b>	<b>23,175,835</b>	<b>5,999,004</b>	<b>3,864,732</b>	<b>2,134,272</b>
<b>Returns with Schedule C-EZ:</b>									
Number of returns.....	60,695	*12,572	30,127	12,525	*5,471	224,234	22,845	*12,687	10,158
Business receipts.....	183,352	*32,343	94,571	42,940	*13,498	760,100	165,706	*35,481	130,225
Business deductions.....	21,872	*4,327	10,969	3,799	*2,777	93,352	12,119	*8,758	3,362
<b>Net income.....</b>	<b>161,481</b>	<b>*28,017</b>	<b>83,602</b>	<b>39,141</b>	<b>*10,721</b>	<b>666,748</b>	<b>153,587</b>	<b>*26,723</b>	<b>126,863</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--Continued						
	Retail trade						
	Total	Building materials, paint, hardware, garden supply, and mobile home dealers					General merchandise stores
		Total	Lumber and other building materials dealers	Paint, glass, and wallpaper stores	Hardware stores	Retail nurseries, garden supply stores, and mobile home dealers	
(33)	(34)	(35)	(36)	(37)	(38)	(39)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	2,652,679	75,483	26,327	4,691	14,956	29,509	44,917
<b>Business receipts, total<sup>1</sup>.....</b>	<b>215,371,165</b>	<b>9,667,826</b>	<b>2,673,267</b>	<b>627,918</b>	<b>2,815,575</b>	<b>3,551,067</b>	<b>4,805,923</b>
Income from sales and operations <sup>1</sup> .....	213,220,685	9,584,393	2,657,407	627,912	2,775,219	3,523,855	4,743,985
Other business income.....	2,150,480	83,433	15,860	*6	40,355	27,212	61,938
<b>Business deductions, total<sup>1,2</sup>.....</b>	<b>203,814,533</b>	<b>9,026,263</b>	<b>2,440,421</b>	<b>577,298</b>	<b>2,690,833</b>	<b>3,317,711</b>	<b>4,493,062</b>
Cost of sales and operations.....	141,745,011	6,207,088	1,740,489	322,987	1,948,269	2,195,342	3,472,006
Inventory, beginning of year.....	20,285,553	1,233,499	255,122	*48,928	679,526	249,923	640,026
Cost of labor.....	3,360,700	395,201	146,148	*16,784	*12,441	219,828	*11,438
Purchases.....	131,413,888	5,198,761	1,354,574	*157,263	1,859,710	1,827,214	3,398,517
Materials and supplies.....	5,215,908	495,599	211,685	*144,958	*58,512	80,444	4,136
Other costs.....	3,834,059	137,133	60,354	*7,653	22,205	46,921	125,121
Inventory, end of year.....	22,365,097	1,253,106	287,393	*52,600	684,124	228,988	707,232
Advertising expenses.....	2,479,655	132,565	28,277	*10,600	39,170	54,518	49,393
Bad debts from sales or services.....	268,151	30,918	2,173	*4,080	9,423	*15,242	4,215
Car and truck expenses.....	4,019,097	176,065	47,017	13,488	46,024	69,536	65,059
Commissions.....	1,248,194	47,020	6,867	*5	*30,178	9,970	16,697
Depletion.....	6,766	*70	*70	--	--	--	*33
Depreciation <sup>3</sup> .....	3,761,192	185,782	59,181	*9,506	42,199	74,895	57,817
Employee benefit programs.....	208,692	18,230	*2,098	*6,351	8,203	*1,578	4,200
Insurance.....	2,063,426	146,192	42,644	14,618	37,373	51,557	32,595
Legal and professional services.....	885,358	38,881	6,712	*2,190	10,104	19,875	14,813
Meals and entertainment deducted.....	303,644	7,859	2,651	*88	2,101	3,020	5,307
Mortgage interest.....	966,433	62,321	16,806	*2,307	15,657	27,551	*13,640
Other interest paid on business indebtedness.....	1,291,931	86,408	22,923	*3,940	26,062	33,482	25,098
Office expenses.....	1,009,908	42,932	16,169	*2,560	12,219	11,984	16,809
Pension and profit-sharing plans.....	40,804	*1,639	*458	*757	--	*425	*355
Rent on machinery and equipment.....	935,058	35,009	13,222	*4,998	10,242	6,546	10,474
Rent on other business property.....	7,200,643	155,752	22,606	*22,220	54,842	56,084	158,675
Repairs.....	1,712,882	104,795	21,711	*4,722	21,303	57,059	27,673
Supplies.....	2,552,790	144,328	81,506	*6,037	8,322	48,462	26,577
Net salaries and wages.....	13,260,966	657,383	99,797	*100,988	188,750	267,849	229,449
Taxes paid.....	4,223,870	215,415	48,726	16,843	56,770	93,076	66,831
Travel.....	910,635	44,958	31,009	*2	2,630	11,317	11,810
Utilities.....	5,011,284	184,547	39,601	*12,579	53,823	78,543	86,130
Home office business deductions.....	278,238	*7,278	--	--	*7,234	*43	*2,039
Depreciation, Form 8829.....	46,731	*730	--	--	*730	--	*434
Other business deductions.....	7,348,671	291,652	87,707	15,431	59,936	128,578	94,761
<b>Net income less deficit<sup>1,2</sup>.....</b>	<b>11,564,907</b>	<b>641,533</b>	<b>232,846</b>	<b>50,619</b>	<b>124,742</b>	<b>233,325</b>	<b>312,861</b>
Net income <sup>1,2</sup> .....	17,176,831	831,074	268,039	*56,937	178,278	327,820	387,445
Deficit <sup>2</sup> .....	5,611,924	189,541	35,193	*6,317	53,537	94,495	74,584

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--Continued						
	Retail trade						General merchandise stores
	Total	Building materials, paint, hardware, garden supply, and mobile home dealers					
		Total	Lumber and other building materials dealers	Paint, glass, and wallpaper stores	Hardware stores	Retail nurseries, garden supply stores, and mobile home dealers	
(33)	(34)	(35)	(36)	(37)	(38)	(39)	
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	1,488,608	53,571	17,774	*4,318	9,080	22,400	31,805
Business receipts, total <sup>1</sup> .....	176,562,265	8,032,074	2,265,734	*475,278	2,140,475	3,150,588	4,222,335
Income from sales and operations <sup>1</sup> .....	174,984,322	7,984,936	2,250,595	*475,277	2,135,722	3,123,342	4,179,704
Other business income.....	1,577,944	47,138	15,139	*1	4,753	27,246	42,631
Business deductions, total <sup>1,2</sup> .....	159,385,338	7,201,000	1,997,695	*418,341	1,962,197	2,822,768	3,834,890
Cost of sales and operations.....	115,047,980	5,158,296	1,508,466	*247,435	1,433,466	1,968,929	3,019,550
Inventory, beginning of year.....	14,187,948	907,158	222,825	*33,326	460,505	190,503	500,807
Cost of labor.....	2,797,867	392,593	146,148	*16,784	*12,441	217,220	*11,438
Purchases.....	106,618,495	4,246,842	1,182,419	*88,585	1,336,522	1,639,316	2,963,115
Materials and supplies.....	4,261,067	428,530	149,295	*144,368	*58,147	76,720	*3,437
Other costs.....	2,910,784	122,623	60,250	*323	*21,078	40,972	124,110
Inventory, end of year.....	15,728,180	939,450	252,471	*35,952	455,226	195,801	583,356
Advertising expenses.....	1,816,703	98,815	16,362	*9,489	25,646	47,318	38,603
Bad debts from sales or services.....	193,695	18,328	*1,104	*1,159	3,730	*12,335	1,399
Car and truck expenses.....	2,696,835	142,468	46,271	*12,237	26,447	57,513	48,329
Commissions.....	894,183	43,083	*6,835	--	*30,125	*6,123	16,572
Depletion.....	4,477	*70	*70	--	--	--	*33
Depreciation <sup>3</sup> .....	2,484,910	152,289	54,210	*4,456	27,109	66,514	46,216
Employee benefit programs.....	165,981	17,160	*2,098	*6,351	7,252	*1,459	1,909
Insurance.....	1,572,419	114,308	39,186	*10,002	28,168	36,953	23,716
Legal and professional services.....	613,534	26,507	3,995	*797	6,492	15,224	13,309
Meals and entertainment deducted.....	199,475	5,387	2,594	*88	*656	2,048	2,938
Mortgage interest.....	688,937	49,528	15,291	*1	11,718	22,518	*10,984
Other interest paid on business indebtedness.....	874,761	65,757	21,463	*901	18,677	24,716	14,654
Office expenses.....	662,488	34,318	14,243	*2,152	7,758	10,165	12,290
Pension and profit-sharing plans.....	40,281	*1,637	*458	*757	--	*422	*355
Rent on machinery and equipment.....	650,947	24,098	13,214	*1,924	*3,658	5,303	9,740
Rent on other business property.....	5,100,287	105,564	11,000	*14,593	39,267	40,704	142,705
Repairs.....	1,277,500	76,256	20,222	*3,253	10,304	42,478	25,957
Supplies.....	1,562,547	34,474	4,976	*4,946	5,431	19,122	21,864
Net salaries and wages.....	10,116,868	485,123	82,394	*67,696	144,166	190,867	180,495
Taxes paid.....	3,178,264	174,562	45,239	*9,517	44,085	75,721	50,737
Travel.....	557,582	13,543	4,415	--	1,780	7,348	7,186
Utilities.....	3,578,764	141,925	27,976	*8,490	36,403	69,056	73,338
Home office business deductions.....	177,327	*6,908	--	--	*6,864	*43	*881
Depreciation, Form 8829.....	19,861	*730	--	--	*730	--	*212
Other business deductions.....	5,149,015	209,418	55,614	*12,100	42,995	98,709	70,525
<b>Net income <sup>1,2</sup>.....</b>	<b>17,176,831</b>	<b>831,074</b>	<b>268,039</b>	<b>*56,937</b>	<b>178,278</b>	<b>327,820</b>	<b>387,445</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	201,389	*4,426	*1,285	--	--	*3,141	*4,190
Business receipts.....	594,394	*13,407	*6,812	--	--	*6,595	*8,286
Business deductions.....	81,233	*1,178	--	--	--	*1,178	*607
<b>Net income.....</b>	<b>513,162</b>	<b>*12,229</b>	<b>*6,812</b>	<b>--</b>	<b>--</b>	<b>*5,418</b>	<b>*7,680</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--Continued							
	Retail trade--Continued							
	Food stores			Automotive dealers and service stations				
	Total	Grocery stores	All other food stores	Total	New car dealers (franchised)	Used car dealers	Gasoline service stations	All other automotive dealers
(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	152,501	91,076	61,425	183,175	13,577	79,223	28,941	61,434
Business receipts, total <sup>1</sup> .....	36,046,872	28,023,974	8,022,898	53,504,090	1,426,808	16,988,391	25,486,897	9,601,994
Income from sales and operations <sup>1</sup> .....	35,697,200	27,686,809	8,010,392	53,511,680	1,417,757	17,250,062	25,306,050	9,537,811
Other business income.....	349,672	337,166	12,506	-7,590	9,051	-261,671	180,847	64,183
Business deductions, total <sup>1,2</sup> .....	34,686,468	27,012,580	7,673,887	51,790,181	1,297,870	16,392,880	24,945,231	9,154,200
Cost of sales and operations.....	27,086,417	21,648,665	5,437,752	43,678,057	1,173,872	13,944,229	21,355,877	7,204,079
Inventory, beginning of year.....	2,025,854	1,772,152	253,702	3,950,292	152,025	1,801,730	556,409	1,440,128
Cost of labor.....	489,638	325,515	164,123	635,663	4,013	250,041	260,472	121,137
Purchases.....	25,354,427	20,743,067	4,611,360	41,199,131	1,151,625	12,844,747	20,290,362	6,912,396
Materials and supplies.....	824,313	258,686	565,627	1,314,584	--	480,946	714,650	118,989
Other costs.....	556,398	485,397	71,001	938,914	*51,303	672,476	114,059	101,077
Inventory, end of year.....	2,164,213	1,936,152	228,061	4,360,528	185,093	2,105,712	580,075	1,489,648
Advertising expenses.....	148,377	94,922	53,455	256,741	9,781	95,428	56,765	94,766
Bad debts from sales or services.....	20,565	15,195	5,371	84,067	897	58,032	16,650	8,487
Car and truck expenses.....	229,755	115,048	114,707	333,035	8,769	131,123	60,202	132,940
Commissions.....	35,906	17,851	*18,055	-177,495	*3,244	127,318	-11,505	35,427
Depletion.....	*207	*207	--	929	*16	*(*)	*11	*901
Depreciation <sup>3</sup> .....	515,133	336,562	178,571	488,350	3,544	91,223	262,970	130,613
Employee benefit programs.....	34,237	21,594	12,643	34,462	3,013	8,910	11,536	11,002
Insurance.....	256,969	189,646	67,323	408,610	5,377	143,820	164,735	94,678
Legal and professional services.....	105,685	75,872	29,813	122,866	2,077	41,713	54,751	24,325
Meals and entertainment deducted.....	11,330	5,700	5,630	35,947	1,277	22,123	4,473	8,074
Mortgage interest.....	174,787	123,556	51,231	178,628	*526	64,118	64,235	49,749
Other interest paid on business indebtedness.....	148,685	118,833	29,852	301,628	8,114	115,600	73,330	104,585
Office expenses.....	65,344	33,159	32,184	114,585	3,451	43,111	26,476	41,547
Pension and profit-sharing plans.....	4,875	4,417	*457	3,469	*282	*748	*1,496	*943
Rent on machinery and equipment.....	143,219	101,538	41,681	96,028	4,767	18,100	45,787	27,375
Rent on other business property.....	876,651	549,331	327,321	660,570	5,979	135,938	401,052	117,601
Repairs.....	271,005	203,921	67,084	286,371	1,460	130,273	106,621	48,017
Supplies.....	252,815	173,962	78,853	383,673	3,393	152,511	170,120	57,649
Net salaries and wages.....	1,868,622	1,298,068	570,553	1,899,680	35,627	269,079	1,177,359	417,615
Taxes paid.....	554,232	417,025	137,207	656,076	6,314	153,341	341,894	154,527
Travel.....	28,597	17,731	10,866	69,285	567	43,387	2,966	22,365
Utilities.....	906,167	690,969	215,198	582,644	5,121	160,422	276,208	140,892
Home office business deductions.....	*868	*395	*472	4,853	--	*2,014	*633	*2,206
Depreciation, Form 8829.....	*65	*65	--	*1,003	--	*497	*97	*409
Other business deductions.....	945,906	758,297	187,609	927,151	10,401	438,515	256,147	222,088
Net income less deficit <sup>1,2</sup> .....	1,361,708	1,012,544	349,164	1,711,781	128,938	593,383	541,666	447,794
Net income <sup>1,2</sup> .....	1,759,077	1,214,204	544,872	2,275,054	130,421	863,670	637,317	643,647
Deficit <sup>2</sup> .....	397,369	201,660	195,709	563,273	*1,482	270,286	95,651	195,853

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--Continued							
	Food stores			Retail trade--Continued				
	Total	Grocery stores	All other food stores	Automotive dealers and service stations				
				Total	New car dealers (franchised)	Used car dealers	Gasoline service stations	All other automotive dealers
(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	106,272	71,509	34,762	128,077	13,368	54,474	22,938	37,297
Business receipts, total <sup>1</sup> .....	29,735,676	23,174,561	6,561,115	45,716,809	1,315,533	14,014,946	22,134,321	8,252,009
Income from sales and operations <sup>1</sup> .....	29,450,071	22,896,092	6,553,980	45,788,321	1,306,650	14,305,440	21,967,631	8,208,600
Other business income.....	285,605	278,469	7,136	-71,512	8,883	-290,494	166,690	43,409
Business deductions, total <sup>1, 2</sup> .....	27,977,750	21,961,507	6,016,243	43,439,597	1,185,113	13,149,118	21,497,004	7,608,362
Cost of sales and operations.....	22,197,668	17,695,934	4,501,734	37,009,934	1,068,991	11,276,602	18,501,444	6,162,898
Inventory, beginning of year.....	1,597,960	1,407,984	189,976	2,843,110	127,516	1,213,815	430,523	1,071,256
Cost of labor.....	364,878	313,350	51,528	597,914	*2,683	223,419	256,481	115,332
Purchases.....	20,699,284	16,777,601	3,921,684	34,867,992	1,043,267	10,434,406	17,466,140	5,924,180
Materials and supplies.....	713,486	249,141	464,346	1,181,622	--	364,380	709,361	107,880
Other costs.....	517,500	451,090	66,409	784,884	--	549,796	106,719	77,067
Inventory, end of year.....	1,695,441	1,503,232	192,209	3,265,589	155,777	1,509,213	467,781	1,132,818
Advertising expenses.....	103,918	69,743	34,175	218,389	9,186	81,380	50,043	77,780
Bad debts from sales or services.....	17,798	13,096	4,702	59,065	875	40,426	10,265	7,501
Car and truck expenses.....	168,175	98,112	70,063	273,018	8,681	111,218	53,289	99,831
Commissions.....	20,196	5,010	*15,186	141,866	*3,244	106,659	8,294	23,669
Depletion.....	*34	*34	--	*435	*16	* (*)	*11	*408
Depreciation <sup>3</sup> .....	379,499	269,663	109,836	391,405	2,717	67,599	223,475	97,613
Employee benefit programs.....	24,677	15,334	9,343	30,827	2,839	6,590	11,057	10,341
Insurance.....	202,746	148,031	54,715	316,066	5,031	99,040	143,341	68,654
Legal and professional services.....	78,440	61,857	16,583	92,568	1,077	30,362	42,991	18,138
Meals and entertainment deducted.....	5,644	4,945	699	29,461	1,255	19,521	4,295	4,390
Mortgage interest.....	121,442	95,960	25,482	128,704	*479	37,660	57,417	33,148
Other interest paid on business indebtedness.....	99,307	85,551	13,756	214,974	7,447	64,784	62,043	80,700
Office expenses.....	42,524	23,100	19,424	92,263	3,406	35,827	20,908	32,121
Pension and profit-sharing plans.....	4,822	4,365	*457	3,465	*282	*748	*1,492	*943
Rent on machinery and equipment.....	96,774	82,232	14,542	79,543	4,766	10,456	41,352	22,968
Rent on other business property.....	673,130	437,625	235,505	506,067	5,613	97,693	320,705	82,057
Repairs.....	212,413	164,549	47,864	232,984	1,341	104,459	88,841	38,343
Supplies.....	170,804	130,171	40,633	258,629	3,010	118,771	102,249	34,599
Net salaries and wages.....	1,439,963	1,030,371	409,592	1,600,618	34,140	221,651	1,015,163	329,663
Taxes paid.....	434,095	336,072	98,023	543,586	6,034	117,827	290,834	129,091
Travel.....	18,264	14,646	3,618	49,644	515	28,224	2,813	18,091
Utilities.....	709,699	552,978	156,721	452,342	4,827	118,622	223,853	105,040
Home office business deductions.....	*395	*395	--	4,853	--	*2,014	*633	*2,206
Depreciation, Form 8829.....	*65	*65	--	*1,003	--	*497	*97	*409
Other business deductions.....	755,206	621,616	133,590	703,910	9,341	349,380	218,766	126,424
<b>Net income <sup>1, 2</sup>.....</b>	<b>1,759,077</b>	<b>1,214,204</b>	<b>544,872</b>	<b>2,275,054</b>	<b>130,421</b>	<b>863,670</b>	<b>637,317</b>	<b>643,647</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	*6,622	*2,575	*4,048	17,369	*3,187	*11,756	*1,141	*1,285
Business receipts.....	*27,913	*2,657	*25,256	50,262	*12,396	*23,386	*8,854	*5,627
Business deductions.....	*116	*116	--	4,982	--	*1,805	*1,429	*1,748
<b>Net income.....</b>	<b>*27,797</b>	<b>*2,541</b>	<b>*25,256</b>	<b>45,280</b>	<b>*12,396</b>	<b>*21,581</b>	<b>*7,424</b>	<b>*3,879</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Wholesale and retail trade--Continued							
	Retail trade--Continued							
	Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places	Drug stores	Liquor stores	Used merchandise and antique stores	Sporting goods and bicycle shops
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	101,610	111,443	134,268	53,929	6,691	15,815	118,502	55,000
Business receipts, total <sup>1</sup> .....	7,979,217	11,002,191	21,892,551	4,565,808	3,674,868	5,110,302	3,957,587	3,984,970
Income from sales and operations <sup>1</sup> .....	7,921,598	10,941,659	21,757,306	4,362,467	3,664,367	4,931,575	3,863,137	3,958,901
Other business income.....	57,619	60,532	135,245	203,341	10,501	178,726	94,450	26,070
Business deductions, total <sup>1,2</sup> .....	7,488,143	10,150,828	21,092,078	4,229,848	3,401,506	4,879,907	3,720,989	3,792,881
Cost of sales and operations.....	4,749,731	6,485,303	9,355,477	2,044,523	2,773,427	3,948,560	2,143,472	2,715,045
Inventory, beginning of year.....	1,393,524	1,338,799	293,811	100,909	308,862	619,064	1,306,758	760,976
Cost of labor.....	103,466	409,423	431,173	*90,578	*26,175	*220,391	14,626	*38,485
Purchases.....	4,441,086	5,714,530	8,128,863	1,800,927	2,754,135	3,653,843	1,990,244	2,678,105
Materials and supplies.....	168,766	374,353	405,447	76,922	*9,326	*6,132	88,781	47,428
Other costs.....	157,788	200,672	428,902	*63,635	664	*6,145	147,609	120,493
Inventory, end of year.....	1,514,899	1,552,475	332,719	88,449	325,736	557,015	1,404,546	930,441
Advertising expenses.....	163,495	271,692	419,306	87,779	24,418	19,753	60,734	75,344
Bad debts from sales or services.....	6,452	13,732	2,605	*10,910	2,033	7,742	1,998	5,222
Car and truck expenses.....	99,159	232,399	147,389	53,302	16,001	23,959	161,840	43,096
Commissions.....	29,956	88,284	71,415	*2,427	*8,759	*90	40,339	36,197
Depletion.....	*59	*19	*7	--	* (*)	*1	*3	*253
Depreciation <sup>3</sup> .....	92,708	246,923	762,113	122,358	23,640	81,633	76,170	80,343
Employee benefit programs.....	5,109	19,482	28,957	*2,186	6,058	*178	1,522	*1,969
Insurance.....	74,344	125,037	357,205	122,568	24,180	29,117	38,440	26,051
Legal and professional services.....	49,426	66,263	134,501	43,464	12,322	21,989	16,257	8,707
Meals and entertainment deducted.....	13,953	19,538	5,043	1,655	420	*458	14,516	7,489
Mortgage interest.....	45,458	86,723	149,475	49,971	5,249	32,161	22,598	12,200
Other interest paid on business indebtedness.....	27,268	80,459	190,290	22,265	3,142	30,825	26,699	25,664
Office expenses.....	48,761	77,597	72,072	13,222	11,263	10,785	29,322	29,994
Pension and profit-sharing plans.....	*1,190	*3,144	4,345	--	5,315	*2,142	*1,134	*904
Rent on machinery and equipment.....	24,091	42,955	136,879	38,825	15,825	5,231	47,433	19,077
Rent on other business property.....	662,164	434,574	1,502,845	244,483	52,969	187,117	310,980	121,573
Repairs.....	48,555	82,916	343,494	119,725	14,121	26,445	36,436	15,683
Supplies.....	95,411	120,898	351,247	67,908	10,241	16,153	60,222	38,665
Net salaries and wages.....	492,057	777,802	3,971,221	446,858	233,991	148,218	175,102	200,255
Taxes paid.....	163,966	230,085	971,221	275,565	42,124	93,231	78,801	93,140
Travel.....	61,374	50,568	22,071	*1,851	3,524	*564	46,689	24,723
Utilities.....	194,097	260,007	1,064,022	275,351	34,304	112,755	109,495	75,150
Home office business deductions.....	21,742	25,655	797	*1	--	--	10,012	*12,801
Depreciation, Form 8829.....	*3,118	*4,013	*63	* (*)	--	--	1,837	*1,479
Other business deductions.....	306,852	307,393	1,026,756	182,653	78,179	80,802	207,334	123,335
Net income less deficit <sup>1,2</sup> .....	490,777	851,363	809,442	335,961	273,362	230,395	236,394	192,090
Net income <sup>1,2</sup> .....	740,343	1,087,976	1,503,784	493,010	278,941	270,505	461,484	336,970
Deficit <sup>2</sup> .....	249,566	236,613	694,342	157,050	*5,578	40,110	225,091	144,881

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--Continued							
	Retail trade--Continued							
	Apparel and accessory stores	Furniture and home furnishings stores	Eating places	Drinking places	Drug stores	Liquor stores	Used merchandise and antique stores	Sporting goods and bicycle shops
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	68,444	80,529	78,934	34,727	5,601	11,122	68,353	27,327
Business receipts, total <sup>1</sup> .....	6,325,937	9,358,554	16,032,121	3,516,265	3,315,189	4,278,180	2,963,304	3,071,158
Income from sales and operations <sup>1</sup> .....	6,306,050	9,321,471	15,905,073	3,358,175	3,305,663	4,115,131	2,893,460	3,057,595
Other business income.....	19,887	37,082	127,048	158,090	9,526	163,049	69,844	13,563
Business deductions, total <sup>1,2</sup> .....	5,585,594	8,270,578	14,528,359	3,023,254	3,036,248	4,007,675	2,501,820	2,734,188
Cost of sales and operations.....	3,678,135	5,450,352	6,677,964	1,481,309	2,485,093	3,249,600	1,501,201	2,011,964
Inventory, beginning of year.....	887,986	966,838	198,559	81,040	263,188	434,483	627,209	582,781
Cost of labor.....	64,599	346,276	322,815	*80,458	*26,175	*220,391	8,179	*38,485
Purchases.....	3,509,089	4,888,423	5,797,314	1,276,698	2,465,828	3,020,247	1,392,793	1,870,747
Materials and supplies.....	132,863	213,556	329,802	51,650	*6,553	*6,132	68,756	47,319
Other costs.....	69,746	152,053	247,873	*61,012	*306	*2,069	103,030	118,831
Inventory, end of year.....	986,148	1,116,794	218,398	69,550	276,957	433,721	698,766	646,200
Advertising expenses.....	112,673	206,825	302,552	56,217	21,361	17,732	40,170	55,460
Bad debts from sales or services.....	3,423	10,878	542	*8,938	2,016	7,025	*1,364	5,146
Car and truck expenses.....	61,682	181,835	102,868	34,648	14,939	12,502	80,514	28,600
Commissions.....	20,928	74,256	32,853	*2,427	*8,759	*90	29,324	*4,393
Depletion.....	*16	*19	*(*)	--	*(*)	*1	*(*)	*253
Depreciation <sup>3</sup> .....	53,135	186,333	409,652	83,555	16,682	67,986	45,571	49,529
Employee benefit programs.....	3,411	11,175	19,912	*2,185	6,058	*178	*1,504	*1,341
Insurance.....	59,905	102,138	244,803	93,898	22,151	25,123	27,031	20,754
Legal and professional services.....	36,871	33,115	87,221	33,441	10,493	17,946	7,856	5,585
Meals and entertainment deducted.....	8,992	16,341	3,528	*1,186	393	*398	7,724	3,379
Mortgage interest.....	24,342	74,300	104,554	28,692	5,131	30,799	9,515	7,665
Other interest paid on business indebtedness.....	18,846	51,591	103,763	18,435	3,055	27,083	21,181	22,521
Office expenses.....	38,199	57,879	35,301	9,596	10,904	9,606	18,637	12,925
Pension and profit-sharing plans.....	*1,190	*3,144	4,298	--	5,315	*2,142	*1,134	*904
Rent on machinery and equipment.....	11,869	37,927	99,083	24,539	14,304	1,800	41,311	15,416
Rent on other business property.....	474,255	339,211	951,639	156,939	41,506	141,397	185,932	67,067
Repairs.....	38,427	66,908	246,423	83,368	11,756	23,886	25,008	8,526
Supplies.....	71,057	65,887	230,783	50,011	9,493	13,567	34,448	23,292
Net salaries and wages.....	307,479	604,370	2,744,818	382,275	202,847	131,561	166,355	172,653
Taxes paid.....	122,922	193,818	682,718	198,865	38,344	69,452	55,080	57,848
Travel.....	50,008	38,754	14,079	*1,456	3,472	*558	20,506	11,700
Utilities.....	150,666	201,691	707,729	168,847	30,116	87,434	66,720	48,880
Home office business deductions.....	*20,031	25,188	647	*1	--	--	*6,479	*837
Depreciation, Form 8829.....	*3,118	*4,013	*63	*(*)	--	--	*394	*5
Other business deductions.....	206,368	235,265	719,301	102,427	72,063	69,810	103,814	97,552
<b>Net Income <sup>1,2</sup>.....</b>	<b>740,343</b>	<b>1,087,976</b>	<b>1,503,784</b>	<b>493,010</b>	<b>278,941</b>	<b>270,505</b>	<b>461,484</b>	<b>336,970</b>
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	16,523	*8,852	*6,261	*1,285	--	--	*7,185	--
Business receipts.....	77,210	*37,988	*43,399	*2,099	--	--	*4,564	--
Business deductions.....	10,764	*1,379	*1,326	--	--	--	*3,441	--
<b>Net Income.....</b>	<b>66,447</b>	<b>*36,609</b>	<b>*42,073</b>	<b>*2,099</b>	--	--	<b>*1,122</b>	--

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued**

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

Net income status, item	Wholesale and retail trade—Continued			Total	Finance, insurance, and real estate			
	Retail trade—Continued				Total	Finance		
	Sales by door-to-door, telephone, etc.	Gift, novelty, and souvenir shops	All other retail stores			Total	Credit agencies and mortgage bankers	Security and commodity brokers and services
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	979,213	77,714	542,419	1,275,117	135,239	16,367	55,834	63,037
Business receipts, total <sup>1</sup> .....	16,069,248	2,790,591	30,319,121	57,473,784	10,930,057	885,903	5,394,430	4,649,724
Income from sales and operations <sup>1</sup> .....	15,619,687	2,775,239	29,887,491	55,798,024	10,668,620	844,614	5,261,966	4,562,041
Other business income.....	449,562	15,352	431,631	1,675,760	261,436	41,288	132,464	87,684
Business deductions, total <sup>1,2</sup> .....	13,962,794	2,824,436	28,275,150	36,867,365	9,736,526	616,694	4,744,060	4,375,772
Cost of sales and operations.....	7,311,360	1,644,092	18,130,452	9,937,169	5,705,208	*176,273	2,880,069	2,648,866
Inventory, beginning of year.....	1,157,682	632,561	4,522,936	1,565,846	209,739	*28	154,928	54,783
Cost of labor.....	179,220	*3,066	312,155	308,679	*17,599	*1,149	*16,398	*52
Purchases.....	6,247,934	1,646,003	17,207,381	5,877,379	4,071,899	*175,029	2,013,503	1,883,367
Materials and supplies.....	644,474	19,409	736,239	197,544	5,982	--	*3,157	*2,825
Other costs.....	436,077	49,609	464,901	3,419,198	1,529,824	*95	779,784	749,944
Inventory, end of year.....	1,354,027	706,555	5,113,158	1,431,477	129,834	*28	87,702	42,105
Advertising expenses.....	213,679	47,919	508,463	1,348,561	75,557	18,621	20,241	36,695
Bad debts from sales or services.....	45,617	3,151	28,925	219,966	68,691	27,939	6,314	34,438
Car and truck expenses.....	1,600,859	81,610	755,569	3,684,837	252,261	25,307	99,185	127,769
Commissions.....	408,437	9,505	275,669	2,812,024	413,826	*78,173	160,806	174,847
Depletion.....	*3,785	*103	*1,297	11,886	4,762	--	3,755	1,006
Depreciation <sup>3</sup> .....	327,812	68,768	631,642	1,380,319	159,132	13,763	81,091	64,278
Employee benefit programs.....	12,469	*1,416	38,218	107,028	9,218	*65	6,519	2,634
Insurance.....	99,267	29,014	293,838	531,487	39,281	7,231	16,484	15,566
Legal and professional services.....	88,138	13,358	148,688	667,699	126,502	16,387	78,669	31,445
Meals and entertainment deducted.....	125,617	4,399	50,113	570,954	57,753	4,511	36,043	17,199
Mortgage interest.....	33,919	10,389	88,914	461,757	36,753	*9,679	10,198	16,876
Other interest paid on business indebtedness.....	88,750	17,927	216,824	914,129	530,207	11,688	163,932	354,587
Office expenses.....	222,102	20,414	234,706	1,299,001	99,760	12,704	44,919	42,137
Pension and profit-sharing plans.....	3,773	*4	8,516	38,728	3,072	--	1,833	*1,239
Rent on machinery and equipment.....	134,270	21,788	163,954	486,707	37,155	*5,334	24,122	7,698
Rent on other business property.....	226,318	299,587	1,306,386	1,345,361	262,544	22,441	187,773	52,330
Repairs.....	88,859	31,001	215,803	374,879	25,194	5,031	11,173	8,990
Supplies.....	436,678	34,588	513,386	589,481	53,437	9,676	24,871	18,891
Net salaries and wages.....	296,158	214,201	1,649,968	2,301,713	232,728	23,623	139,572	69,532
Taxes paid.....	124,238	66,762	592,182	607,091	56,213	6,068	23,653	26,493
Travel.....	333,907	30,476	180,238	632,036	109,603	11,847	40,122	57,635
Utilities.....	358,032	62,502	706,082	1,389,822	126,219	23,840	48,921	53,458
Home office business deductions.....	110,584	*20,062	61,548	187,258	32,976	--	12,870	20,106
Depreciation, Form 8829.....	27,500	*1,491	4,997	21,482	3,724	--	380	3,344
Other business deductions.....	1,226,722	90,919	1,458,255	4,925,864	1,212,981	104,892	620,149	487,940
Net income less deficit <sup>1,2</sup> .....	2,106,458	-33,846	2,044,630	20,600,260	1,180,779	269,208	647,244	264,328
Net income <sup>1,2</sup> .....	3,432,246	144,103	3,174,819	23,208,762	2,269,197	287,044	1,138,994	843,160
Deficit <sup>2</sup> .....	1,325,788	177,948	1,130,189	2,608,501	1,088,418	17,836	491,750	578,832

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Wholesale and retail trade--Continued			Total	Finance, insurance, and real estate				
	Retail trade--Continued				Total	Finance			
	Sales by door-to-door, telephone, etc.	Gift, novelty, and souvenir shops	All other retail stores			Total	Credit agencies and mortgage bankers	Security and commodity brokers and services	Other financial services
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)	
<b>BUSINESSES WITH NET INCOME</b>									
Number of returns <sup>1</sup> .....	481,500	31,667	280,676	980,141	92,614	10,957	32,746	48,912	
Business receipts, total <sup>1</sup> .....	12,939,834	1,960,438	25,094,393	51,909,422	8,220,007	838,298	3,698,723	3,682,985	
Income from sales and operations <sup>1</sup> .....	12,617,203	1,953,883	24,747,586	50,305,716	8,003,564	801,073	3,614,908	3,587,583	
Other business income.....	322,631	6,554	346,807	1,603,706	216,442	*37,225	83,815	95,402	
Business deductions, total <sup>1,2</sup> .....	9,507,588	1,816,335	21,920,463	28,708,696	5,950,183	551,254	2,559,730	2,839,199	
Cost of sales and operations.....	5,302,744	1,097,032	14,727,140	7,023,864	3,652,644	*176,273	1,494,594	1,981,777	
Inventory, beginning of year.....	682,244	315,467	3,299,115	824,062	162,458	*28	*122,359	40,071	
Cost of labor.....	109,569	*721	213,376	293,581	*17,599	*1,149	*16,398	*52	
Purchases.....	4,495,085	1,154,596	13,970,442	3,846,823	2,406,598	*175,029	999,918	1,231,651	
Materials and supplies.....	502,227	*4,848	570,287	170,383	*3,410	--	*3,157	*253	
Other costs.....	294,574	5,962	306,212	2,607,184	1,138,871	*95	396,248	742,127	
Inventory, end of year.....	780,956	384,562	3,632,292	718,168	75,892	*28	*43,487	32,377	
Advertising expenses.....	146,580	28,810	368,599	1,201,717	50,149	17,618	17,598	14,933	
Bad debts from sales or services.....	34,919	*726	22,128	94,715	32,345	*25,444	*3,149	3,752	
Car and truck expenses.....	1,020,212	35,986	491,059	3,184,899	191,466	22,971	80,799	87,696	
Commissions.....	279,024	*5,427	214,986	2,442,509	244,991	*48,209	54,229	142,552	
Depletion.....	*3,614	--	*2	6,886	886	--	*390	*496	
Depreciation <sup>3</sup> .....	211,436	37,071	354,552	1,034,857	85,804	10,424	40,618	34,763	
Employee benefit programs.....	12,454	*767	32,424	100,330	7,737	*65	5,192	2,479	
Insurance.....	76,178	15,214	228,387	439,401	32,995	5,945	13,381	13,668	
Legal and professional services.....	51,380	7,909	110,894	439,903	66,143	12,737	37,931	15,475	
Meals and entertainment deducted.....	77,840	2,528	33,736	496,066	46,305	4,470	27,588	14,246	
Mortgage interest.....	28,323	7,530	57,429	249,539	21,109	*9,512	7,356	4,241	
Other interest paid on business indebtedness.....	60,552	10,650	142,392	323,958	74,019	*4,742	46,320	22,957	
Office expenses.....	120,181	13,427	154,438	1,136,214	80,451	11,728	36,630	32,093	
Pension and profit-sharing plans.....	3,773	*4	8,099	36,029	2,848	--	1,694	*1,154	
Rent on machinery and equipment.....	60,426	13,810	120,306	429,809	25,129	*4,896	17,309	2,924	
Rent on other business property.....	163,041	205,100	946,735	1,092,974	129,014	21,228	66,185	41,601	
Repairs.....	62,940	12,702	149,946	295,512	19,568	3,962	8,208	7,398	
Supplies.....	215,933	20,605	341,699	495,848	35,038	9,458	13,499	12,081	
Net salaries and wages.....	253,908	145,293	1,299,111	2,116,981	187,763	*23,504	105,498	58,761	
Taxes paid.....	79,582	45,924	430,731	462,733	46,433	5,332	17,876	23,225	
Travel.....	198,324	10,174	119,914	539,266	92,320	11,723	30,058	50,540	
Utilities.....	214,903	39,593	484,882	1,188,029	104,524	22,322	39,609	42,593	
Home office business deductions.....	62,223	*6,354	42,530	169,599	28,521	--	8,459	20,062	
Depreciation, Form 8829.....	7,675	*165	*2,417	18,244	3,637	--	*308	3,330	
Other business deductions.....	727,309	53,217	1,022,830	3,666,218	687,055	97,087	385,353	204,615	
Net income <sup>1,2</sup> .....	3,432,246	144,103	3,174,819	23,208,762	2,269,197	287,044	1,138,994	843,160	
<b>Returns with Schedule C-EZ:</b>									
Number of returns.....	83,919	*4,345	40,412	87,847	13,396	*2,968	732	9,696	
Business receipts.....	203,015	*9,255	116,996	279,023	57,016	*12,080	2,319	42,616	
Business deductions.....	41,443	*482	15,515	41,607	5,494	*1,602	774	3,118	
Net income.....	161,572	*8,773	101,481	237,417	51,522	*10,478	1,545	39,499	

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued**

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

Net income status, item	Finance, insurance, and real estate—Continued						
	Insurance		Total	Real estate			
	Insurance agents and brokers	Insurance services		Operators and lessors	Real estate agents and brokers	Subdividers and developers	All other real estate
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	350,400	52,427	737,051	12,802	651,101	14,126	59,022
Business receipts, total <sup>1</sup> .....	17,964,367	2,321,879	26,257,481	1,087,619	21,284,903	2,227,111	1,657,848
Income from sales and operations <sup>1</sup> .....	17,268,773	2,177,594	25,683,036	1,055,790	20,867,428	2,147,853	1,611,966
Other business income.....	695,594	144,285	574,445	31,829	417,475	79,258	45,883
Business deductions, total <sup>1,2</sup> .....	9,569,335	1,203,298	16,358,207	1,068,799	11,934,487	2,139,904	1,215,017
Cost of sales and operations.....	847,382	145,240	3,239,339	191,211	1,370,295	1,549,748	128,085
Inventory, beginning of year.....	2,669	*782	1,352,657	120,732	227,622	955,698	48,605
Cost of labor.....	28,739	*84,350	177,990	*29,589	91,820	*38,735	17,846
Purchases.....	409,630	*4,730	1,391,120	107,082	587,640	598,868	97,530
Materials and supplies.....	14,730	*7,642	169,190	*10,936	26,221	123,807	8,226
Other costs.....	394,997	*49,026	1,445,352	21,377	660,203	739,052	24,720
Inventory, end of year.....	*3,382	*1,290	1,296,970	98,505	223,211	906,412	68,842
Advertising expenses.....	337,776	10,909	924,319	15,739	879,590	6,412	22,577
Bad debts from sales or services.....	58,303	*2,584	90,387	624	29,233	5,233	55,297
Car and truck expenses.....	1,065,803	204,345	2,162,428	15,711	2,019,516	22,844	104,357
Commissions.....	884,330	75,583	1,438,286	19,868	1,332,658	40,769	44,990
Depletion.....	1,074	*4	6,047	*97	5,566	235	*150
Depreciation <sup>3</sup> .....	370,917	54,573	795,697	149,132	553,697	29,635	63,232
Employee benefit programs.....	72,580	*9,082	16,149	923	10,043	1,320	3,863
Insurance.....	227,098	17,434	247,674	33,899	172,319	10,282	31,175
Legal and professional services.....	160,555	29,479	351,163	18,266	256,790	35,424	40,683
Meals and entertainment deducted.....	211,269	34,173	267,759	1,776	251,475	3,359	11,149
Mortgage interest.....	71,092	*11,444	342,468	134,009	102,823	77,039	28,598
Other interest paid on business indebtedness.....	122,906	13,450	247,565	54,618	113,788	53,253	25,906
Office expenses.....	425,018	67,090	707,133	7,770	652,128	8,284	38,950
Pension and profit-sharing plans.....	27,017	*898	7,741	*107	6,043	*77	1,514
Rent on machinery and equipment.....	203,610	27,788	218,154	5,718	200,984	2,108	9,344
Rent on other business property.....	561,883	29,781	491,152	12,242	409,529	7,350	62,032
Repairs.....	99,644	24,598	225,444	53,663	119,802	20,769	31,210
Supplies.....	185,656	14,058	336,330	15,096	282,285	6,363	32,586
Net salaries and wages.....	1,499,065	105,712	464,209	45,600	254,337	43,734	120,538
Taxes paid.....	227,605	19,253	304,020	75,004	157,779	41,883	29,354
Travel.....	222,272	62,534	237,626	3,714	209,540	4,933	19,438
Utilities.....	506,645	60,573	696,385	80,452	549,647	10,732	55,554
Home office business deductions.....	64,025	17,857	72,399	*769	43,399	*224	28,007
Depreciation, Form 8829.....	5,648	*1,991	10,118	*285	3,443	*48	6,342
Other business deductions.....	1,097,794	161,137	2,453,952	132,789	1,942,653	157,834	220,675
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>8,400,804</b>	<b>1,118,585</b>	<b>9,900,092</b>	<b>17,115</b>	<b>9,354,254</b>	<b>85,881</b>	<b>442,843</b>
Net income <sup>1,2</sup> .....	8,614,682	1,151,107	11,173,776	153,341	10,071,576	297,442	651,418
Deficit <sup>2</sup> .....	213,878	32,522	1,273,684	136,226	717,322	211,561	208,575

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Finance, insurance, and real estate--Continued						
	Insurance		Real estate				
	Insurance agents and brokers	Insurance services	Total	Operators and lessors	Real estate agents and brokers	Subdividers and developers	All other real estate
	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	298,843	47,017	541,667	7,649	483,612	7,983	42,423
Business receipts, total <sup>1</sup> .....	17,349,923	2,238,346	24,101,147	701,871	20,203,032	1,769,928	1,426,316
Income from sales and operations <sup>1</sup> .....	16,622,621	2,094,791	23,584,740	689,808	19,801,582	1,701,742	1,391,607
Other business income.....	727,301	143,555	516,407	12,062	401,450	68,186	34,709
Business deductions, total <sup>1,2</sup> .....	8,741,634	1,087,243	12,929,636	548,429	10,133,822	1,472,467	774,898
Cost of sales and operations.....	720,322	131,279	2,519,619	81,172	1,160,500	1,197,592	80,355
Inventory, beginning of year.....	*2,396	*782	658,425	38,545	102,985	479,061	*37,835
Cost of labor.....	28,640	*84,350	162,991	*20,627	91,491	*38,476	*12,397
Purchases.....	408,052	*4,730	1,027,442	44,930	478,263	447,802	56,447
Materials and supplies.....	*14,473	*7,642	144,858	*6,037	18,864	114,333	*5,625
Other costs.....	269,488	*35,065	1,164,161	*7,688	587,449	557,136	11,888
Inventory, end of year.....	*2,728	*1,290	638,258	36,655	118,551	439,216	*43,836
Advertising expenses.....	318,890	10,909	821,768	9,729	792,811	2,922	16,306
Bad debts from sales or services.....	47,892	*2,584	11,893	*584	6,707	*1,149	*3,453
Car and truck expenses.....	968,887	177,328	1,847,218	9,097	1,745,724	10,512	81,884
Commissions.....	797,427	64,883	1,335,208	11,746	1,250,478	32,032	40,952
Depletion.....	908	*4	5,089	*90	4,813	*35	*150
Depreciation <sup>3</sup> .....	328,290	45,404	575,359	90,391	427,143	9,466	48,358
Employee benefit programs.....	71,894	*9,082	11,618	718	8,033	503	2,364
Insurance.....	210,212	15,820	180,374	19,883	135,078	5,317	20,097
Legal and professional services.....	126,915	25,075	221,770	9,062	170,400	18,019	24,289
Meals and entertainment deducted.....	199,856	25,905	224,000	640	214,362	896	8,101
Mortgage interest.....	65,541	*11,440	151,448	53,295	48,395	39,750	10,009
Other interest paid on business indebtedness.....	114,115	7,044	128,780	37,206	71,492	11,758	8,325
Office expenses.....	396,124	66,705	592,934	4,353	553,132	5,001	30,448
Pension and profit-sharing plans.....	26,068	*898	6,214	*16	4,914	*54	1,231
Rent on machinery and equipment.....	193,453	22,694	188,533	5,420	175,910	1,687	5,517
Rent on other business property.....	530,175	25,059	408,726	9,213	364,815	4,827	29,871
Repairs.....	95,397	24,427	156,119	33,948	94,826	15,004	12,341
Supplies.....	172,532	12,827	275,451	5,760	236,360	5,401	27,931
Net salaries and wages.....	1,472,327	105,182	351,709	23,755	233,134	27,385	67,435
Taxes paid.....	216,194	18,814	181,293	33,590	116,233	16,718	14,751
Travel.....	199,510	61,239	186,197	1,474	171,581	872	12,269
Utilities.....	472,242	57,173	554,090	49,915	459,651	5,815	38,708
Home office business deductions.....	56,210	17,751	67,118	*407	42,054	*217	24,440
Depreciation, Form 8829.....	4,040	*1,991	8,575	*143	3,326	*41	5,065
Other business deductions.....	922,284	143,999	1,912,880	56,963	1,636,861	59,496	159,560
<b>Net income <sup>1,2</sup>.....</b>	<b>8,614,682</b>	<b>1,151,107</b>	<b>11,173,776</b>	<b>153,341</b>	<b>10,071,576</b>	<b>297,442</b>	<b>651,418</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	39,025	*5,642	29,784	*5	20,200	*395	9,184
Business receipts.....	105,113	*35,034	81,860	*6	50,689	*2,924	28,241
Business deductions.....	18,013	*3,719	14,380	*3	8,566	*59	5,752
<b>Net income.....</b>	<b>87,099</b>	<b>*31,315</b>	<b>67,480</b>	<b>*3</b>	<b>42,123</b>	<b>*2,866</b>	<b>22,488</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Services							
	Total	Hotels and other lodging places			Personal services			
		Total	Hotels, motels, and tourist courts	Other lodging places	Total	Coin-operated laundry and dry cleaning	Other cleaning, including laundry, dry cleaning, etc.	Photographic portrait studios
(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>								
Number of returns <sup>1</sup> .....	7,957,579	52,503	38,928	13,575	1,193,865	15,802	52,654	38,978
Business receipts, total <sup>1</sup> .....	275,272,662	4,679,724	3,991,861	687,863	27,562,326	1,058,285	2,835,474	1,370,203
Income from sales and operations <sup>1</sup> .....	271,224,766	4,586,626	3,901,480	685,146	27,210,000	1,053,983	2,822,132	1,370,172
Other business income.....	4,047,896	93,098	90,382	2,716	352,325	*4,302	13,342	*31
Business deductions, total <sup>1,2</sup> .....	178,087,441	4,520,232	3,807,118	713,114	19,594,382	933,065	2,415,029	1,198,503
Cost of sales and operations.....	41,661,502	472,813	409,381	63,433	5,259,603	156,174	625,665	314,667
Inventory, beginning of year.....	3,531,416	61,044	51,761	*9,283	371,864	*2,970	7,864	17,239
Cost of labor.....	4,784,056	72,097	72,017	*80	892,491	*19,655	147,068	*2,255
Purchases.....	23,542,350	328,773	263,542	65,230	2,862,151	11,369	354,087	151,239
Materials and supplies.....	6,460,093	19,194	19,194	--	968,775	119,146	49,803	39,686
Other costs.....	6,784,220	63,655	63,117	*538	618,163	*5,049	73,502	129,786
Inventory, end of year.....	3,440,633	71,951	60,252	*11,699	453,841	*2,015	*6,659	25,537
Advertising expenses.....	3,163,014	110,301	92,780	17,521	420,500	2,526	79,437	36,902
Bad debts from sales or services.....	305,716	2,303	2,285	*18	30,403	*182	1,683	*646
Car and truck expenses.....	10,314,085	77,886	59,639	18,247	1,073,802	8,396	132,093	91,777
Commissions.....	2,784,215	19,395	18,120	1,275	421,572	*6,209	9,837	39,511
Depletion.....	20,322	*92	*92	--	315	*60	--	--
Depreciation <sup>3</sup> .....	10,354,801	519,518	441,660	77,858	968,731	89,501	116,757	71,482
Employee benefit programs.....	644,360	8,858	8,636	*222	16,523	*887	*1,710	*2,618
Insurance.....	4,634,245	142,916	123,181	19,734	331,813	22,722	74,595	15,853
Legal and professional services.....	3,476,244	50,509	39,737	10,772	220,371	8,813	15,414	10,515
Meals and entertainment deducted.....	1,302,978	5,916	4,686	1,231	100,519	*110	1,202	4,216
Mortgage interest.....	1,586,525	411,102	341,150	69,951	141,140	12,539	9,724	*3,229
Other interest paid on business indebtedness.....	1,760,723	135,308	119,855	15,453	138,694	17,405	19,156	*4,942
Office expenses.....	4,560,423	39,562	33,579	5,983	328,975	3,642	17,450	30,354
Pension and profit-sharing plans.....	457,858	1,864	*1,855	*10	2,878	*12	*275	*632
Rent on machinery and equipment.....	2,309,650	26,777	17,993	8,784	346,431	*10,448	55,060	17,218
Rent on other business property.....	10,330,077	107,192	90,844	16,348	2,136,490	138,956	230,781	73,745
Repairs.....	2,635,629	230,551	191,684	38,867	341,794	32,064	42,149	15,921
Supplies.....	7,939,285	199,101	165,677	33,424	1,305,026	13,756	152,963	124,741
Net salaries and wages.....	23,585,661	581,612	501,855	79,757	1,871,217	104,087	429,716	71,844
Taxes paid.....	4,830,352	301,328	264,053	37,275	498,017	35,183	79,216	29,821
Travel.....	3,471,902	14,518	13,087	1,431	282,042	*2,710	5,015	15,213
Utilities.....	7,273,958	511,727	443,724	68,003	1,153,431	172,496	147,910	43,925
Home office business deductions.....	2,214,613	10,219	*5,473	*4,746	229,412	*896	*5,710	26,182
Depreciation, Form 8829.....	259,894	*1,225	*169	*1,056	26,026	*198	*731	*2,401
Other business deductions.....	25,885,744	535,883	413,114	122,769	1,885,701	93,284	157,190	151,792
Net income less deficit <sup>1,2</sup> .....	97,180,886	156,962	182,213	-25,251	7,967,947	125,220	420,445	171,699
Net income <sup>1,2</sup> .....	105,135,639	492,685	444,460	48,225	8,903,692	139,254	522,670	257,256
Deficit <sup>2</sup> .....	7,954,752	335,723	262,247	73,476	935,745	14,034	102,225	85,557

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued**

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

Net income status, item	Services							
	Total	Hotels and other lodging places			Personal services			
		Total	Hotels, motels, and tourist courts	Other lodging places	Total	Coin-operated laundry and dry cleaning	Other cleaning, including laundry, dry cleaning, etc.	Photographic portrait studios
(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	
<b>BUSINESSES WITH NET INCOME</b>								
Number of returns <sup>1</sup> .....	6,216,845	29,925	24,197	5,728	922,868	12,770	38,804	24,258
Business receipts, total <sup>1</sup> .....	252,496,064	3,277,539	2,962,668	314,871	24,751,683	938,463	2,260,599	1,176,019
Income from sales and operations <sup>1</sup> .....	248,919,163	3,204,788	2,890,856	313,932	24,453,480	934,167	2,247,286	1,175,988
Other business income.....	3,576,901	72,751	71,812	*939	298,203	*4,296	13,313	*31
Business deductions, total <sup>1,2</sup> .....	147,360,447	2,784,861	2,518,215	266,646	15,847,992	799,208	1,737,929	918,763
Cost of sales and operations.....	35,154,737	306,962	299,075	*7,886	4,572,586	149,414	379,988	259,077
Inventory, beginning of year.....	2,389,252	20,230	17,133	*3,097	252,258	*2,540	*1,921	*5,167
Cost of labor.....	4,255,585	64,668	64,668	--	835,572	*18,920	*108,298	*2,255
Purchases.....	19,469,787	181,099	173,448	*7,651	2,353,343	*7,275	*171,177	*97,824
Materials and supplies.....	5,490,961	10,724	10,724	--	834,947	118,004	*30,972	*38,359
Other costs.....	5,963,374	48,676	48,176	*500	588,559	*4,676	68,145	*126,095
Inventory, end of year.....	2,414,222	18,436	15,074	*3,362	292,093	*2,001	*526	*10,624
Advertising expenses.....	2,530,495	63,619	58,028	5,591	329,400	2,185	53,461	30,002
Bad debts from sales or services.....	200,153	1,252	1,233	*18	9,858	*182	*694	*450
Car and truck expenses.....	8,033,630	50,047	40,768	9,279	778,211	6,744	98,413	54,175
Commissions.....	2,357,233	11,141	10,474	*667	317,711	*5,874	*7,863	*30,609
Depletion.....	17,580	*75	*75	--	*234	--	--	--
Depreciation <sup>3</sup> .....	7,628,988	300,413	274,557	25,856	734,518	68,302	90,149	54,269
Employee benefit programs.....	586,403	6,269	6,046	*222	14,311	*887	*1,710	*1,792
Insurance.....	4,023,466	87,161	79,838	7,323	258,981	19,636	57,682	13,165
Legal and professional services.....	2,801,559	24,927	23,027	1,900	143,809	6,586	12,086	7,272
Meals and entertainment deducted.....	1,039,966	5,005	3,940	1,065	70,002	*99	658	2,950
Mortgage interest.....	1,181,108	249,601	215,263	34,338	123,568	10,247	*2,992	*3,046
Other interest paid on business indebtedness.....	1,316,490	72,658	70,431	*2,227	111,286	13,139	14,256	*4,942
Office expenses.....	3,888,557	22,514	20,696	1,818	251,502	3,184	13,569	21,279
Pension and profit-sharing plans.....	441,922	*1,862	*1,853	*10	2,839	*12	*275	*632
Rent on machinery and equipment.....	1,882,163	19,913	11,228	*8,685	257,484	*8,826	39,397	16,311
Rent on other business property.....	8,810,149	93,251	84,702	*8,549	1,790,336	113,096	185,973	49,119
Repairs.....	1,967,141	142,613	131,967	10,646	249,605	25,447	30,486	13,579
Supplies.....	6,592,576	132,714	125,607	7,106	1,081,063	9,755	127,456	85,916
Net salaries and wages.....	21,087,959	361,459	317,774	43,686	1,503,962	99,884	317,550	62,935
Taxes paid.....	4,078,618	186,821	174,710	12,111	404,917	33,041	53,734	26,452
Travel.....	2,746,925	7,349	6,966	*382	204,407	*1,766	4,379	8,932
Utilities.....	5,871,869	357,974	331,983	25,991	896,569	143,812	109,110	28,902
Home office business deductions.....	1,782,128	*6,974	*4,860	*2,114	162,049	*896	*3,803	*15,287
Depreciation, Form 8829.....	198,743	*693	*161	*532	15,554	*198	*343	*1,394
Other business deductions.....	20,775,048	269,309	220,132	49,177	1,492,381	76,195	127,923	126,913
Net Income <sup>1,2</sup> .....	105,135,639	492,685	444,460	48,225	8,903,692	139,254	522,670	257,256
<b>Returns with Schedule C-EZ:</b>								
Number of returns.....	1,331,765	*2,570	*2,570	--	174,416	*7	*5,144	*1,141
Business receipts.....	4,681,748	*7,400	*7,400	--	640,162	*8	*8,581	*2,254
Business deductions.....	583,560	*2,980	*2,980	--	88,981	*8	*4,320	*756
Net Income.....	4,096,340	*4,420	*4,420	--	551,181	--	*4,261	*1,498

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Services--Continued						
	Personal services--Continued			Total	Business services		
	Beauty shops	Barber shops	All other personal services		Advertising, except direct mail	Janitorial and related services to buildings	All other business services
	(79)	(80)	(81)	(82)	(83)	(84)	(85)
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	401,136	78,799	606,496	1,812,942	68,412	457,224	1,287,307
Business receipts, total <sup>1</sup> .....	9,490,948	1,444,067	11,363,350	43,641,384	3,047,096	6,965,782	33,628,506
Income from sales and operations <sup>1</sup> .....	9,373,992	1,435,056	11,154,666	43,055,683	3,004,343	6,844,944	33,206,395
Other business income.....	116,956	*9,011	208,684	585,701	42,753	120,838	422,110
Business deductions, total <sup>1,2</sup> .....	6,701,497	788,818	7,557,469	31,383,701	2,322,344	4,604,642	24,456,715
Cost of sales and operations.....	1,369,895	74,239	2,718,963	10,201,265	1,129,158	941,227	8,130,879
Inventory, beginning of year.....	107,887	*1,601	234,303	655,744	*2,931	15,329	637,484
Cost of labor.....	449,250	*45,922	228,340	1,344,986	*3,861	358,004	983,121
Purchases.....	480,553	*24,712	1,840,191	5,065,181	443,324	254,650	4,367,207
Materials and supplies.....	410,282	*4,178	345,680	1,614,381	43,028	197,337	1,374,016
Other costs.....	32,303	*630	376,893	2,163,400	638,743	133,913	1,390,744
Inventory, end of year.....	110,380	*2,804	306,446	642,428	*2,729	18,006	621,693
Advertising expenses.....	146,669	9,901	145,065	605,205	76,586	82,191	446,428
Bad debts from sales or services.....	2,359	*1,118	24,415	52,835	*509	*3,085	49,241
Car and truck expenses.....	199,756	32,824	608,956	2,613,257	159,516	701,434	1,752,307
Commissions.....	227,977	*442	137,596	786,365	91,219	98,177	596,969
Depletion.....	*234	--	*22	3,618	*8	--	3,610
Depreciation <sup>3</sup> .....	251,125	24,271	415,595	2,209,197	85,334	208,416	1,915,448
Employee benefit programs.....	6,817	*1	4,490	83,171	1,465	5,979	75,726
Insurance.....	111,961	13,973	92,708	541,298	14,621	151,651	375,026
Legal and professional services.....	53,211	6,924	125,494	388,874	26,144	43,214	319,516
Meals and entertainment deducted.....	18,917	3,802	72,272	225,467	25,744	15,305	184,419
Mortgage interest.....	67,749	*13,118	34,781	138,259	*7,975	*10,404	119,880
Other interest paid on business indebtedness.....	37,942	*553	58,697	289,317	5,615	25,991	257,711
Office expenses.....	87,899	9,674	179,955	612,309	27,352	53,217	531,741
Pension and profit-sharing plans.....	*1,045	--	914	25,988	*397	*848	24,743
Rent on machinery and equipment.....	135,602	37,319	90,783	323,152	25,386	34,537	263,229
Rent on other business property.....	1,198,258	175,253	319,499	789,317	43,882	61,112	684,323
Repairs.....	145,155	21,873	84,632	449,702	22,922	71,327	355,454
Supplies.....	551,313	90,215	372,038	1,173,727	85,623	279,222	808,882
Net salaries and wages.....	942,106	*91,653	231,811	2,803,168	46,649	744,661	2,011,858
Taxes paid.....	202,186	29,160	122,450	556,596	21,556	97,299	437,741
Travel.....	54,269	*255	204,580	558,215	54,576	30,525	473,114
Utilities.....	419,950	79,577	289,572	880,792	53,957	117,889	708,946
Home office business deductions.....	37,575	*1,737	157,312	393,757	43,643	35,089	315,025
Depreciation, Form 8829.....	*3,424	--	19,271	43,053	3,010	2,987	37,056
Other business deductions.....	416,570	64,327	1,002,538	4,524,376	266,747	735,808	3,521,821
<b>Net income less deficit <sup>1,2</sup>.....</b>	<b>2,789,451</b>	<b>655,249</b>	<b>3,805,883</b>	<b>12,256,560</b>	<b>724,783</b>	<b>2,361,140</b>	<b>9,170,637</b>
Net income <sup>1,2</sup> .....	3,000,159	688,002	4,296,349	13,856,950	804,729	2,448,161	10,604,060
Deficit <sup>2</sup> .....	210,709	*32,753	490,466	1,600,390	79,947	87,020	1,433,423

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued**

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

Net income status, item	Services--Continued						
	Personal services--Continued			Total	Business services		
	Beauty shops	Barber shops	All other personal services		Advertising, except direct mail	Janitorial and related services to buildings	All other business services
	(79)	(80)	(81)	(82)	(83)	(84)	(85)
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	343,713	72,020	431,304	1,422,474	47,428	417,514	957,533
Business receipts, total <sup>1</sup> .....	8,502,397	1,415,036	10,459,170	39,514,652	2,764,836	6,253,588	30,496,228
Income from sales and operations <sup>1</sup> .....	8,398,454	1,406,025	10,291,561	39,059,209	2,722,059	6,239,350	30,097,800
Other business income.....	103,942	*9,011	167,610	455,443	*42,777	14,239	398,427
Business deductions, total <sup>1,2</sup> .....	5,502,237	727,034	6,162,821	25,657,703	1,960,107	3,805,428	19,892,168
Cost of sales and operations.....	1,240,157	71,766	2,472,183	8,850,705	1,004,526	739,020	7,107,159
Inventory, beginning of year.....	82,671	*909	159,050	483,818	*1,078	15,329	467,412
Cost of labor.....	444,741	*45,922	215,434	1,123,080	*3,136	202,749	917,195
Purchases.....	428,116	*22,259	1,626,691	4,323,775	423,047	251,196	3,649,532
Materials and supplies.....	342,598	*4,178	300,835	1,422,020	43,028	155,658	1,223,334
Other costs.....	21,598	*630	367,416	1,933,333	534,472	132,094	1,266,767
Inventory, end of year.....	79,567	*2,131	197,243	435,322	*235	18,006	417,081
Advertising expenses.....	123,689	9,310	110,753	486,887	71,636	76,588	338,663
Bad debts from sales or services.....	1,833	*1,118	5,581	39,251	*467	*3,085	35,700
Car and truck expenses.....	177,657	14,931	426,292	2,021,008	109,262	579,433	1,332,313
Commissions.....	143,046	*442	129,877	705,969	69,422	98,146	538,401
Depletion.....	*229	--	*6	2,142	*8	--	2,134
Depreciation <sup>3</sup> .....	186,519	22,397	312,881	1,474,506	61,524	197,160	1,215,823
Employee benefit programs.....	5,614	*1	4,307	72,697	*1,240	5,007	66,450
Insurance.....	86,455	12,937	69,106	432,593	8,683	131,030	292,879
Legal and professional services.....	39,160	6,561	72,143	304,874	21,665	40,743	242,467
Meals and entertainment deducted.....	15,654	3,802	46,839	163,662	18,392	8,544	136,726
Mortgage interest.....	63,421	*13,118	30,745	106,370	*4,545	*10,404	91,421
Other interest paid on business indebtedness.....	26,655	*553	51,741	182,026	2,805	24,515	154,707
Office expenses.....	76,083	9,490	127,897	486,158	18,890	49,623	417,646
Pension and profit-sharing plans.....	*1,042	--	878	24,491	*391	*848	23,253
Rent on machinery and equipment.....	98,551	37,319	57,080	253,616	18,274	30,604	204,738
Rent on other business property.....	1,010,383	158,856	272,908	628,331	40,144	52,000	536,186
Repairs.....	97,782	18,227	64,084	328,875	18,551	60,618	249,706
Supplies.....	475,662	82,507	299,767	953,051	76,984	243,102	632,965
Net salaries and wages.....	709,348	*91,653	222,592	2,402,979	42,941	560,139	1,799,900
Taxes paid.....	163,939	28,007	99,743	461,294	21,024	89,319	350,951
Travel.....	40,921	*207	148,200	417,221	47,302	24,887	345,032
Utilities.....	339,354	71,829	203,563	706,275	39,965	110,802	555,509
Home office business deductions.....	28,756	*1,737	111,571	316,680	33,492	33,570	249,618
Depreciation, Form 8829.....	*2,182	--	11,437	33,382	3,008	2,675	27,698
Other business deductions.....	335,368	63,657	762,324	3,681,567	222,217	580,208	2,879,142
<b>Net Income <sup>1,2</sup>.....</b>	<b>3,000,159</b>	<b>688,002</b>	<b>4,296,349</b>	<b>13,856,950</b>	<b>804,729</b>	<b>2,448,161</b>	<b>10,604,060</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	28,305	*10,472	129,347	396,543	*9,128	130,953	256,462
Business receipts.....	109,604	*66,196	453,520	1,276,494	*14,708	432,904	828,882
Business deductions.....	14,957	*6,608	62,332	154,475	*5,759	56,036	92,679
<b>Net Income.....</b>	<b>94,646</b>	<b>*59,589</b>	<b>391,188</b>	<b>1,122,019</b>	<b>*8,948</b>	<b>376,868</b>	<b>736,203</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

## Table 2.--Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups--Continued

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

Net income status, item	Services--Continued						
	Automotive repair and services			Miscellaneous repair services	Amusement and recreation services, including motion pictures		
	Total	Automotive repair shops	All other automotive services		Total	Entertainers, producers, agents, and related services	All other amusement and recreation services
(86)	(87)	(88)	(89)	(90)	(91)	(92)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>							
Number of returns <sup>1</sup> .....	385,021	281,469	103,552	294,278	701,680	345,742	355,938
Business receipts, total <sup>1</sup> .....	24,049,776	19,358,643	4,691,134	9,936,903	16,534,041	6,339,381	10,194,660
Income from sales and operations <sup>1</sup> .....	23,909,876	19,236,532	4,673,344	9,920,057	16,146,299	6,200,424	9,945,875
Other business income.....	139,900	122,110	17,790	16,845	387,742	138,957	248,785
Business deductions, total <sup>1,2</sup> .....	21,615,960	17,512,109	4,103,851	7,679,624	12,317,021	3,857,116	8,459,905
Cost of sales and operations.....	10,887,999	9,277,553	1,610,445	3,616,154	2,843,576	258,488	2,585,089
Inventory, beginning of year.....	849,571	726,407	123,164	365,546	612,501	40,720	571,781
Cost of labor.....	711,630	602,257	109,373	223,435	150,344	*40,109	110,235
Purchases.....	7,633,311	6,373,793	1,259,518	2,911,150	1,685,799	20,635	1,665,164
Materials and supplies.....	2,060,246	1,892,924	167,322	321,110	225,348	106,810	118,539
Other costs.....	471,677	361,363	110,314	184,789	549,506	92,818	456,688
Inventory, end of year.....	838,436	679,190	159,245	389,876	379,921	42,604	337,317
Advertising expenses.....	300,881	249,613	51,269	115,354	275,934	102,451	173,483
Bad debts from sales or services.....	21,972	18,964	3,009	10,431	4,673	*255	4,418
Car and truck expenses.....	689,250	432,817	256,433	746,391	874,391	417,347	457,043
Commissions.....	-90,674	61,811	-28,863	-11,244	-450,618	274,884	175,734
Depletion.....	*90	--	*90	*103	1,016	*623	393
Depreciation <sup>3</sup> .....	1,149,914	734,558	415,356	298,850	1,169,552	394,575	774,978
Employee benefit programs.....	43,525	36,309	7,216	*12,046	12,841	3,105	9,736
Insurance.....	542,433	387,900	154,533	166,937	179,514	51,183	128,331
Legal and professional services.....	135,337	109,246	26,091	47,383	270,230	161,271	108,959
Meals and entertainment deducted.....	24,130	15,274	8,856	24,855	120,331	72,971	47,359
Mortgage interest.....	137,114	82,363	54,751	33,699	68,139	6,389	61,750
Other interest paid on business indebtedness.....	181,473	137,318	44,154	53,929	125,524	34,540	90,984
Office expenses.....	187,777	144,629	43,148	90,666	173,619	74,826	98,793
Pension and profit-sharing plans.....	4,383	*3,479	*904	*2,102	4,979	2,447	2,532
Rent on machinery and equipment.....	227,802	208,522	19,280	60,295	147,598	61,740	85,858
Rent on other business property.....	1,073,021	885,389	187,633	220,858	653,938	142,797	511,141
Repairs.....	258,852	171,450	87,402	96,749	248,882	55,896	192,985
Supplies.....	714,001	623,139	90,862	417,363	457,832	220,834	236,998
Net salaries and wages.....	2,125,880	1,791,117	334,763	465,265	605,619	104,740	500,879
Taxes paid.....	618,097	524,986	93,112	158,101	194,723	30,836	163,888
Travel.....	36,124	21,529	14,595	39,180	433,310	209,020	224,289
Utilities.....	731,549	551,182	180,367	303,828	424,735	150,059	274,676
Home office business deductions.....	16,796	*11,161	*5,635	46,285	101,153	62,720	38,433
Depreciation, Form 8829.....	*2,543	*2,386	*157	8,258	8,127	6,781	1,347
Other business deductions.....	1,398,431	1,020,094	378,337	625,256	2,431,395	945,345	1,486,050
Net income less deficit <sup>1,2</sup> .....	2,430,005	1,841,734	588,270	2,257,278	4,217,101	2,482,335	1,734,766
Net income <sup>1,2</sup> .....	3,060,663	2,314,406	746,257	2,534,661	5,515,358	2,956,902	2,558,457
Deficit <sup>2</sup> .....	630,658	472,672	157,986	277,382	1,298,258	474,567	823,691

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued**

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

Net income status, item	Services—Continued						
	Automotive repair and services			Miscellaneous repair services	Amusement and recreation services, including motion pictures		
	Total	Automotive repair shops	All other automotive services		Total	Entertainers, producers, agents and related services	All other amusement and recreation services
(86)	(87)	(88)	(89)	(90)	(91)	(92)	
<b>BUSINESSES WITH NET INCOME</b>							
Number of returns <sup>1</sup> .....	276,890	202,470	74,421	221,251	461,425	250,701	210,724
Business receipts, total <sup>1</sup> .....	20,438,324	16,348,097	4,090,226	9,047,182	13,476,410	5,703,412	7,772,998
Income from sales and operations <sup>1</sup> .....	20,327,466	16,247,377	4,080,089	9,036,761	13,166,509	5,603,724	7,562,785
Other business income.....	110,858	100,721	10,137	10,421	309,901	99,688	210,213
Business deductions, total <sup>1,2</sup> .....	17,377,487	14,033,691	3,343,796	6,512,521	7,961,129	2,746,580	5,214,549
Cost of sales and operations.....	9,020,172	7,558,884	1,461,288	3,147,808	1,845,692	200,249	1,645,443
Inventory, beginning of year.....	638,287	535,527	102,761	239,217	291,242	*36,891	254,351
Cost of labor.....	603,470	494,834	108,636	191,529	125,594	*23,358	102,237
Purchases.....	6,342,669	5,226,735	1,115,934	2,534,292	1,175,880	16,808	1,159,071
Materials and supplies.....	1,658,344	1,492,326	166,018	274,533	142,123	91,350	50,772
Other costs.....	383,541	276,094	107,447	178,521	416,011	69,802	346,210
Inventory, end of year.....	606,141	466,633	139,508	270,285	305,157	37,960	267,197
Advertising expenses.....	237,028	193,279	43,749	89,680	193,180	75,514	117,666
Bad debts from sales or services.....	12,451	11,167	1,283	10,045	4,403	*234	4,169
Car and truck expenses.....	501,920	318,572	183,347	580,988	606,326	296,552	309,774
Commissions.....	42,570	37,146	*5,423	3,128	361,964	250,835	111,129
Depletion.....	*42	--	*42	--	*856	*623	*233
Depreciation <sup>3</sup> .....	842,701	566,474	276,228	230,918	657,442	269,448	387,994
Employee benefit programs.....	38,931	32,382	6,549	*11,168	6,125	1,998	4,126
Insurance.....	452,831	322,089	130,742	140,474	123,256	38,032	85,223
Legal and professional services.....	107,465	85,776	21,689	40,331	165,207	85,067	80,140
Meals and entertainment deducted.....	18,126	11,373	6,753	19,227	81,296	55,200	26,096
Mortgage interest.....	86,756	59,647	27,109	22,910	38,648	6,034	32,614
Other interest paid on business indebtedness.....	111,877	83,561	28,316	42,959	70,306	20,153	50,153
Office expenses.....	141,710	113,388	28,322	78,463	126,699	49,721	76,978
Pension and profit-sharing plans.....	4,352	*3,448	*904	*2,102	3,585	2,442	1,143
Rent on machinery and equipment.....	174,469	163,316	11,153	52,676	92,429	34,663	57,766
Rent on other business property.....	870,272	713,040	157,233	184,793	399,422	83,734	315,688
Repairs.....	197,663	137,946	59,718	69,160	118,089	32,560	85,529
Supplies.....	535,905	473,020	62,886	376,836	298,206	166,866	131,341
Net salaries and wages.....	1,770,481	1,474,098	296,383	410,537	447,817	82,542	365,275
Taxes paid.....	499,849	422,024	77,825	132,188	142,912	27,485	115,427
Travel.....	20,540	10,021	10,520	36,913	287,466	149,256	138,210
Utilities.....	571,504	430,455	141,049	247,891	269,000	93,797	175,203
Home office business deductions.....	*7,007	*1,408	*5,599	38,864	91,073	52,826	38,247
Depreciation, Form 8829.....	*374	*225	*149	5,156	7,107	5,767	1,340
Other business deductions.....	1,092,437	799,470	292,966	526,162	1,496,584	655,289	841,295
<b>Net income <sup>1,2</sup>.....</b>	<b>3,060,663</b>	<b>2,314,406</b>	<b>746,257</b>	<b>2,534,661</b>	<b>5,515,358</b>	<b>2,956,902</b>	<b>2,558,457</b>
<b>Returns with Schedule C-EZ:</b>							
Number of returns.....	32,567	*16,569	15,998	30,644	104,446	45,860	58,586
Business receipts.....	191,038	*159,177	31,862	87,305	255,751	137,414	118,337
Business deductions.....	18,454	*11,707	6,747	16,299	42,900	17,773	25,127
<b>Net income <sup>1,2</sup>.....</b>	<b>172,584</b>	<b>*147,470</b>	<b>25,115</b>	<b>71,005</b>	<b>212,851</b>	<b>119,641</b>	<b>93,211</b>

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued**

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

Net income status, item	Services—Continued									Nature of business not allocable
	Medical and health services				Legal services	Educational services	Accounting, auditing, and bookkeeping	Counseling, except health	Other services	
	Total	Offices of physicians	Offices of dentists	All other medical and health services						
(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	
<b>BUSINESSES WITH AND WITHOUT NET INCOME</b>										
Number of returns <sup>1</sup> .....	802,433	197,308	108,958	496,168	281,073	250,054	343,399	102,503	1,737,827	188,689
Business receipts, total <sup>1</sup> .....	73,109,797	28,020,543	22,564,977	22,524,278	23,536,158	2,557,223	7,250,097	2,491,041	39,924,192	2,693,452
Income from sales and operations <sup>1</sup> .....	72,502,750	27,793,474	22,410,246	22,299,030	23,232,825	2,473,873	7,093,915	2,481,199	38,611,662	2,568,178
Other business income.....	607,048	227,069	154,732	225,247	303,333	83,350	156,182	9,842	1,312,530	125,275
Business deductions, total <sup>1,2</sup> .....	39,432,398	12,139,550	14,109,220	13,183,628	12,805,956	1,764,929	4,343,016	1,280,284	21,349,939	1,736,259
Cost of sales and operations.....	4,013,508	627,534	1,362,965	2,023,009	535,324	218,959	127,591	100,411	3,384,298	992,130
Inventory, beginning of year.....	252,498	13,732	8,603	230,162	92,115	15,351	*2,508	*81	252,592	104,062
Cost of labor.....	522,508	60,057	228,644	233,807	30,874	*94,290	*20,701	*139	720,563	*70,935
Purchases.....	1,493,651	228,799	143,803	1,121,049	112,246	66,049	19,685	*11,335	1,353,018	358,498
Materials and supplies.....	795,996	121,141	356,698	318,156	40,353	35,436	13,598	*7,191	358,465	58,390
Other costs.....	1,176,609	222,549	632,105	321,956	373,419	*24,227	73,818	*82,347	1,002,610	515,120
Inventory, end of year.....	227,754	18,744	6,889	202,121	113,684	16,393	*2,719	*682	302,949	114,874
Advertising expenses.....	592,162	107,601	192,695	291,867	340,758	79,670	69,783	23,050	229,416	7,016
Bad debts from sales or services.....	64,729	7,056	18,150	39,522	15,284	*2,128	*8,113	(*)	92,843	*10,979
Car and truck expenses.....	1,185,496	350,204	139,268	696,024	482,348	195,627	407,019	149,190	1,819,430	114,030
Commissions.....	305,274	98,352	72,616	134,306	118,899	36,840	37,555	11,098	494,680	*39,657
Depreciation.....	5,574	259	*5,056	*259	1,747	*476	*915	*7	6,370	*2
Depreciation <sup>3</sup> .....	1,755,879	479,440	658,268	618,171	455,275	161,549	360,302	71,376	1,234,659	29,927
Employee benefit programs.....	272,095	97,935	97,855	76,305	80,219	*3,265	45,356	*838	65,623	*5,682
Insurance.....	1,788,295	986,486	404,912	396,897	455,941	26,308	107,150	29,244	322,397	10,449
Legal and professional services.....	974,463	404,675	261,289	308,500	528,379	32,199	59,105	55,829	713,563	29,724
Meals and entertainment deducted.....	221,059	86,862	50,909	83,288	135,410	16,901	43,755	14,841	369,795	8,034
Mortgage interest.....	374,710	88,855	136,619	149,235	81,100	*14,466	32,655	*2,074	152,068	*8,169
Other interest paid on business indebtedness.....	390,214	83,877	179,508	126,830	144,067	8,116	103,804	15,398	174,878	17,441
Office expenses.....	1,372,679	426,461	465,202	481,016	738,093	47,289	235,724	72,304	661,425	11,806
Pension and profit-sharing plans.....	289,734	141,009	110,868	37,857	65,036	*4	7,108	*169	53,614	*1
Rent on machinery and equipment.....	499,362	147,027	191,718	160,618	213,462	11,372	109,039	13,112	331,248	21,454
Rent on other business property.....	2,954,013	994,271	915,023	1,044,719	1,133,212	141,081	297,360	162,045	661,549	10,027
Repairs.....	518,913	147,896	191,160	179,856	141,834	23,191	65,029	20,805	239,326	31,333
Supplies.....	2,262,058	580,956	1,049,568	631,534	260,029	116,345	147,267	40,510	846,027	33,624
Net salaries and wages.....	9,295,875	2,840,937	4,312,197	2,142,740	2,999,080	115,956	812,506	105,504	1,803,979	37,460
Taxes paid.....	1,505,126	445,813	618,745	440,568	428,835	37,705	125,947	16,432	389,445	5,860
Travel.....	483,486	162,254	78,980	242,252	195,496	45,565	74,443	33,810	1,275,713	12,271
Utilities.....	1,425,506	444,973	417,457	563,076	644,375	82,512	241,399	51,396	822,708	31,526
Home office business deductions.....	199,205	20,466	*7,162	171,578	65,306	47,278	79,741	23,747	1,001,713	*46,996
Depreciation, Form 8829.....	19,788	1,870	*1,735	16,183	8,013	4,567	10,839	*3,236	124,218	*479
Other business deductions.....	6,657,331	2,367,261	2,170,552	2,119,518	2,537,341	276,673	715,071	256,095	4,042,189	201,796
Net income less deficit <sup>1,2</sup> .....	33,677,378	15,880,972	8,455,757	9,340,650	10,730,199	792,294	2,907,664	1,210,757	18,576,741	957,193
Net income <sup>1,2</sup> .....	34,256,647	16,019,161	8,511,470	9,726,016	11,012,226	963,599	3,133,379	1,284,957	20,120,822	1,069,106
Deficit <sup>2</sup> .....	579,268	138,189	55,713	385,366	282,027	171,305	225,715	74,199	1,544,081	111,913

Footnotes at end of table.

# Sole Proprietorship Returns, 1995

**Table 2.—Nonfarm Sole Proprietorships: Income Statements, by Selected Industrial Groups—Continued**

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

Net income status, item	Services—Continued									
	Medical and health services				Legal services	Educational services	Accounting, auditing, and bookkeeping	Counseling, except health	Other services	Nature of business not allocable
	Total	Offices of physicians	Offices of dentists	All other medical and health services						
(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	
<b>BUSINESSES WITH NET INCOME</b>										
Number of returns <sup>1</sup> .....	669,575	177,786	101,070	390,718	238,393	200,958	284,523	86,520	1,402,042	159,098
Business receipts, total <sup>1</sup> .....	70,530,694	27,545,675	22,199,302	21,185,718	22,584,418	2,202,395	6,882,890	2,338,239	37,051,637	2,307,093
Income from sales and operations <sup>1</sup> .....	70,365,193	27,330,343	22,049,368	20,985,481	22,290,805	2,125,497	6,730,841	2,328,431	35,830,184	2,182,469
Other business income.....	565,502	215,331	149,934	200,236	293,613	*76,898	152,049	9,808	1,221,453	124,624
Business deductions, total <sup>1,2</sup> .....	36,674,027	11,526,492	13,687,833	11,459,702	11,572,191	1,238,796	3,749,510	1,053,282	16,930,947	1,237,987
Cost of sales and operations.....	3,776,470	605,083	1,344,495	1,826,892	419,476	196,207	124,799	99,816	2,794,044	783,563
Inventory, beginning of year.....	219,064	11,310	6,035	201,719	70,799	*6,657	*2,508	--	165,172	28,164
Cost of labor.....	504,302	60,507	228,644	215,601	30,874	*94,290	*20,701	--	661,506	*55,235
Purchases.....	1,343,636	225,336	143,803	974,497	100,280	54,531	19,685	*10,995	1,029,602	250,328
Materials and supplies.....	754,950	120,267	353,058	281,625	37,980	29,777	*11,057	*7,186	307,320	*53,236
Other costs.....	1,124,357	203,031	616,477	304,850	275,863	*17,429	73,567	*82,265	841,251	*422,502
Inventory, end of year.....	169,839	14,916	3,521	151,401	96,319	*6,476	*2,719	*630	210,806	25,902
Advertising expenses.....	540,399	102,692	185,562	252,144	311,049	35,313	55,516	14,738	173,686	2,399
Bad debts from sales or services.....	50,189	7,054	18,150	24,984	9,142	*1,914	*4,879	*(*)	56,771	*1
Car and truck expenses.....	1,046,065	314,462	133,979	597,624	431,923	145,465	319,502	102,716	1,449,458	108,359
Commissions.....	292,312	91,992	68,241	132,080	105,650	31,474	35,229	10,490	439,596	*10,248
Depletion.....	5,422	107	*5,066	*259	1,704	*476	*915	*7	5,707	*(*)
Depreciation <sup>3</sup> .....	1,637,331	456,649	623,187	557,494	419,159	108,644	287,195	50,604	885,555	19,935
Employee benefit programs.....	265,742	97,006	96,471	72,264	75,382	*3,265	44,247	*821	47,445	*5,682
Insurance.....	1,703,383	943,926	397,429	362,028	421,436	16,389	94,348	26,267	266,348	5,351
Legal and professional services.....	877,638	357,779	248,417	271,441	470,162	26,194	48,280	47,409	545,264	10,915
Meals and entertainment deducted.....	207,503	82,296	48,778	76,429	121,095	6,270	36,227	11,600	299,954	4,322
Mortgage interest.....	330,419	88,473	124,842	117,104	79,256	*7,364	26,630	*968	108,598	*1,848
Other interest paid on business indebtedness.....	365,802	81,639	171,448	112,715	130,079	6,341	88,407	12,165	122,584	12,926
Office expenses.....	1,298,753	418,736	454,015	428,000	680,805	35,302	198,832	55,067	512,750	9,894
Pension and profit-sharing plans.....	285,369	139,671	107,842	37,857	59,917	*4	7,108	*169	50,124	*1
Rent on machinery and equipment.....	469,027	141,019	185,153	142,855	190,818	3,011	104,495	12,921	251,304	13,231
Rent on other business property.....	2,790,259	968,156	889,066	933,036	1,015,089	95,904	275,430	145,872	521,190	*8,596
Repairs.....	474,780	144,300	185,066	145,414	130,627	12,758	55,755	13,971	173,246	28,264
Supplies.....	2,086,074	567,345	1,027,344	491,385	235,761	79,452	123,389	34,792	655,333	18,291
Net salaries and wages.....	8,998,767	2,798,180	4,221,343	1,979,245	2,754,545	78,462	783,502	90,595	1,484,852	33,502
Taxes paid.....	1,429,883	438,314	605,475	386,093	389,486	26,044	114,960	13,832	276,431	2,250
Travel.....	393,789	142,479	70,510	180,800	169,504	31,441	65,871	30,536	1,081,889	10,014
Utilities.....	1,302,425	427,549	405,209	469,667	586,041	55,683	187,331	43,441	647,734	15,773
Home office business deductions.....	156,950	17,219	*7,162	132,569	65,180	40,038	64,903	16,049	816,359	*10,482
Depreciation, Form 8829.....	18,530	1,824	*1,735	14,971	7,976	*3,284	8,054	*1,117	97,518	*479
Other business deductions.....	5,866,027	2,093,493	2,063,112	1,709,422	2,289,798	171,929	572,484	207,415	3,108,955	106,557
<b>Net Income<sup>1,2</sup>.....</b>	<b>34,256,647</b>	<b>16,019,161</b>	<b>8,511,470</b>	<b>9,726,016</b>	<b>11,012,226</b>	<b>963,599</b>	<b>3,133,379</b>	<b>1,284,957</b>	<b>20,120,822</b>	<b>1,069,106</b>
<b>Returns with Schedule C-EZ:</b>										
Number of returns.....	91,178	13,133	*7,863	70,183	24,159	61,766	65,943	20,513	327,020	79,228
Business receipts.....	500,674	106,222	*20,917	373,535	79,954	119,691	259,806	41,227	1,222,247	278,562
Business deductions.....	25,652	1,088	*479	24,086	9,106	23,454	29,277	10,999	160,983	18,867
<b>Net Income.....</b>	<b>473,175</b>	<b>103,287</b>	<b>*20,438</b>	<b>349,450</b>	<b>70,847</b>	<b>96,237</b>	<b>230,529</b>	<b>30,227</b>	<b>1,061,264</b>	<b>256,707</b>

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

<sup>1</sup> Includes returns with Schedule C-EZ attached. Schedule C-EZ was filed for certain small businesses, i.e., those with net income and with receipts of \$25,000 or less and business deductions of \$2,000 or less, with no inventories or employees, and with no deduction for a home office business and no allowable "passive" activity losses. Because only a total is reported for business deductions on Schedule C-EZ, the totals shown in the statistics exceed the sum of the detailed deductions; the detailed deductions are, therefore, slightly understated.

<sup>2</sup> Total business deductions are before subtraction of nonallowable "passive" activity losses and any "passive loss" carryover from the prior years. However, these losses (after subtraction) and any carryover are reflected in net income or deficit. Therefore, total business receipts minus total business deductions may not always equal net income or deficit.

<sup>3</sup> Depreciation does not include depreciation reported on Form 8829 for home office businesses.

<sup>4</sup> Less than \$500.

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

# Corporation Income Tax Returns, 1994

by Madeline Deming Boerner

**P**re-tax corporation profits for Tax Year 1994 were \$577.3 billion, a gain of 15.9 percent from the previous year, extending the upward growth trend seen since the end of the 1990-1991 recession. During Tax Year 1994, corporate sales and other receipts grew nearly \$1.1 billion, an 8.9 percent increase, while deductions increased 8.6 percent, to a total of \$12.8 billion. More important, the number of profit-reporting companies rose 11.6 percent, nearly tripling the growth rate of 3.9 percent reported for Tax Year 1993. Profits for these companies climbed \$80.8 billion, up 12.3 percent, to \$739.5 billion. Moreover, although the number of companies reporting deficits increased 7.1 percent for Tax Year 1994, total corporate net-losses increased only 1.1 percent to \$162.2 billion.

The increase in positive net income led to a 13.1 percent gain in "income subject to tax" (the tax base for regular income tax purposes) to \$494.0 billion. This gain, in part, prompted the regular corporation income tax (before tax credits) to climb from \$149.0 billion for 1993 to \$167.5 billion for 1994. Similarly, total income tax after credits (the amount payable to the U.S. Government) increased \$15.6 billion from \$119.9 billion for 1993 to \$135.5 billion.

## Number of Returns

Approximately 4,342,368 active corporation income tax returns were filed for Tax Year 1994, an increase of 9.5 percent (Figure A). This jump continues the upward trend seen since the end of World War II (except for Tax Year 1988) [1]. Over half of the 9.5 percent increase is attributable to a sampling change that, for the first time since 1987, subjected all personal service corporation returns to sampling [2]. Excluding the increase in the number of personal service corporations returns, a 4.2 percent increase in the total number of returns filed would have been realized for Tax Year 1994. Returns with net income rose 11.6 percent to a record high of 2,392,357 returns filed. Additionally, the number of returns without net income also increased, at the lower rate of 7.1 percent, to 1,950,011. However, the number of returns without net income as a percentage of total returns continued the pattern of decline measured over the past five years, to 44.9 percent of total returns, falling from 45.9 percent for 1993.

*Madeline Boerner is an economist with the Corporation Returns Analysis Section. This article was prepared under the direction of Ken Szefflinski, Chief.*

For Tax Year 1994 all industrial divisions had increases in the number of returns filed. In fact, the total number of returns filed rose 9.5 percent, far exceeding the average annual growth rate of 2.1 percent over the last five years. The transportation and public utilities division, which for 1993 had an unexpected decline in the number of returns filed, rebounded by 6.0 percent, for a total of 186,474 returns filed for 1994. The most significant increase in the number of returns filed occurred in the services division, which increased by 23.0 percent. The increase for 1994 was four times as large as the 5.2 percent increase for Tax Year 1993. For those returns with net income, only the agriculture, forestry, and fishing division showed a decrease (2.4 percent), unlike for Tax Year 1993 when only the transportation, and public utilities division recorded a decrease in the number of returns with net income filed (Figure B). The number of returns filed without net income increased 7.1 percent. For these returns, the largest increase was found in the services division, up 113,773 returns (21.8 percent) to a total of 635,402 for Tax Year 1994.

For the 4.3 million returns filed for Tax Year 1994, noteworthy are the 2,038,870 Forms 1120 filed, an increase of 14.8 percent after eight years of decline. Continuing the decline from Tax Year 1993, the number of Form 1120-A (corporation short-form) returns filed fell 3.2 percent to 257,125 (Figure C). The number of Forms 1120-RIC, filed by regulated investment companies, increased 10.6 percent to 7,519 returns (Figure C). Filings of Forms 1120S, those qualifying corporations electing to be taxed through their shareholders, increased 6.4 percent to 2,023,754. However, the rate of increase in the number of S Corporation returns for 1994 was still lower than the average annual growth rate of approximately 10 percent recorded since the passage of the Tax Reform Act of 1986 (TRA '86). Furthermore, the S Corporations' share of all corporation income tax returns for Tax Year 1994 was 46.6 percent, down slightly from 48.0 percent for Tax Year 1993 [3].

## Net Income

In Tax Year 1994, pre-tax profits increased 15.9 percent to a total \$577.3 billion, continuing the increasing annual rate of growth reported over the last three years on corporation income tax returns (Figure D) [4]. This increase in corporate profits, in large part, reflects the gradually improving economy [5]. Classified by asset size, 7,043 returns with total assets of \$250 million or more contributed close to 76.6 percent to the total of corporate profits reported.

# Corporation Income Tax Returns, 1994

**Figure A**

**Number and Growth Rate of Returns Filed, Tax Years 1984-1994**

Tax year	Total active corporation returns	Percentage increase over previous year	Number of returns with net income	Percentage increase over previous year	Number of returns without net income	Percentage increase over previous year
	(1)	(2)	(3)	(4)	(5)	(6)
1984.....	3,170,743	5.7	1,777,770	6.0	1,392,973	5.3
1985.....	3,277,219	3.4	1,820,120	2.4	1,457,099	4.6
1986.....	3,428,515	4.6	1,907,738	4.8	1,520,777	4.4
1987.....	3,612,133	5.4	1,995,452	4.6	1,616,681	6.3
1988.....	3,562,789	-1.4	1,908,799	-4.3	1,653,990	2.3
1989.....	3,627,863	1.8	1,921,805	0.7	1,706,058	3.1
1990.....	3,716,650	2.5	1,910,670	-0.6	1,805,980	5.9
1991.....	3,802,788	2.3	1,942,450	1.7	1,860,338	3.0
1992.....	3,869,023	1.7	2,063,593	6.2	1,805,430	-3.0
1993.....	3,964,629	2.5	2,144,534	3.9	1,820,095	0.8
1994.....	4,342,368	9.5	2,392,357	11.6	1,950,011	7.1

NOTES: Number of returns excludes Domestic International Sales Corporations, Foreign Sales Corporations, and Interest-Charge Domestic International Sales Corporations starting with Tax Year 1988. Personal Service Corporation returns are excluded for Tax Years 1988 through 1993.

The construction division posted an increase of 54.0 percent in its reported profits, the largest percentage increase for all divisions for 1994. This increase for the construction division to \$11.6 billion, continues the positive growth trend seen since 1992 (Figure D). The increase of \$4.1 billion was largely attributable to two minor industries: general building contractors; and "other special trade contractors and contractors not allocable," combining to contribute 65.3 percent to this division's increase. Furthermore, general building contractors had an increase in profits of 71.1 percent during Tax Year 1994, rising from \$2.2 billion for 1993, to \$3.7 billion. Coinciding with this increase are trends in commercial real estate

market vacancy rates for office buildings that fell to 16.2 percent for 1994, continuing the downward trend begun in 1993, after five years of annual increases in the vacancy rate for office buildings [6].

As measured in prior years, profits in the services division continued to exhibit an accelerating rate of growth, increasing 40.3 percent to \$35.6 billion for 1994. "Other services" (which include health care, legal, social, engineering, educational, accounting, and architectural services) accounted for slightly more than half of this division's increase, with a total of \$15.3 billion recorded for profits. Profits were relatively evenly distributed among the various service providers classified within this

**Figure B**

**Number of Returns by Industrial Division, Tax Years 1993-1994**

Industrial division	1993				1994			
	Total active corporation returns	Percentage increase over 1992	Number of returns with net income	Percentage increase over 1992	Total active corporation returns	Percentage increase over 1993	Number of returns with net income	Percentage increase over 1993
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All industries<sup>1</sup>.....</b>	<b>3,964,629</b>	<b>2.5</b>	<b>2,144,534</b>	<b>3.9</b>	<b>4,342,368</b>	<b>9.5</b>	<b>2,392,356</b>	<b>11.6</b>
Agriculture, forestry, and fishing.....	141,326	2.5	81,456	2.6	146,996	4.0	79,465	-2.4
Mining.....	35,345	-3.6	15,969	0.9	35,371	0.1	19,021	19.1
Construction.....	417,250	2.3	250,904	11.8	432,965	3.8	266,613	6.3
Manufacturing.....	307,419	2.4	179,594	6.0	312,383	1.6	189,218	5.4
Transportation and public utilities.....	175,980	-1.3	97,212	-0.5	186,474	6.0	103,300	6.3
Wholesale and retail trade.....	1,072,980	1.9	582,440	2.6	1,106,363	3.1	626,179	7.5
Finance, insurance, and real estate.....	641,397	1.0	296,483	0.5	681,671	6.3	315,058	6.3
Services.....	1,157,724	5.2	636,095	4.8	1,424,394	23.0	788,992	24.0

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

NOTE: Personal Service Corporation returns are excluded for Tax Year 1993. There were 209,770 of these returns included in the Tax Year 1994 estimates.

# Corporation Income Tax Returns, 1994

**Figure C**

**Number of Returns Filed by Form Type, Tax Years 1993-1994**

Form type	1993	1994	Percentage change
	(1)	(2)	
<b>Total</b> .....	<b>3,964,629</b>	<b>4,342,368</b>	<b>9.5</b>
Form 1120.....	1,775,931	2,038,870	14.8
Form 1120-A.....	265,627	257,125	-3.2
Form 1120-F.....	9,925	10,259	3.4
Form 1120-L.....	1,876	1,775	-5.4
Form 1120-PC.....	2,623	2,674	1.9
Form 1120-REIT.....	346	393	13.6
Form 1120-RIC.....	6,796	7,519	10.6
Form 1120S.....	1,901,505	2,023,754	6.4

NOTE: Personal Service Corporation returns, filed on Form 1120 and Form 1120-A are excluded for Tax Year 1993. There were 209,770 of these returns included in the Tax Year 1994 estimates.

group. However, business services (except advertising), a minor industry, alone accounted for \$12.9 billion of the services division's total profits. Within the services division, profits of establishments classifying themselves as hotels and other lodging places, had an increase of \$0.8 billion.

Profits for the wholesale and retail trade division were up 37.7 percent to \$68.5 billion for 1994. This increase was equally divided between wholesale and retail trade. Most of the increase in wholesale trade was caused by a \$7.8 billion jump in "miscellaneous wholesale trade," with moderate increases reflected in most of the minor

industries included in this category. Electrical goods accounted for \$1.1 billion of the wholesale increase (a 42.0 percent increase) and petroleum and petroleum products accounted for another \$1.8 billion, reversing the \$1.3 billion decline petroleum and petroleum products suffered for 1993. Retail trade showed an increase of \$9.5 billion, with general merchandising stores comprising \$2.7 billion of the increase, up 40.6 percent from Tax Year 1993. Additionally, grocery stores, motor vehicle dealers, and "other retail stores," each saw gains in profits of slightly more than \$1.0 billion. For 1994, net income (less deficit) for grocery stores increased 29.4 percent, to \$5.3 billion, and net income (less deficit) for "other retail stores" increased 34.7 percent to \$4.8 billion. Motor vehicle dealers posted an increase in net income (less deficit) of 44.1 percent to \$4.1 billion.

For the first time since 1990, the mining division showed a positive gain in reported profits, up 38.7 percent to \$3.6 billion. Of this increase, 61.6 percent is credited to an increase in the mining of nonmetallic minerals (except fuels), up \$625.7 million. The remainder is attributable to both a \$411.3 million increase in those companies that mine for copper, lead, zinc, gold, and silver ores, and to coal mining companies which saw profits rise \$326.8 million.

The 29.1 percent growth in profits for companies in the transportation and public utilities division carried on the trend of growth seen over the last few years. For 1994, most major industries included in this division contributed relatively equally to the \$15.4 billion increase in profits.

**Figure D**

**Net Income (Less Deficit), Net Income by Industrial Division, Tax Years 1993-1994**

[Money amounts are in thousands of dollars]

Industrial division	Net income (less deficit) <sup>2</sup>				Net income <sup>2</sup>			
	1993		1994		1993		1994	
	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year	Amount	Percentage increase over previous year
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All industries</b> <sup>1</sup> .....	<b>498,159,174</b>	<b>23.9</b>	<b>577,277,530</b>	<b>15.9</b>	<b>658,666,005</b>	<b>15.5</b>	<b>739,502,875</b>	<b>12.3</b>
Agriculture, forestry, and fishing.....	1,647,725	2.5	1,314,303	-20.2	4,841,649	4.7	4,807,274	-0.7
Mining.....	2,628,720	-2.9	3,644,888	38.7	6,541,858	-2.2	7,563,578	15.6
Construction.....	7,514,819	36.5	11,573,896	54.0	14,814,675	7.3	18,395,135	24.2
Manufacturing.....	173,219,957	20.6	219,114,720	26.5	214,058,222	16.0	254,253,272	18.8
Transportation and public utilities.....	52,885,350	26.6	68,265,100	29.1	65,726,981	12.9	80,677,627	22.7
Wholesale and retail trade.....	49,714,808	20.2	68,472,944	37.7	78,182,240	8.1	95,423,680	22.1
Finance, insurance, and real estate..	185,229,845	26.0	169,303,017	-8.6	226,551,700	20.0	216,489,170	-4.4
Services.....	25,361,467	36.9	35,568,508	40.2	47,845,396	15.7	61,756,827	29.1

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

<sup>2</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and S Corporations (qualifying corporations electing to be taxed through their shareholders).

NOTE: Personal Service Corporation returns included in the Tax Year 1994 estimates reported \$1.3 billion of net income (less deficit) and \$2.6 billion of net income. These returns were excluded for Tax Year 1993.

## Corporation Income Tax Returns, 1994

Most significant was the \$5.9 billion increase in profits in the communications sector, up 23.5 percent. Growth in the communications sector is predicted to increase rapidly in the next few years as the technology allowing for wireless communication lures single service providers, such as telephone companies, to augment their services to include additional types of communications technology, such as cable services. Only the minor industries of gas producers and distributors, transportation companies involved in pipe line transportation (except for natural gas), and transportation by air companies reported losses, down 9.2 percent, 8.4 percent, and 78.5 percent, respectively.

For Tax Year 1994, net income (less deficit) for manufacturers increased 26.5 percent, or \$45.9 billion. Within this division, some significant changes occurred between Tax Year 1994 and Tax Year 1993. Profits for producers of chemical and allied products rose 28.1 percent, to \$44.1 billion. This major industry alone accounted for 21.1 percent of all of manufacturer's increase in profits. Significant changes were also realized in other major industries: profits for electrical and electronic equipment suppliers rose \$8.6 billion; manufacturers of instruments and related products had an increase of \$4.9 billion, to a total of \$11.5 billion; tobacco manufacturers' profits increased 56.7 percent, or \$3.1 billion; the primary metal industry had positive net income (less deficit) of \$3.3 billion, as compared with \$ -0.9 billion for Tax Year 1993; and petroleum refining and related minor industries had an 18.0 percent decrease in profits posted, down from \$21.5 billion for 1993, to \$17.6 billion for 1994.

Only two of the nine industrial divisions had decreases in profits: the finance, insurance, and real estate division's profits fell 8.6 percent, and the agriculture, forestry, and fishing division's profits dropped 20.2 percent. The bulk of the decline in the finance, insurance, and real estate division was attributable to insurance-related companies. About 84.1 percent of this division's decline, or \$13.4 billion, is equally spread among three minor insurance industries: mutual life insurance, mutual insurance, and "other insurance companies." During Tax Year 1994, property and casualty insurers experienced catastrophic losses, with claims for environmental and asbestos (E&A) losses primarily responsible for the decrease in profits [7]. There was also a notable decline in profits for banks (except mutual savings banks and bank holding companies) which contributed another \$3.0 billion to the division's total decline in profits reported for Tax Year 1994. All of this decrease was attributable to losses from foreign banks. Losses for foreign banks were four times as high for Tax Year 1994, as they were for 1993 [8]. Addi-

tionally, bank holding companies saw profits shrink to \$40.4 billion, down 4.1 percent from 1993. This decrease reversed the great stride bank holding companies showed in large profit gains for Tax Year 1993 [9]. In the agriculture, forestry, and fishing division a decrease to \$1.3 billion for profits posted was the direct result of the poor profits by agricultural producers, which accounted for all of the decrease, falling 44.7 percent (\$542.7 million) for Tax Year 1994.

### Receipts

Total receipts, defined as the sum of business receipts and investment income, rose \$1,090.3 billion during Tax Year 1994, to \$13.4 trillion (Table 1) [10]. This 8.9 percent increase is roughly double the growth rate of 4.5 percent for Tax Year 1993. The increase in total receipts exceeded, though modestly, the \$1,010.1 billion growth in deductions, leading to the increase in corporate profits (see the Net Income section of this article). For Tax Year 1994, those 7,043 returns with total assets of \$250 million or more accounted for 53.9 percent of all receipts. This total is similar to the 54.9 percent this asset class contributed to total receipts for all divisions for Tax Year 1993.

Greater than 61.9 percent of total receipts were attributable to two divisions, manufacturing and wholesale and retail trade. Receipts reported by the manufacturing and wholesale and retail divisions increased 8.4 percent and 9.2 percent, respectively for 1994. Manufacturing, historically the largest single contributor to total receipts, was responsible for \$4,218.8 billion, while wholesale and retail trade followed closely with \$4,052.2 billion in total receipts.

The largest increase for a single division was in services, which rose 27.2 percent to \$1,198.0 billion. After three years of decline in total receipts, the mining division saw a gain of 3.2 percent, up \$3.6 billion. A decline in growth rate for total receipts occurred in both the finance and the agriculture, forestry, and fishing divisions. For the finance division, the growth rate for 1994 was 1.9 percent, slightly less than the 2.1 percent increase for 1993. The agriculture, forestry, and fishing division saw total receipts rise 2.7 percent for 1994, falling slightly from the 2.9 percent rate for 1993. Total receipts for construction continued positive growth for 1994, after a brief decline for 1992, by 10.1 percent to total \$592.8 billion. Finally, the transportation and public utilities division's total receipts also grew 6.4 percent, or \$66.1 billion. For Tax Year 1994, business receipts (overall, gross receipts from goods sold) totaled \$11.9 trillion, a 9.4 percent increase from 1993 [11]. This gain far exceeded the average

## Corporation Income Tax Returns, 1994

annual rate of growth measured, of 2.8 percent, since 1990.

Reversing a three-year trend of negative growth resulting from declining interest rates, taxable interest income rose 9.5 percent for 1994, from \$764.5 billion for 1993 to \$837.2 billion (Table 2) [12]. As in prior years, most of the interest income was attributable to commercial banks and bank holding companies. For 1994, 84.0 percent of all taxable interest income was associated with finance-related businesses. The most dominant contributors to this increase were from banks (except mutual savings banks and bank holding companies) up \$16.6 billion, or 29.9 percent, and bank holding companies, with an increase of \$16.0 billion, or 6.7 percent. Additionally, bank holding companies comprised 30.3 percent (\$253.6 billion) of total taxable interest income for all returns for 1994. Also significant, is the \$10.6 billion, or 18.6 percent, increase in taxable interest income from regulated investment companies. The remainder of the \$703.1 billion taxable income attributable to finance-related companies is spread among all other finance-related businesses. Paralleling the statistics of 1993, both the construction and retail divisions had declines in taxable interest income. For the construction division, most major industries (other than plumbing, heating, air conditioning, and "other construction") reported decreases in interest income as compared with 1993. Conversely, within the retail division, general merchandisers solely accounted for the decrease in reported interest income, falling \$2.0 billion to \$5.4 billion.

Tax-exempt interest (on State and local Government obligations) increased a modest 2.6 percent to \$44.4 billion, as compared with the growth of 13.0 percent during 1993, resulting in an increase of slightly over a \$1.1 billion (as opposed to the \$5 billion increase for 1993). Like taxable interest, most tax-exempt interest income was attributable to the finance division; however, unlike taxable interest, most was reported by regulated investment companies (i.e., mutual funds, rather than banks). Tax-exempt interest reported by regulated investment companies increased 2.2 percent for 1994 to \$22.8 billion. Although this rise is much smaller than the 28.1 percent reported for Tax Year 1993, regulated investment companies still contributed approximately half of all tax-exempt interest reported, as they did for 1993. The finance division, as a whole, contributed more than 89.3 percent, or \$39.7 billion, to the 1994 total of \$44.4 billion.

The largest percentage decline among other types of corporate receipts was for net short-term capital gains (reduced by net long-term capital losses), which fell \$15.1 billion (57.8 percent) to \$11.0 billion. Indicative of the

fluctuating nature of these short-term transactions, short-term gains had risen 78.7 percent for 1993. Companies in the insurance industry reported a \$7.1 billion decrease in short-term capital gains, accounting for 47.2 percent of the total decline in this account. Net long-term capital gains (reduced by net short-term capital losses) also fell for 1994, reversing the two previous years of growth [13]. For 1994, net long-term gains declined 10.1 percent to \$47.9 billion. The decrease of \$5.4 billion would have been higher, had not companies classified as "other medical services" achieved a gain of \$2.3 billion [14].

Dividends received from foreign corporations had the largest increase for 1994, rising 17.0 percent to \$30.3 billion. Rental receipts fell for the third consecutive year although declining only 4.3 percent for Tax Year 1994, substantially less than the 13.6 percent drop for 1993. As expected, manufacturing companies accounted for most of the decrease, falling 18.6 percent to \$22.3 billion.

### Deductions

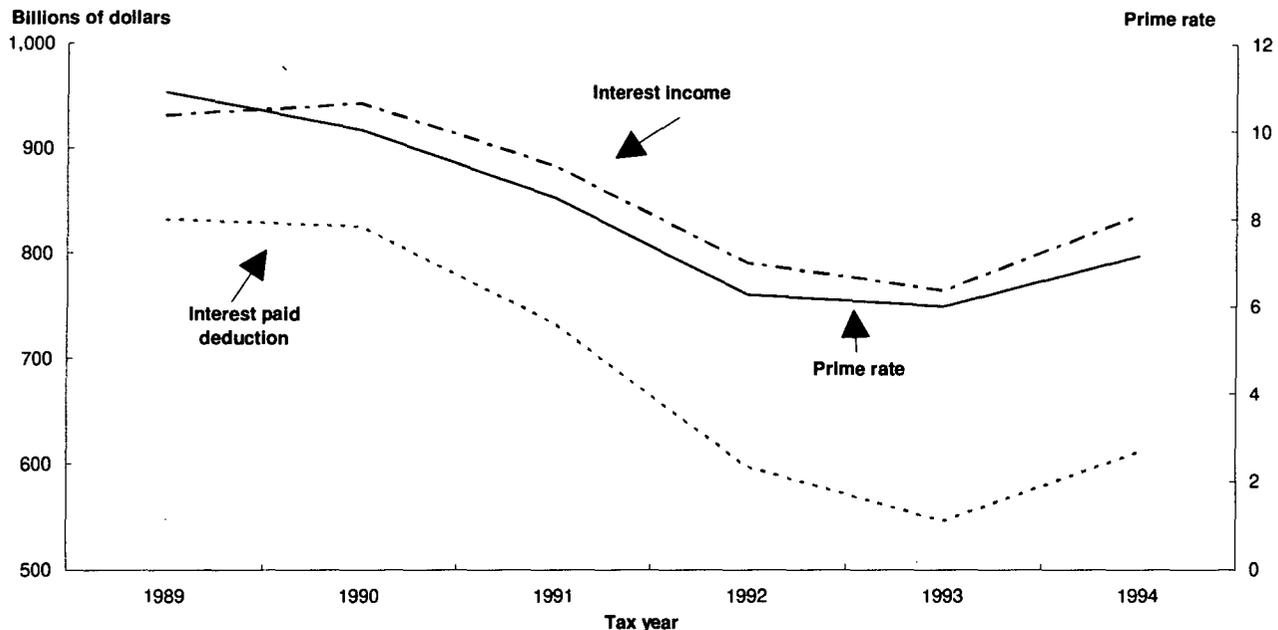
During 1994, total deductions increased \$1.0 trillion, or 8.6 percent to \$12.8 trillion. However, because this growth was 0.3 percentage points smaller than the rate of increase for total receipts (8.9 percent), sizable gains in net income (generally, the difference between total receipts and total deductions) were realized. "Cost of goods sold," typically the largest deduction item, rose to \$7,624.9 billion, or 8.1 percent (Table 2) [15]. Although this growth of 8.1 percent was roughly double the 4.1 percent increase for 1993, the cost of goods sold was less than the 9.4 percent increase in business receipts for 1994, contributing to the increase in net income.

In terms of percentage increases, the biggest gain among deduction items for 1994 was for pension, profit-sharing, stock bonus, and annuity plans, which increased 25.9 percent to \$76.9 billion. The services division had the largest increase, with a 94.5 percent rise, up from \$6.1 billion for 1993 to \$11.9 billion for 1994. This reflects the rapid increase in the number of employees working in the services division seen since the early 1980's. During 1990 workers employed in the services division comprised 25.5 percent of the total work force; this climbed to 28.0 percent for 1994 [16]. Nevertheless, manufacturers claimed the greatest share of pension, profit-sharing, stock bonus, and annuity plans, with 49.2 percent of the total reported for all divisions. For 1994, two minor industries alone accounted for 57.4 percent of the increase in pension, profit-sharing, stock bonus, and annuity plans: manufacturers of motor vehicles and equipment (up \$6.0 billion); and offices of physicians and

# Corporation Income Tax Returns, 1994

**Figure E**

**Interest Income, Interest Paid Deduction, and the Prime Rate, Tax Years 1989-1994**



osteopathic physicians (up \$3.1 billion). The only division with a decrease in the amount of this deduction item claimed was for construction, dropping 11.5 percent to \$2.1 billion.

After four years of decline, the interest paid deduction rebounded with a strong 11.9 percent gain, to a total of \$611.2 billion for Tax Year 1994. As Figure E illustrates, during 1989, both taxable interest income and the interest paid deduction grew rapidly as interest rates (measured by the prime rate) increased. However, as economic growth slowed and interest rates declined from their 1989 high to relatively low levels for 1994, receipts and deductions followed suit [17]. The finance, insurance, and real estate division accounted for 55.7 percent of total interest paid, with the banking industry responsible for more than half of the increase. Banking companies reported that the interest paid deduction increased \$26.9 billion. Only the construction and retail (mainly general merchandise retailers) divisions posted declines (3.5 percent and 1.0 percent, respectively).

The bad debts deduction reported by corporations continued the decline begun in 1992. For 1994, the bad debts deduction dropped 15.9 percent to \$67.9 billion. The majority of the decline was, as seen with most other

deduction items, attributable to the banking industry. Banks, mutual savings companies, and bank holding companies reported a decrease of \$9.4 billion in bad debts, a decline of 35.5 percent, for 1994.

The employee benefits programs deduction (which excludes pension plan contributions) rose only \$0.3 billion to a total of \$160.5 billion for 1994. This increase of only 0.2 percent was primarily attributable to the services division.

Continuing the trend that began in 1991, the depreciation deduction (including amounts deducted as part of the cost of goods sold) reported by corporations rose from \$363.5 billion for 1993 to \$401.6 billion for 1994. This 10.5 percent increase was the largest recorded since 1985, when the depreciation deduction rose 14.9 percent in advance of TRA '86. TRA '86 instituted a "Modified Accelerated Cost Recovery System" (MACRS) that lengthened certain class lives over which assets could be depreciated for tax purposes and changed the depreciation methods for business property placed in service after 1986. Before TRA '86 (from 1980 through 1985), depreciation deductions rose at an average annual rate of 15.6 percent; after TRA '86 (from 1987 through 1994), the average rate of increase dropped to 3.3 percent.

## Corporation Income Tax Returns, 1994

For Tax Year 1994, data for salaries and wages was taken out of, and presented separate from, "other deductions" totals. When accounting for this change in data presentation, a modest 8.3 percent growth was realized for "other deductions" with all industrial divisions contributing relatively equally to the increase [18].

### Assets

For 1994, the rate of growth in the year-end book value of total assets reported on corporation income tax returns was down slightly from 1993. The 7.5 percent increase, from \$21.8 trillion to \$23.4 trillion, represents smaller growth than the rate of 9.1 percent for 1993. In fact, this is the first year since 1989, in which the rate of growth in the book value of total assets has increased at a declining rate. The largest percentage increase on asset accounts of the balance sheet was recorded for inventories, up 18.8 percent. The largest increase in dollars was recorded for "other investments," growing \$564.5 billion (Table 2). Allowances for bad debts (the only asset account that fell during Tax Year 1994) declined 1.7 percent.

By industrial division, the largest percent increase in total assets for 1994 was for the services division, with an increase of \$89.2 billion, totaling \$833.9 billion. The 12.0 percent increase was primarily due to increases in business services and "other services."

The finance, insurance, and real estate division had the largest dollar increase in total assets, from \$12.8 trillion reported for 1993 to \$13.9 trillion for 1994 (Table 1). As in prior years, the finance, insurance, and real estate division was the largest contributor to total assets for all divisions. For 1994, finance, insurance, and real estate companies made up 59.3 percent of all total assets, close to the 58.8 percent they contributed for 1993. Total assets for finance-related companies (not including insurance, real estate, or holding companies) contributed close to a third of this division's total assets, or \$7.5 trillion. Breaking the trend of the past three years when regulated investment companies recorded the largest dollar increase in total assets annually, bank holding companies reported the largest dollar increase, up \$303.4 billion for 1994. Regulated investment companies dropped to second place, with total assets increasing \$204.3 billion for 1994. (After 1990, total assets of regulated investment companies nearly doubled, increasing from \$1.2 trillion for 1990 to \$2.5 trillion for 1994. The rapid growth of assets in mutual funds reflects the optimistic performance of the securities markets and the infusion of new cash as a consequence of lower interest rates as compared with the 1990-1991 period [19]).

Wholesalers posted total assets of \$901.1 billion, increasing 7.3 percent, with wholesalers of motor vehicle and automotive equipment, and paper and paper products combining to contribute more than 46.1 percent of this division's increase. And, interestingly, the total assets of amusement and other recreation services fell \$9.0 billion for Tax Year 1994, unlike that of 1993 when the amusement and recreation industry grew \$53.0 billion, up 45.2 percent [20]. This decline for 1994 was primarily the result of an \$8.7 billion decrease (9.9 percent) in total assets for companies classified in the minor industry of motion picture production, distribution, and services.

Net notes and accounts receivables (after subtracting the allowance for bad debts) dropped to third place, from second place for 1993, in asset accounts by dollar size, for 1994 representing only 19.9 percent of total assets. "Other investments" comprised 26.7 percent of total assets and depreciable assets contributed another 22.5 percent. Rebounding from a fall of 3.8 percent for 1993, loans to stockholders climbed a modest 1.7 percent for 1994. Net depreciable assets (after deducting accumulated depreciation) accounted for 12.1 percent of total assets for 1994, down from 12.4 percent for 1993.

Tax-exempt securities, which had seen rapid growth over the past five years increased from \$701.1 billion for 1993 to \$711.6 billion for 1994 (Table 2). The \$10.5 billion increase for 1994 followed an \$85.5 billion increase the year before. The majority of the small increase that occurred came from entities in the finance, insurance, and real estate division, where tax-exempt investments rose from \$647.4 billion for Tax Year 1993 to \$656.0 billion for 1994, a modest 1.3 percent increase. The decrease in the rate of growth was attributable to tax exempt securities of regulated investment companies, which fell 3.8 percent, from \$318.4 billion for 1993, to \$306.3 billion for 1994. This \$12.1 billion decrease by regulated investment companies was offset by increases in other areas: mutual life insurance companies had increases in tax-exempt securities of \$8.2 billion; "other credit agencies" realized a gain of \$5.1 billion; and personal credit institutions reported an increase of \$3.5 billion.

Continuing an increase that began for 1992, intangible assets rose 12.8 percent to \$630.4 billion for Tax Year 1994. This continued growth may reflect the increase in the number of completed mergers and acquisitions observed in 1994 [21, 22]. In general, the acquisition costs of trademarks, patents, copyrights, and like assets tend to increase during periods of increased merger and acquisition activity, and such acquisition costs are properly accounted for as intangible assets [23]. The communica-

## Corporation Income Tax Returns, 1994

tions industry had a \$33.3 billion increase in intangible assets, and alone accounted for almost half of the total increase in intangible assets for all major industries for 1994.

### **Liabilities and Stockholders' Equity**

The largest percentage increase on the corporation income tax return liabilities account occurred in short-term mortgages, notes, and bonds payable up 16.7 percent, to \$1.8 trillion. For equity accounts, paid-in or capital surplus increased \$566.4 billion to total \$4.8 trillion, a gain of 13.4 percent. Since 1989, the paid-in or capital surplus account increased \$2,194.4 billion, or 84.6 percent, from \$2,595.2 billion to \$4,789.7 billion for 1994. Between Tax Years 1989 and 1993, the increase was 62.7 percent. The capital stock account increased only 4.4 percent to \$2,132.5 billion for 1994, after increasing 8.6 percent for 1993, 8.1 percent for 1992, and 9.8 percent for 1991.

Corporate indebtedness, as indicated by the various liability accounts, was reported at \$16.4 trillion for 1994. Short-term debt (accounts payable, mortgages, notes, and bonds payable in 1 year or less, and "other current liabilities") totaled \$9.6 trillion for 1994, a 6.4 percent increase (down from 7.6 percent for 1993). The 6.4 percent increase in short-term debt was principally due to an increase in mortgages, notes, and bonds payable in less than one year. Long-term debt (long-term mortgages, notes, and bonds payable, loans from stockholders, and "other liabilities") increased 7.6 percent to \$6.8 trillion (more than the 6.8 percent increase for 1993). This situation differs with 1993, when the rate for short term debt fell, while the rate for long term debt increased.

From 1982 to 1986, debt as a percentage of the sum of corporate liabilities and shareholders' equity fluctuated around 74 percent, while the equity component remained close to 26 percent. After a slight increase for Tax Years 1987 and 1988, the debt steadily declined, from 73.9 percent for 1989 to 70.0 percent for 1994. Thus, the equity portion increased from 26.1 percent for 1989 to 30.0 percent for 1994.

### **Income Tax and Tax Credits**

Reflecting the increase in positive net income, "income subject to tax" (the base on which the regular corporation income tax is computed) increased from \$436.8 billion to \$494.0 billion, or 13.1 percent for 1994. Returns with total assets of \$250 million or more reported \$384.6 billion in positive net income, which accounted for 77.9 percent of all income subject to tax for 1994. For most

corporations, income subject to tax should be equal to net income minus certain "statutory special deductions" [24]. Net income increased 15.9 percent to \$577.3 billion for 1994. Total statutory special deductions increased only 4.2 percent (down from 16.1 percent for 1993) to \$142.3 billion, leading to a disproportionate increase in income subject to tax (relative to net income) [25]. This increase resulted in, at least partly, the regular corporation income tax (before reductions by credits) increasing to a record high of \$167.5 billion, or 12.4 percent (Figure F). More than 64.7 percent of the \$5.8 billion increase in total statutory special deductions for 1994 came from the \$3.7 billion increase in net operating loss deductions. In general, "net operating losses" were the deficits as shown in the statistics (excluding those of S Corporations, which were allocated to their shareholders), augmented by "unused" portions of the deductions for intercorporate dividends received and for dividends paid on certain preferred stock of public utilities. The net operating loss deduction was limited based on the size of positive net income, so the increase in positive net income for 1994 may have contributed to the size of the deduction [26]. Additionally, savings and loan associations were responsible for 58.2 percent of the increase in net operating loss deductions, up \$2.2 billion. The dividends received deduction actually fell for 1994, from \$14.9 billion, to \$14.0 billion, a 6.4 percent decrease. Contributing significantly to this decrease were three minor industries: personal credit institutions (declining \$0.9 billion); manufactures of aircraft, guided missiles, and parts (declining \$0.7 billion); and radio and television broadcasters (falling \$0.4 billion).

Regular tax, which was the tax applicable to most corporations (accounting for 97.0 percent of total tax), could be reduced by tax credits, principally the foreign tax, U.S. possessions tax, orphan drug, nonconventional source fuel, general business and prior-year minimum credits. Regular tax was reported at \$167.5 billion for 1994 an increase of \$18.5 billion (12.4 percent). Over 66.3 percent of this increase came from companies classified in the manufacturing division. The largest of all credits, the foreign tax credit, increased approximately \$2.5 billion, up 10.9 percent to a total of \$25.4 billion. Most significantly affecting this change were returns for communications companies, specifically telephone, telegraph, and other communications services (up half a billion dollars to \$0.8 billion), and those from wholesalers of petroleum and petroleum products, which reported an increase of \$0.4 billion to a total of \$0.5 billion reported for Tax Year 1994. Also, noteworthy is the 36.7 percent decrease,

# Corporation Income Tax Returns, 1994

**Figure F**

## Statutory Special Deductions, Income Subject to Tax, Selected Tax and Tax Credit Items, Tax Years 1993-1994

[Money amounts are in thousands of dollars]

Item	1993	1994	Percentage change
	(1)	(2)	
<b>Statutory special deductions, total</b> .....	<b>136,513,433</b>	<b>142,297,660</b>	<b>4.2</b>
Net operating loss deduction.....	45,158,874	48,901,938	8.3
Dividends received deduction.....	14,933,621	13,982,146	-6.4
Public utility dividends paid deduction.....	49,060	99,426	102.7
Deduction for dividends paid by regulated investment companies and real estate investment trusts.....	75,984,756	79,020,297	4.0
<b>Income subject to tax</b> .....	<b>436,797,939</b>	<b>493,996,239</b>	<b>13.1</b>
<b>Income tax, total</b> <sup>1</sup> .....	<b>154,447,416</b>	<b>172,776,719</b>	<b>11.9</b>
Regular tax.....	149,026,690	167,547,891	12.4
Personal Holding Company tax <sup>2</sup> .....	9,472	12,296	29.8
Tax from recapture of investment and low-income housing credits <sup>2</sup> .....	22,873	54,923	140.2
Alternative minimum tax <sup>2</sup> .....	4,863,090	4,459,253	-8.3
Environmental tax <sup>2</sup> .....	566,361	620,502	9.6
<b>Tax credits, total</b> <sup>3</sup> .....	<b>34,510,139</b>	<b>37,257,104</b>	<b>8.0</b>
Foreign tax credit.....	22,895,789	25,401,339	10.9
U.S. possessions tax credit.....	4,722,588	3,792,925	-19.7
Orphan drug credit.....	20,486	21,166	3.3
Nonconventional source fuel credit.....	690,593	592,083	-14.3
General business credit.....	3,078,073	4,109,836	33.5
Prior-year minimum tax credit.....	3,102,567	3,339,643	7.6
<b>Total income tax after credits</b> .....	<b>119,937,278</b>	<b>135,519,687</b>	<b>13.0</b>

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

<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.

<sup>3</sup> Includes certain other credits, not shown separately.

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

equivalent to \$1.0 billion, from manufacturers of motor vehicles and equipment.

For 1994, the U.S. possessions tax credit reversed the historical rate of increase measured since 1988, falling to \$3.8 billion, down from \$4.7 billion for 1993. Manufacturers alone accounted for 95.5 percent of the total credit claimed, with manufacturers of electrical and electronic equipment responsible for more than \$0.7 billion of this credit's decrease [27].

The orphan drug credit increased 3.3 percent to \$21.2 million for Tax Year 1994. Given the criteria for procuring the credit, and as seen in Tax Year 1993, only three minor industries received this credit: manufacturers of drugs; manufactures of agricultural and other chemical products; and manufacturers of optical, medical, and ophthalmic goods [28]. Finally, the nonconventional fuel credit fell to \$592.1 million (14.3 percent), for Tax Year 1994.

The "general business credit," grew 33.5 percent for 1994, up \$1.0 billion after seven years of decline through

1992. During 1994, this credit included the investment credit (for certain 1994 capital expenditures still recognized for credit purposes under provisions of TRA '86, which otherwise abolished the credit for new acquisitions), jobs credit, credit for alcohol used as fuel, credit for increasing research activities, low-income housing credit, enhanced oil recovery credit, disabled access credit, renewable electricity production credit, Indian employment credit, credit for employer social security and Medicare taxes paid on certain employees, credit for contributions to selected community development corporations, empowerment zone employment credit, as well as the carryforward of previously unused investment credits [29]. The purpose of the general business credit was to provide a single limitation on these component credits and to establish uniform rules for the carryback and carryforward to other years of the unused amounts which were in excess of this limitation. Each of these component credits was computed separately. The largest component of the "tentative" general business credit (the credit before

## Corporation Income Tax Returns, 1994

limitations) was the carryforward from prior years (amounts carried back to 1994 were unavailable), comprising 75.9 percent of the total "tentative" general business credit claimed. However, the research credit was the largest component for 1994 expenditures (in contrast to the amounts carried forward to 1994 from prior years) representing 61.6 percent of the total credit for 1994 expenditures, rising \$575.3 million to \$2.5 billion for 1994.

Corporations without current year alternative minimum tax (AMT) liability which reported AMT in prior years could elect to take a credit against a portion of regular income tax liability. A corporation's potential credit amount is based on the size of its prior years AMT liability, but its current year credit usage is limited by its current year tentative minimum tax. The credit for the prior-year tax increased 7.6 percent (down from the 34.1 percent increase for 1993) to \$3.3 billion.

For purposes of the statistics, total income tax before or after credits include regular tax, Personal Holding Company tax, taxes from recapturing prior-year investment or low-income housing credits, alternative minimum tax, environmental tax, other taxes unique to specific types of corporations, and certain statutory tax adjustments. AMT was the largest of these additional taxes (those other than the regular corporation tax). AMT, although remaining the highest in dollar amount, of all the extra taxes, declined 8.3 percent to \$4.5 billion. A total of 29,492 returns had positive AMT liability. Total income tax after credits, the amount payable to the Federal Government, increased 13.0 percent; however, the increase for 1994 was less than the increase of 18.1 percent for Tax Year 1993. The amount due for Tax Year 1994 was \$135.5 billion, up \$15.6 billion. The 7,043 returns of \$250 million or more accounted for 79.5 percent of total income tax and 76.1 percent of total income tax after credits for Tax Year 1994.

### Summary

Corporate pre-tax profits as reported on income tax returns for 1994 increased by 15.9 percent from 1993 to \$577.3 billion, reflecting the continued economic recovery following the recession of 1990-1991. The number of returns with net income increased 11.6 percent. "Positive" net income rose 12.3 percent to a record \$739.5 billion; "negative" net income (i.e., net losses) increased 1.1 percent to \$162.2 billion. Most industrial divisions had increases in pre-tax profits, with only the finance, insurance, and real estate, and the agriculture, forestry, and fishing divisions showing a decline. Profits of the 7,043 returns with total assets of \$250 million or more accounted

for 76.6 percent of the total.

As "positive" net income grew for 1994, so did income subject to tax, which increased from \$436.8 billion to \$494.0 billion, 13.1 percent. This gain led to a little more than a 12.4 percent increase in the regular income tax (before credits), from \$149.0 billion to \$167.5 billion. Total tax after credits, the amount payable to the U.S. Government, increased \$15.6 billion (13.0 percent), from \$119.9 billion for 1993 to \$135.5 billion for 1994.

### Data Sources and Limitations

Data for Tax Year 1994 are based on a sample of corporation income tax returns with accounting periods ending July 1994 through June 1995 that posted to the Internal Revenue Service Business Master File between July 1994 and the end of June 1996. These returns represent domestic corporations filing Form 1120 or 1120-A (short form); foreign corporations with "effectively connected" income in the U.S. filing Form 1120-F; life insurance companies filing Form 1120-L; 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 1994 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.

Initially, the stratified probability sample for this study consisted of 94,921 corporation income tax returns drawn from a total population of 4,694,341. However, due to a processing problem, many of the Forms 1120-F were excluded from the sampling frame. Every effort was made to add as many of the missing 1120-F returns as possible to the sample. Therefore, after adjusting for an additional 232 returns, the estimates in this article were based on a sample of 95,153 corporation income tax returns drawn from an estimated total population of 4,700,098. This estimated population includes an adjustment for an estimated 5,757 returns excluded from the sampling frame. Based on the 90,913 active corporation returns in the sample, the estimated population of active corporations was 4,342,368 returns. The sample was selected after administrative processing was complete, but before any audit examination, and was stratified based on combinations of net income and total assets at rates ranging from 0.25 percent to 100 percent.

Because the data are based on a sample, they are sub-

**Figure G**

**Coefficients of Variation for Number of Returns, by Asset Size and Industrial Division, Tax Year 1994**

Industrial division	All asset sizes	Size of total assets				
		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>1</sup></b> .....	<b>0.03</b>	<b>3.03</b>	<b>0.40</b>	<b>0.70</b>	<b>0.66</b>	<b>0.49</b>
Agriculture, forestry, and fishing.....	3.38	19.69	6.80	7.18	5.57	5.03
Mining.....	7.09	35.47	13.13	16.75	13.51	11.94
Construction.....	2.02	11.51	3.31	4.36	3.95	3.55
Manufacturing.....	2.12	12.86	4.79	5.35	4.21	3.47
Transportation and public utilities.....	3.23	15.89	5.25	7.05	6.53	6.10
Wholesale and retail trade.....	1.11	6.58	2.15	2.24	2.04	1.97
Finance, insurance, and real estate.....	1.51	6.77	2.94	3.44	2.91	2.54
Services.....	0.99	5.52	1.34	2.40	2.80	3.06

Industrial division	Size of total assets--Continued					
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000
	(7)	(8)	(9)	(10)	(11)	(12)
<b>All Industries <sup>1</sup></b> .....	<b>0.25</b>	<b>0.55</b>	<b>0.41</b>	<b>0.47</b>	<b>0.05</b>	<b>0.04</b>
Agriculture, forestry, and fishing.....	4.03	10.71	8.05	8.56	0.98	1.23
Mining.....	8.30	10.59	7.16	7.55	0.72	0.76
Construction.....	2.38	4.35	3.61	4.69	0.57	0.83
Manufacturing.....	1.93	2.66	1.69	1.64	0.20	0.19
Transportation and public utilities.....	3.83	6.57	4.11	4.22	0.42	0.48
Wholesale and retail trade.....	1.21	2.08	1.52	1.93	0.23	0.27
Finance, insurance, and real estate.....	1.66	2.82	1.55	1.17	0.08	0.07
Services.....	2.05	3.90	2.70	2.81	0.32	0.36

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

<sup>2</sup> Zero asset 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 acquiring corporations, part-year returns (except those newly-acquired businesses), returns of foreign corporations with income "effectively connected" with a U.S. trade or business (except foreign insurance companies providing separate data for U.S. branches, assets for which are included in the appropriate asset class).

NOTE: Returns with total assets of \$250 million or more were sampled at the 100% rate and are, therefore, not subjected to sampling error.

ject to sampling error. To use the statistics properly, the magnitude of the potential sampling error needs to be known. Coefficients of variation (CV's) are used to measure this magnitude. Figure G presents preliminary CV's for the number of returns by asset size and industrial division. The smaller the CV, the more reliable the estimate is judged to be [30].

**Notes and References**

[1] For Tax Year 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, by a part-year return and a full-year return, each with an accounting period ending during the span of months July 1987 through June 1988 (the accounting periods comprising Tax Year 1987, as defined for these statistics). The unusually large number of part-year returns for

that year, led to a large increase in the total number of returns. The increase in part-year returns was caused by many S Corporations (and personal service corporations) changing their accounting periods from a non-calendar year to a calendar year as required by the 1986 Act. This was further intensified by the fact that other corporations changed to S Corporation status in order to take advantage of the lower individual income tax rates applicable to S Corporation profits (which are taxed through shareholders) allowed under the Act.

[2] For Tax Year 1994, a correction was made to the sample selection process to include personal service corporations which had erroneously been excluded from the sample during SOI tax years 1988 through 1993. The absence of these companies from our studies has resulted in an understatement of our statistics for corporations in the "other services" industrial group.

## Corporation Income Tax Returns, 1994

- [3] See Wittman, Susan M., "S Corporation Returns, 1994," *Statistics of Income Bulletin*, Spring 1997, Volume 16, Number 4.
- [4] Starting with Tax Year 1987, statistics for net income or deficit and 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 included in the corporation totals. Therefore, the overall statistics for receipts, deductions, and net income or deficit are slightly understated; it is estimated that total net income (less deficit), alone, is understated by \$17.7 billion as a result (see Wittman, Susan M., op. cit.).
- [5] The growth rate in the gross domestic product (GDP) for 1994 was 3.5 percent compared with a 2.3 percent increase for 1993 (in constant dollars). (See the U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, December 1996, Vol 76, Number 12, p. D-34/35).
- [6] *International Market Report*, semi-annual; and *Office Market Data Book* as reported by the U.S. Department of Commerce, Bureau of the Census.
- [7] Catastrophic losses for property and casualty insurers reached \$14.5 billion for 1994, up from \$5.7 billion for 1993. Based on a sample of insurers representing 60.0 - 90.0 percent of the industry's 1994 premium volume by line, only "general liability" experienced significant deterioration, with its pure loss ratio increasing from 69.0 percent to 83.0 percent, due solely to rising (E & A) losses. (See Insurance Services Office, Inc., *Insurance Financial Results, 1995*; and *The Impact of Catastrophes on Property Insurance*.)
- [8] Net losses reported by foreign banks increased for Tax Year 1994 from -\$777.0 million for 1993 to -\$2,940.0 million for 1994.
- [9] See Seiders, Michael G., "Corporation Income Tax Returns, 1993," *Statistics of Income Bulletin*, Summer 1996, Volume 16, Number 1, p. 37.
- [10] Wittman, Susan M., op. cit.
- [11] In the finance, insurance, and real estate industries, business receipts included such banking items as fees, commissions, trust department earnings, and service charges which may have originally been reported on attached schedules as "other income." For such companies, these items were included in the statistics for business receipts, not "other receipts." Similarly, condominium management fees reported by condominium management and cooperative housing associations were included in business receipts, when identified from attached other income schedules. Rents reported by real estate operators and lessors of buildings as their principal income were included in the statistics for business receipts. Premium income of most insurance companies was included in business receipts. Regulated investment companies and real estate investment trusts do not report business receipts.
- [12] U.S. Department of the Treasury; The Council of Economic Advisors; Bureau of Economic Analysis; and Eggert's Blue Chip Economic Indicators as reported in The U.S. Office of Management and Budget, *Economic Report of the President, February 1994*, pp. 31, 78-85.
- [13] 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)
- [14] In using the statistics, it should be noted that the capital gains data exclude those reported by regulated investment companies and S Corporations.
- [15] Beginning with the *Statistics of Income, 1994 Corporation Source Book*, Publication 1053, the term "cost of sales and operations" was replaced with "cost of goods sold."
- [16] U.S. Bureau of Labor Statistics, Bulletin 2445; and *Employment and Earnings*, March and June, 1994.
- [17] Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin*, monthly and *Annual Statistical Digest*.
- [18] Prior to the publication of the *Statistics of Income, 1994 Corporation Source Book*, Publication 1053,

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“salaries and wages” data was included in the totals listed for “other deductions.” (An exception to this is found in the *1993 SOI Corporation Income Tax Returns*, Publication 16, when some tables provided salaries and wages data separate from the data for “other deductions.”) Thus, in order to compare data for “other deductions” between tax years (for purposes of this article) “salaries and wages” was added to the amount reported for “other deduction” for Tax Year 1994 data. (For a detailed description of salaries and wages see *1993 SOI Corporation Income Tax Returns*, Publication 16, “Explanation of Terms.”)

[19] Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin, October 1994 and Flow of Funds Account, March 1995*; and Investment Company Institute, Washington, D.C., *Mutual Fund Fact Book*.

[20] Seiders, Michael G., op., cit. p. 41.

[21] *Mergers and Acquisitions, 1995 Almanac and Index*, May/June 1995, Volume 29, Number 6, pp. 48, 53.

[22] Securities Data Company, Newark, NJ, *Merger & Corporate Transactions Database*.

[23] Seiders, G. Michael, op., cit. p. 41.

[24] For 1994, statutory special deductions included the following: the various 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 special deduction for taxes paid by real estate investment trusts allowed under section 857; and the special deduction allowed small life insurance companies.

[25] It should be noted that the statistics for statutory special deductions include: (a) certain unused amounts reported by corporations without net income and, therefore, with no income subject to tax, as well as (b) unused portions attributable to some corporations with net income where the total of these deductions exceeded the amount needed to offset net income. These corporations also had no income

subject to tax. In addition, the relationship between net income and income subject to tax was defined differently for life insurance businesses and real estate investment trusts. Therefore, the net income shown in the statistics (which also includes the net income of S Corporations which was, in general, taxable to shareholders), minus statutory special deductions, will not yield the statistics shown for income subject to tax.

[26] The net operating loss deduction statistics are only for prior year losses, not previously deducted and “carried forward” to 1994; future-year losses carried back” as deductions for 1994 are unavailable.

[27] The Tax Reform Act of 1976 added the U.S. possessions tax credit in lieu of the ordinary foreign tax credit in order to provide a tax incentive for domestic corporations to invest in Puerto Rico or in U.S. possessions or territories (including American Samoa, Guam, Johnston Island, Midway Islands, and Wake Island).

[28] The orphan drug credit consists of a credit of 50.0 percent of the qualified clinical testing expenses paid or incurred before January 1, 1995, for certain drugs created for rare diseases and conditions. (See *U.S. Master Tax Guide, 1995*, 78th Edition, CCH Incorporated, para 1315.)

[29] The Empowerment Zone Employment credit is a new General Business Credit for Tax Year 1994 (Form 8844). The credit allows employers a credit for up to the first \$15,000 of wages paid to employees who are residents of an empowerment zone. (See *U.S. Master Tax Guide, 1995*, 78th Edition, CCH Incorporated, para 1339A.)

[30] Final CV's will be published in the upcoming *Statistics of Income, Corporation Income Tax Returns, 1994*, Publication 16, Section 3, “Description of the Sample and Limitations of the Data.”

### Acknowledgment

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# Corporation Income Tax Returns, 1994

**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; size of total assets is in whole dollars.]

Item and industrial division	Size of total assets					
	Total <sup>1</sup>	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.....	4,342,368	262,510	2,272,564	707,731	413,994	284,346
Total assets.....	23,446,206,586	--	69,321,491	114,531,418	146,695,227	200,550,575
Total receipts... <sup>4</sup>	13,360,007,157	193,980,574	459,827,978	391,556,844	376,169,876	448,293,093
Business receipts.....	11,883,614,939	122,893,404	449,322,666	383,953,703	367,529,355	438,284,938
Interest paid.....	611,155,531	49,856,745	2,706,260	3,450,688	3,822,406	4,887,949
Net income (less deficit)... <sup>4</sup>	577,277,530	-5,155,501	7,515,110	5,758,672	6,162,576	8,120,676
Total income tax <sup>5</sup> .....	172,776,719	1,748,025	500,136	651,607	868,588	1,213,881
Income tax after credits <sup>5</sup> .....	135,519,687	1,630,692	483,725	638,158	841,682	1,172,841
Net worth.....	7,031,240,884	--	-11,321,437	17,797,904	40,285,057	64,501,673
<b>AGRICULTURE, FORESTRY, AND FISHING</b>						
Number of returns.....	146,996	7,125	59,979	26,927	22,310	17,223
Total assets.....	79,893,306	--	2,043,643	4,392,786	8,067,161	12,187,348
Total receipts... <sup>4</sup>	100,907,153	790,887	7,130,534	8,962,373	9,072,186	14,217,364
Business receipts.....	93,874,803	476,181	6,867,947	8,248,798	8,261,258	13,021,792
Interest paid.....	2,372,577	24,698	107,292	206,658	242,038	358,188
Net income (less deficit)... <sup>4</sup>	1,314,303	94,111	136,140	-49,651	206,651	117,920
Total income tax <sup>5</sup> .....	689,669	22,296	12,588	19,038	38,658	52,008
Income tax after credits <sup>5</sup> .....	611,436	21,846	12,170	18,813	35,637	49,799
Net worth.....	29,266,842	--	-614,107	673,065	3,405,312	6,035,294
<b>MINING</b>						
Number of returns.....	35,371	1,740	16,494	5,024	3,944	3,455
Total assets.....	239,727,711	--	601,066	821,906	1,444,444	2,465,917
Total receipts... <sup>4</sup>	115,687,307	813,249	2,010,738	1,286,714	1,717,018	3,613,690
Business receipts.....	104,655,098	590,990	1,668,675	1,140,930	1,470,078	3,406,385
Interest paid.....	5,210,756	26,505	46,938	28,853	28,117	69,417
Net income (less deficit)... <sup>4</sup>	3,644,888	10,443	125,454	-62,345	16,456	61,137
Total income tax <sup>5</sup> .....	1,605,727	9,574	2,613	*1,759	5,907	9,428
Income tax after credits <sup>5</sup> .....	820,057	9,490	2,433	*1,759	5,007	9,363
Net worth.....	118,662,217	--	-1,181,842	-162,079	272,929	922,131
<b>CONSTRUCTION</b>						
Number of returns.....	432,965	22,112	229,551	70,343	42,021	32,046
Total assets.....	249,093,544	--	6,904,832	11,636,837	14,878,087	22,225,811
Total receipts... <sup>4</sup>	592,760,390	4,974,325	58,940,959	46,593,982	46,687,273	60,773,732
Business receipts.....	583,273,029	4,753,948	58,613,885	46,299,177	46,229,021	60,231,159
Interest paid.....	4,877,820	51,439	327,286	333,698	365,038	436,900
Net income (less deficit)... <sup>4</sup>	11,573,896	55,008	1,231,827	1,014,113	1,025,507	1,203,664
Total income tax <sup>5</sup> .....	2,072,970	7,341	45,698	75,732	126,375	139,506
Income tax after credits <sup>5</sup> .....	1,909,997	7,321	45,043	74,142	120,388	135,267
Net worth.....	78,241,990	--	188,149	3,542,962	4,507,673	7,436,711
<b>MANUFACTURING</b>						
Number of returns.....	312,383	14,522	114,879	45,532	37,600	33,061
Total assets.....	4,525,455,926	--	3,436,772	7,436,260	13,421,100	23,646,440
Total receipts... <sup>4</sup>	4,218,791,583	22,135,159	17,900,624	25,852,353	36,816,793	57,923,054
Business receipts.....	3,968,849,781	20,778,195	17,411,799	25,458,647	36,369,937	57,184,689
Interest paid.....	126,350,471	489,776	175,203	221,184	455,936	694,890
Net income (less deficit)... <sup>4</sup>	219,114,720	629,260	-142,119	51,583	538,566	1,049,585
Total income tax <sup>5</sup> .....	74,398,479	444,442	19,570	44,749	86,238	193,399
Income tax after credits <sup>5</sup> .....	49,275,037	367,655	19,133	43,289	84,548	178,430
Net worth.....	1,588,890,745	--	1,974,427	1,655,096	3,285,009	7,135,005

Footnotes at end of table.

# Corporation Income Tax Returns, 1994

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

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item and industrial division	Size of total assets--Continued					
	Total <sup>1</sup>	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.....	186,474	11,593	98,695	29,374	16,915	11,963
Total assets.....	1,826,272,914	--	3,026,364	4,928,790	5,964,234	8,505,721
Total receipts. <sup>4</sup> .....	1,103,212,254	5,791,348	23,703,066	18,535,636	17,026,881	21,565,990
Business receipts.....	1,041,837,215	4,877,614	23,346,108	18,184,470	16,613,065	21,072,405
Interest paid.....	54,341,492	176,325	130,252	218,295	200,279	296,312
Net income (less deficit). <sup>4</sup> .....	68,265,100	312,242	160,573	302,733	245,046	180,607
Total income tax. <sup>5</sup> .....	25,104,099	128,690	15,173	27,492	33,663	66,919
Income tax after credits. <sup>5</sup> .....	22,343,520	108,021	15,173	25,990	32,127	64,214
Net worth.....	619,079,353	--	-232,011	689,868	-1,199,409	2,057,643
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns.....	1,106,363	60,002	488,370	220,448	132,846	85,830
Total assets.....	1,795,167,540	--	18,193,941	35,481,302	46,866,862	60,806,588
Total receipts. <sup>4</sup> .....	4,052,225,816	61,257,310	109,651,574	148,225,691	163,086,147	200,599,949
Business receipts.....	3,953,491,832	59,353,037	107,679,110	146,622,193	161,385,940	197,841,946
Interest paid.....	50,705,546	1,016,811	601,222	946,350	1,231,781	1,433,555
Net income (less deficit). <sup>4</sup> .....	68,472,944	-1,026,973	-162,994	966,117	1,775,193	2,647,623
Total income tax. <sup>5</sup> .....	19,885,265	200,153	83,115	177,436	245,711	398,513
Income tax after credits. <sup>5</sup> .....	18,032,696	197,632	81,125	174,132	242,390	389,957
Net worth.....	492,047,619	--	-3,216,212	6,203,043	14,157,920	22,119,083
<b>FINANCE, INSURANCE, AND REAL ESTATE</b>						
Number of returns.....	681,671	52,931	291,402	112,403	76,912	56,442
Total assets.....	13,895,294,545	--	9,051,889	18,198,178	27,313,427	39,914,156
Total receipts. <sup>4</sup> .....	1,976,491,348	75,596,167	30,604,813	19,331,640	17,067,174	17,377,987
Business receipts.....	1,001,744,154	10,971,251	28,932,147	17,663,516	14,589,634	15,250,372
Interest paid.....	340,510,655	47,400,674	320,177	644,825	391,520	707,697
Net income (less deficit). <sup>4</sup> .....	169,303,017	-4,714,387	1,058,627	423,416	644,385	752,647
Total income tax. <sup>5</sup> .....	39,014,557	760,854	84,230	71,633	136,722	149,026
Income tax after credits. <sup>5</sup> .....	34,055,667	749,102	82,275	69,860	134,778	147,724
Net worth.....	3,842,152,066	--	-2,733,448	-3,263,354	7,173,524	9,930,913
<b>SERVICES</b>						
Number of returns.....	1,424,394	89,748	962,260	196,824	80,849	43,878
Total assets.....	833,929,557	--	25,888,984	31,493,762	28,529,884	30,530,672
Total receipts. <sup>4</sup> .....	1,198,029,951	22,566,848	209,269,793	122,304,887	84,470,225	72,036,027
Business receipts.....	1,134,091,202	21,065,514	204,194,181	119,874,739	82,387,501	70,105,709
Interest paid.....	26,757,051	670,518	993,224	841,236	904,182	887,694
Net income (less deficit). <sup>4</sup> .....	35,568,508	-524,182	5,111,330	3,111,229	1,721,617	2,118,891
Total income tax. <sup>5</sup> .....	9,990,309	173,708	234,948	230,415	195,199	204,805
Income tax after credits. <sup>5</sup> .....	8,455,643	168,658	224,171	226,820	186,692	197,807
Net worth.....	263,646,971	--	-1,394,701	8,494,941	6,246,941	9,554,830

Footnotes at end of table.

# Corporation Income Tax Returns, 1994

**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; size of total assets is in whole dollars.]

Item and industrial division	Size of total assets--Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>ALL INDUSTRIES <sup>3</sup></b>							
Number of returns.....	296,105	43,450	27,584	11,922	8,221	6,899	7,043
Total assets.....	622,752,583	301,453,256	424,684,771	420,068,459	584,488,009	1,095,048,889	19,466,611,909
Total receipts... <sup>4</sup>	1,370,529,998	622,852,479	714,550,154	461,844,870	456,152,763	668,722,946	7,195,525,582
Business receipts.....	1,341,088,721	607,736,314	692,727,035	435,954,616	421,076,322	603,561,410	6,019,486,454
Interest paid.....	16,281,575	7,603,927	10,324,618	9,860,350	13,489,826	23,255,662	465,615,525
Net income (less deficit)... <sup>4</sup>	24,023,252	12,179,807	16,785,323	12,817,779	16,188,534	30,724,075	442,157,227
Total income tax <sup>5</sup> .....	4,692,728	2,708,084	4,065,727	3,971,170	5,227,930	9,736,294	137,392,549
Income tax after credits <sup>5</sup> .....	4,520,848	2,585,998	3,759,346	3,591,556	4,788,722	8,355,903	103,150,217
Net worth.....	176,202,989	93,137,484	133,628,604	132,049,357	194,411,701	417,030,791	5,773,516,760
<b>AGRICULTURE, FORESTRY, AND FISHING</b>							
Number of returns.....	12,197	664	345	117	57	34	17
Total assets.....	22,470,104	4,565,235	4,942,226	3,918,028	4,101,869	4,733,072	8,471,835
Total receipts... <sup>4</sup>	26,564,857	6,087,200	5,287,187	4,879,572	4,903,629	5,661,755	7,349,609
Business receipts.....	24,464,385	5,797,631	4,901,777	4,648,474	4,743,763	5,445,781	6,997,016
Interest paid.....	707,359	118,693	145,714	77,711	101,882	146,026	136,318
Net income (less deficit)... <sup>4</sup>	-69,569	96,975	-9,824	102,987	13,098	66,085	609,382
Total income tax <sup>5</sup> .....	124,747	41,546	45,954	40,334	45,547	32,594	214,359
Income tax after credits <sup>5</sup> .....	120,752	40,195	43,857	38,138	43,184	31,802	155,244
Net worth.....	8,150,179	1,520,125	1,572,462	1,616,489	1,510,750	1,495,346	3,901,927
<b>MINING</b>							
Number of returns.....	3,066	721	460	149	108	97	112
Total assets.....	6,228,268	5,206,129	7,252,071	5,409,898	7,711,288	17,042,669	185,544,055
Total receipts... <sup>4</sup>	5,020,435	4,495,045	5,395,927	4,005,594	4,255,060	11,264,486	71,809,352
Business receipts.....	4,540,235	3,966,443	4,851,397	3,663,781	3,642,351	10,314,876	65,398,957
Interest paid.....	127,362	112,842	148,037	108,558	156,290	369,104	3,988,734
Net income (less deficit)... <sup>4</sup>	118,923	193,482	132,576	16,748	126,915	186,036	2,719,063
Total income tax <sup>5</sup> .....	28,597	47,901	55,037	53,101	61,803	144,389	1,185,619
Income tax after credits <sup>5</sup> .....	23,509	43,995	44,647	45,368	50,400	96,920	487,166
Net worth.....	2,068,071	2,393,042	3,537,961	2,228,990	4,051,211	9,089,438	95,442,365
<b>CONSTRUCTION</b>							
Number of returns.....	30,583	3,958	1,695	388	159	69	39
Total assets.....	62,975,036	27,105,581	24,991,208	13,463,462	11,359,241	11,432,796	42,120,652
Total receipts... <sup>4</sup>	149,902,471	57,744,778	52,548,629	26,206,401	20,381,462	20,615,464	47,390,914
Business receipts.....	148,177,952	57,023,548	51,769,861	25,738,506	19,798,339	20,067,900	44,569,735
Interest paid.....	1,093,747	383,511	372,311	213,283	186,909	184,786	928,912
Net income (less deficit)... <sup>4</sup>	2,800,097	1,175,699	1,089,444	467,223	397,014	128,663	985,637
Total income tax <sup>5</sup> .....	492,344	228,163	204,759	126,087	115,855	119,127	391,983
Income tax after credits <sup>5</sup> .....	466,657	217,466	198,795	116,428	107,134	116,643	304,713
Net worth.....	19,256,792	8,482,041	8,360,678	4,452,839	4,118,457	2,721,186	15,174,502
<b>MANUFACTURING</b>							
Number of returns.....	44,879	9,145	6,375	2,513	1,488	1,133	1,256
Total assets.....	100,624,244	63,596,749	98,757,669	87,171,081	104,503,935	177,139,560	3,845,722,116
Total receipts... <sup>4</sup>	229,681,328	126,397,644	183,401,881	144,318,514	157,975,124	234,306,020	2,982,083,088
Business receipts.....	226,870,381	124,681,219	181,021,044	141,468,420	154,628,117	227,416,295	2,755,561,036
Interest paid.....	2,652,358	1,630,197	2,398,115	2,089,359	2,620,401	4,661,575	108,261,476
Net income (less deficit)... <sup>4</sup>	6,334,271	4,259,989	7,709,930	6,167,722	6,716,360	12,692,099	173,107,473
Total income tax <sup>5</sup> .....	1,255,423	888,164	1,607,946	1,642,825	2,130,270	4,225,784	61,859,670
Income tax after credits <sup>5</sup> .....	1,195,530	835,367	1,419,458	1,413,572	1,840,567	3,210,371	38,667,116
Net worth.....	37,052,310	25,031,581	42,098,636	38,147,106	44,203,183	73,841,730	1,318,415,517

Footnotes at end of table.

# Corporation Income Tax Returns, 1994

**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; size of total assets is in whole dollars.]

Item and industrial division	Size of total assets--Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>							
Number of returns.....	13,363	1,845	1,321	464	303	223	415
Total assets.....	29,190,022	12,795,430	20,197,848	16,020,119	21,566,126	36,068,325	1,668,009,935
Total receipts..... <sup>4</sup>	59,974,657	20,527,899	27,908,114	21,043,295	22,583,577	28,509,496	836,042,296
Business receipts.....	58,544,587	19,936,526	26,739,515	20,050,035	20,956,656	26,917,167	784,599,065
Interest paid.....	991,022	490,171	667,616	509,996	1,019,933	1,331,628	48,309,664
Net income (less deficit)..... <sup>4</sup>	1,233,825	582,106	750,993	607,767	818,081	783,200	62,287,927
Total income tax <sup>5</sup> .....	295,505	160,093	265,827	242,664	313,107	532,904	23,022,063
Income tax after credits <sup>5</sup> .....	281,209	150,632	240,911	230,142	298,494	507,902	20,388,704
Net worth.....	6,650,792	3,129,652	5,067,452	4,016,955	5,708,319	6,487,691	584,303,582
<b>WHOLESALE AND RETAIL TRADE</b>							
Number of returns.....	93,516	13,941	7,365	1,973	947	617	507
Total assets.....	199,652,582	96,506,949	111,169,779	67,190,728	65,714,026	97,156,144	996,428,638
Total receipts..... <sup>4</sup>	696,110,581	337,778,939	352,337,139	185,938,722	166,028,828	226,574,798	1,404,636,139
Business receipts.....	687,549,814	333,147,520	347,263,988	182,883,449	163,069,838	222,056,632	1,344,638,366
Interest paid.....	5,157,641	2,541,212	2,803,325	1,603,099	1,681,457	2,366,732	29,322,361
Net income (less deficit)..... <sup>4</sup>	8,954,584	4,676,360	5,783,701	2,922,762	3,487,900	4,714,051	33,734,619
Total income tax <sup>5</sup> .....	1,450,630	754,974	1,019,749	700,568	937,959	1,512,105	12,404,353
Income tax after credits <sup>5</sup> .....	1,427,502	741,375	989,155	660,630	891,236	1,446,712	10,790,848
Net worth.....	61,656,501	27,167,256	31,714,411	21,506,900	21,911,094	33,642,156	255,185,466
<b>FINANCE, INSURANCE, AND REAL ESTATE</b>							
Number of returns.....	57,201	8,435	7,223	5,340	4,645	4,334	4,403
Total assets.....	118,775,265	58,873,903	114,962,612	192,710,384	332,588,089	686,962,103	12,295,944,540
Total receipts..... <sup>4</sup>	42,945,086	17,150,314	27,370,446	30,402,223	40,569,077	82,842,604	1,575,233,819
Business receipts.....	36,149,093	12,911,131	18,781,449	15,535,786	17,130,864	36,897,254	776,931,657
Interest paid.....	2,854,651	1,369,288	2,532,507	4,264,197	6,656,996	12,338,644	261,029,479
Net income (less deficit)..... <sup>4</sup>	966,846	339,528	253,472	1,969,681	3,963,323	9,667,037	153,978,443
Total income tax <sup>5</sup> .....	435,252	255,681	439,840	762,406	1,143,368	2,182,621	32,592,924
Income tax after credits <sup>5</sup> .....	418,320	248,106	429,405	723,948	1,113,961	2,101,493	27,836,694
Net worth.....	23,198,067	16,044,361	29,224,253	50,927,109	102,342,765	270,901,921	3,338,405,956
<b>SERVICES</b>							
Number of returns.....	41,143	4,722	2,792	977	515	392	294
Total assets.....	82,492,757	32,685,974	42,294,970	34,184,758	36,943,437	64,514,221	424,370,138
Total receipts..... <sup>4</sup>	160,178,402	52,647,919	60,120,603	45,050,549	39,456,007	58,948,324	270,980,365
Business receipts.....	154,653,365	50,249,752	57,251,755	41,966,165	37,106,394	54,445,506	240,790,622
Interest paid.....	2,691,964	956,542	1,255,839	994,147	1,065,957	1,857,167	13,638,581
Net income (less deficit)..... <sup>4</sup>	3,673,572	858,328	1,047,403	562,890	665,842	2,486,904	14,734,683
Total income tax <sup>5</sup> .....	610,158	331,561	417,963	403,185	480,022	986,769	5,721,576
Income tax after credits <sup>5</sup> .....	587,296	308,861	384,473	363,329	443,745	844,060	4,519,731
Net worth.....	18,142,663	9,319,495	12,025,142	9,152,968	10,565,922	18,851,325	162,687,446

\* Estimates 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 newly-incorporated businesses), returns of foreign corporations with income "effectively connected" with a U.S. trade or business (except foreign insurance companies 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 allocable" which is not shown separately.

<sup>4</sup> Excludes net long-term capital gain reduced by net short-term capital loss of regulated investment companies and S Corporations (qualifying corporations electing to be taxed through shareholders).

<sup>5</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, 1994

**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; size of total assets is in whole dollars.]

Item	Size of total assets					
	Total <sup>1</sup>	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>4,342,368</b>	<b>262,510</b>	<b>2,272,564</b>	<b>707,731</b>	<b>413,994</b>	<b>284,346</b>
<b>Total assets.....</b>	<b>23,446,206,586</b>	--	<b>69,321,491</b>	<b>114,531,418</b>	<b>146,695,227</b>	<b>200,550,575</b>
Cash.....	853,076,121	--	17,308,829	21,312,438	21,893,198	25,551,755
Notes and accounts receivable.....	4,767,673,175	--	6,644,020	15,906,908	24,629,107	37,981,523
Less: Allowance for bad debts.....	115,154,287	--	46,497	249,517	270,517	521,640
Inventories.....	1,125,766,128	--	7,918,327	15,823,622	23,027,059	32,469,879
Investment in U.S. Government obligations.....	1,308,919,376	--	63,544	297,311	458,005	748,057
Tax-exempt securities.....	711,589,861	--	44,425	176,612	314,885	493,653
Other current assets.....	1,662,091,483	--	2,956,817	4,820,814	6,983,045	10,355,462
Loans to stockholders.....	85,343,725	--	5,174,614	5,994,675	5,396,708	4,815,569
Mortgage and real estate loans.....	1,660,947,165	--	392,272	1,365,876	1,829,691	2,734,605
Other investments.....	6,265,265,758	--	2,123,642	5,270,205	7,801,923	12,455,996
Depreciable assets.....	5,284,097,003	--	77,909,780	90,261,844	97,734,529	121,765,207
Less: Accumulated depreciation.....	2,438,539,251	--	56,306,169	58,096,779	59,593,563	70,959,252
Depletable assets.....	147,617,550	--	518,102	563,565	538,057	1,009,733
Less: Accumulated depletion.....	70,805,195	--	390,335	291,645	190,377	534,413
Land.....	239,430,463	--	1,689,898	4,889,162	9,521,974	14,707,394
Intangible assets.....	630,439,740	--	3,354,399	4,688,921	4,340,686	4,764,468
Less: Accumulated amortization.....	150,436,426	--	1,735,875	2,154,025	1,981,274	2,053,280
Other assets.....	1,478,884,199	--	1,701,697	3,951,432	4,262,090	4,765,859
<b>Total liabilities.....</b>	<b>23,446,206,586</b>	--	<b>69,321,491</b>	<b>114,531,418</b>	<b>146,695,227</b>	<b>200,550,575</b>
Accounts payable.....	1,606,156,180	--	11,118,688	14,376,062	20,116,343	28,889,432
Mortgages, notes, and bonds payable in less than 1 year.....	1,830,544,493	--	7,754,190	10,776,277	13,878,320	18,958,406
Other current liabilities.....	6,172,752,686	--	9,462,784	10,580,742	12,100,523	15,527,084
Loans from stockholders.....	294,315,214	--	33,140,958	23,936,055	22,913,315	21,280,264
Mortgages, notes, and bonds payable in 1 year or more.....	3,099,902,033	--	15,372,172	25,893,810	32,524,975	44,805,056
Other liabilities.....	3,411,295,097	--	3,794,135	11,170,568	4,876,694	6,588,659
<b>Net worth.....</b>	<b>7,031,240,884</b>	--	<b>-11,321,437</b>	<b>17,797,904</b>	<b>40,285,057</b>	<b>64,501,673</b>
Capital stock.....	2,132,453,838	--	16,658,070	14,813,826	15,250,690	18,829,254
Paid-in or capital surplus.....	4,789,687,457	--	15,666,338	16,094,412	17,923,896	19,935,336
Retained earnings, appropriated.....	81,281,367	--	297,912	370,136	686,409	754,318
Retained earnings, unappropriated.....	1,467,774,310	--	-17,583,246	-5,952,599	12,169,006	22,020,002
Other retained earnings (1120S).....	149,417,844	--	-22,456,559	-3,374,465	-1,324,969	8,698,308
Less: Cost of treasury stock.....	1,589,373,930	--	3,903,952	4,153,407	4,419,975	5,735,545
<b>Total receipts.....</b>	<b>13,360,007,157</b>	<b>193,980,574</b>	<b>459,827,978</b>	<b>391,556,844</b>	<b>376,169,876</b>	<b>448,293,093</b>
Business receipts.....	11,883,614,939	122,893,404	449,322,666	383,953,703	367,529,355	438,284,938
Interest.....	837,214,525	58,861,362	437,833	978,020	796,743	1,039,374
Interest on State and local Government obligations.....	44,424,838	318,559	5,025	20,740	31,344	59,583
Rents.....	81,809,466	796,899	353,648	450,418	650,517	758,397
Royalties.....	50,044,128	216,433	107,403	110,247	73,960	150,205
Net short-term capital gain less net long-term capital loss.....	10,997,054	93,940	31,537	52,049	81,017	43,141
Net long-term capital gain less net short-term capital loss.....	47,895,615	1,634,423	515,407	493,991	605,874	705,212
Net gain, noncapital assets.....	35,212,818	1,907,161	689,331	688,175	678,374	671,518
Dividends, domestic corporations.....	13,233,145	118,258	25,690	68,466	89,788	106,974
Dividends, foreign corporations.....	30,322,365	29,165	*4,005	*9,404	2,653	2,167
Other receipts.....	325,238,265	7,110,970	8,335,433	4,731,631	5,630,249	6,471,584

Footnotes at end of table.

# Corporation Income Tax Returns, 1994

## 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; size of total assets is in whole dollars.]

Item	Size of total assets--Continued					
	Total <sup>1</sup>	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>12,774,888,028</b>	<b>198,829,884</b>	<b>452,308,302</b>	<b>385,777,433</b>	<b>369,976,836</b>	<b>440,113,125</b>
Cost of goods sold <sup>3</sup> .....	7,624,876,881	78,258,123	162,880,631	184,770,219	204,136,526	267,300,137
Compensation of officers.....	281,813,040	4,589,242	64,092,397	37,068,915	26,998,520	24,209,931
Salaries and wages <sup>4</sup> .....	1,124,366,115	14,246,027	64,258,116	50,986,852	43,309,219	45,108,222
Repairs.....	112,355,063	856,927	4,594,252	3,938,482	3,528,580	4,112,621
Bad debts.....	67,852,016	4,432,324	977,448	805,758	1,023,007	1,223,984
Rent on business property.....	220,021,860	3,592,412	20,847,490	14,684,191	10,940,698	10,459,949
Taxes paid.....	313,695,311	3,426,780	15,291,460	12,668,841	11,045,642	12,218,047
Interest paid.....	611,155,531	49,856,745	2,706,260	3,450,688	3,822,406	4,887,949
Contributions or gifts.....	7,102,825	45,010	95,753	69,475	87,199	90,863
Amortization.....	40,583,270	611,546	427,921	518,292	454,050	541,856
Depreciation.....	401,630,411	3,380,027	6,999,506	7,490,813	7,461,222	8,860,690
Depletion.....	9,423,790	66,285	27,603	19,421	17,792	39,451
Advertising.....	151,457,062	1,632,790	5,117,169	3,728,850	3,547,633	3,959,521
Pension, profit sharing, stock bonus and annuity plans.....	76,875,678	521,920	4,358,883	2,400,531	1,725,420	1,908,083
Employee benefit programs.....	160,454,207	1,338,978	3,661,269	3,250,655	3,313,341	3,971,928
Net loss, noncapital assets.....	-31,642,356	4,402,761	598,225	422,895	279,855	407,358
Other deductions.....	1,539,582,613	27,571,987	95,373,921	59,502,554	48,285,727	50,812,535
<b>Total receipts less total deductions</b> .....	<b>585,119,129</b>	<b>-4,849,309</b>	<b>7,519,675</b>	<b>5,779,412</b>	<b>6,193,040</b>	<b>8,179,968</b>
Constructive taxable income from related foreign corporations.....	36,583,240	12,367	*460	--	*881	*291
<b>Net income (less deficit)</b> .....	<b>577,277,530</b>	<b>-5,155,501</b>	<b>7,515,110</b>	<b>5,758,672</b>	<b>6,162,576</b>	<b>8,120,676</b>
Net income, total.....	739,502,875	10,326,070	20,936,332	14,512,802	13,279,869	15,720,771
Deficit, total.....	-162,225,345	-15,481,571	-13,421,222	-8,754,131	-7,117,293	-7,600,095
Net income (less deficit), Form 1120-A.....	27,466	-25,413	3,148	9,582	40,150	--
Net income (less deficit), Form 1120-F.....	-5,262,613	-5,262,613	--	--	--	--
Net income (less deficit), Form 1120S <sup>5</sup> .....	73,951,541	-89,709	8,877,420	5,110,789	4,280,007	5,666,150
<b>Statutory special deductions, total</b> .....	<b>142,297,660</b>	<b>3,257,010</b>	<b>2,507,519</b>	<b>1,965,099</b>	<b>1,642,156</b>	<b>1,724,254</b>
Net operating loss deduction.....	48,901,938	2,032,456	2,485,921	1,913,428	1,570,600	1,641,768
Dividends received deduction.....	13,982,146	97,331	18,600	44,726	65,039	73,549
Public utility dividends paid deduction..	99,426	--	--	--	--	--
<b>Income subject to tax</b> .....	<b>493,996,239</b>	<b>4,955,289</b>	<b>2,729,134</b>	<b>3,506,176</b>	<b>4,315,526</b>	<b>5,281,304</b>
<b>Income tax before credits, total</b> <sup>6</sup> .....	<b>172,776,719</b>	<b>1,748,025</b>	<b>500,136</b>	<b>651,607</b>	<b>868,588</b>	<b>1,213,881</b>
Regular tax.....	167,547,891	1,648,664	495,953	641,707	851,962	1,190,983
Personal Holding Company tax.....	12,296	*47	*1,200	*806	*1,257	*1,007
Recapture of investment and low- income housing credits.....	54,924	--	--	--	--	--
Alternative minimum tax.....	4,459,253	43,467	1,755	3,683	15,453	20,749
Environmental tax.....	620,502	5,117	*50	*17	*63	45
Foreign tax credit.....	25,401,339	11,238	*7,618	*177	*2,840	4,796
U.S. possessions tax credit.....	3,792,925	57,849	31	155	18	4,527
Orphan drug credit.....	21,166	2,836	--	--	--	--
Nonconventional source fuel credit.....	592,083	*43	*116	*424	*443	*89
General business credit.....	4,109,836	16,821	8,047	9,560	15,189	21,478
Prior-year minimum tax credit.....	3,339,643	28,546	*598	3,133	8,417	10,151
<b>Total income tax after credits</b> .....	<b>135,519,687</b>	<b>1,630,692</b>	<b>483,725</b>	<b>638,158</b>	<b>841,682</b>	<b>1,172,841</b>

Footnotes at end of table.

# Corporation Income Tax Returns, 1994

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

[All figures are estimates based on samples--money amounts are in thousands of dollars; size of total assets is in whole dollars.]

Item	Size of total assets--Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Number of returns.....</b>	<b>296,105</b>	<b>43,450</b>	<b>27,584</b>	<b>11,922</b>	<b>8,221</b>	<b>6,899</b>	<b>7,043</b>
<b>Total assets.....</b>	<b>622,752,583</b>	<b>301,453,256</b>	<b>424,684,771</b>	<b>420,068,459</b>	<b>584,488,009</b>	<b>1,095,048,889</b>	<b>19,466,611,909</b>
Cash.....	60,171,683	25,632,146	30,980,915	27,085,026	30,915,411	47,387,125	544,837,596
Notes and accounts receivable.....	134,006,300	67,689,499	101,240,223	109,197,443	149,687,206	235,983,546	3,884,707,400
Less: Allowance for bad debts.....	2,206,512	1,436,247	2,361,707	2,779,594	4,070,628	6,351,356	94,860,072
Inventories.....	124,084,905	63,187,415	72,107,421	45,577,528	46,171,853	64,376,026	631,022,094
Investment in U.S. Government obligations.....	3,736,105	3,295,884	13,101,978	29,735,958	51,297,885	93,784,007	1,112,400,641
Tax-exempt securities.....	2,370,093	1,642,681	5,765,188	11,364,709	24,783,532	61,667,478	602,966,604
Other current assets.....	33,503,485	17,002,841	24,386,268	22,352,843	27,624,242	55,336,929	1,456,768,737
Loans to stockholders.....	9,236,838	3,063,339	2,733,565	1,796,018	1,756,995	2,549,480	42,825,924
Mortgage and real estate loans.....	6,130,718	2,579,020	5,422,839	13,102,872	32,007,937	72,752,932	1,522,628,402
Other investments.....	43,981,404	26,440,950	45,395,164	59,844,758	104,060,178	256,230,230	5,701,661,308
Depreciable assets.....	327,532,533	140,876,157	179,692,841	131,693,096	141,049,024	228,767,385	3,746,814,608
Less: Accumulated depreciation.....	178,980,763	72,613,768	89,232,916	62,254,362	63,849,942	100,718,564	1,625,933,172
Depletable assets.....	2,496,954	1,596,079	2,881,210	3,022,096	4,347,251	7,773,081	122,871,422
Less: Accumulated depletion.....	1,155,168	588,923	1,330,289	1,540,911	2,196,298	2,997,710	59,589,127
Land.....	36,849,653	12,959,259	15,127,855	10,583,079	10,775,764	14,204,074	108,122,350
Intangible assets.....	13,923,453	9,275,481	12,409,076	12,957,043	20,047,371	40,945,988	503,732,854
Less: Accumulated amortization.....	5,802,878	4,855,169	4,767,434	4,142,153	5,736,483	10,409,076	106,798,778
Other assets.....	12,873,781	5,706,613	11,132,574	12,473,010	15,816,710	33,767,316	1,372,433,119
<b>Total liabilities.....</b>	<b>622,752,583</b>	<b>301,453,256</b>	<b>424,684,771</b>	<b>420,068,459</b>	<b>584,488,009</b>	<b>1,095,048,889</b>	<b>19,466,611,909</b>
Accounts payable.....	93,778,295	43,060,900	56,154,583	44,613,544	49,307,190	79,384,183	1,165,356,959
Mortgages, notes, and bonds payable in less than 1 year.....	86,203,690	50,201,838	57,096,663	36,662,132	37,246,545	53,892,072	1,457,874,359
Other current liabilities.....	54,966,589	31,092,007	64,805,488	113,188,405	187,140,706	330,483,991	5,343,404,366
Loans from stockholders.....	51,173,415	14,044,222	13,945,544	6,830,314	6,935,544	8,272,801	91,842,784
Mortgages, notes, and bonds payable in 1 year or more.....	130,017,421	56,167,923	76,264,738	61,644,543	74,018,459	136,815,199	2,446,377,737
Other liabilities.....	30,410,184	13,748,882	22,789,152	25,080,163	35,427,865	69,169,852	3,188,238,944
Net worth.....	176,202,989	93,137,484	133,628,604	132,049,357	194,411,701	417,030,791	5,773,516,760
Capital stock.....	43,822,845	21,670,306	28,143,779	29,685,153	40,318,742	85,359,908	1,817,901,265
Paid-in or capital surplus.....	74,395,844	43,332,872	71,183,690	84,776,642	137,678,521	317,028,955	3,991,670,952
Retained earnings, appropriated.....	1,835,667	630,452	1,132,716	769,356	1,114,207	2,728,710	70,961,482
Retained earnings, unappropriated.....	29,397,294	4,817,618	1,629,151	-1,547,006	6,618,713	17,634,363	1,398,571,015
Other retained earnings (1120S).....	40,849,017	27,783,905	37,597,613	22,472,341	17,166,937	14,328,437	7,677,278
Less: Cost of treasury stock.....	14,097,678	5,097,668	6,058,344	4,107,129	8,485,419	20,049,581	1,513,265,232
<b>Total receipts.....</b>	<b>1,370,529,998</b>	<b>622,852,479</b>	<b>714,550,154</b>	<b>461,844,870</b>	<b>456,152,763</b>	<b>668,722,946</b>	<b>7,195,525,582</b>
Business receipts.....	1,341,088,721	607,736,314	692,727,035	435,954,616	421,076,322	603,561,410	6,019,486,454
Interest.....	3,557,592	1,928,475	5,083,359	9,912,012	17,660,344	34,505,617	702,453,794
Interest on State and local Government obligations.....	245,314	162,128	439,889	863,623	1,732,068	4,197,065	36,349,500
Rents.....	2,316,649	1,031,846	1,795,765	1,381,600	1,718,848	2,938,716	67,616,163
Royalties.....	453,164	182,818	363,578	505,801	714,369	1,815,275	45,350,874
Net short-term capital gain less net long-term capital loss.....	133,787	80,238	131,557	199,745	369,803	916,590	8,863,648
Net long-term capital gain less net short-term capital loss.....	1,910,442	1,152,944	1,198,395	1,086,938	1,146,370	2,222,351	35,223,266
Net gain, noncapital assets.....	1,825,417	819,773	1,250,764	939,501	1,035,516	1,620,701	23,086,587
Dividends, domestic corporations.....	398,405	226,219	254,340	282,763	251,739	613,525	10,796,979
Dividends, foreign corporations.....	52,780	35,189	78,661	170,449	291,874	856,027	28,789,991
Other receipts.....	18,547,727	9,496,535	11,226,810	10,547,822	10,155,509	15,475,669	217,508,326

Footnotes at end of table.

# Corporation Income Tax Returns, 1994

## 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; size of total assets is in whole dollars.]

Item	Size of total assets--Continued						
	\$1,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 under \$250,000,000	\$250,000,000 or more
	(7)	(8)	(9)	(10)	(11)	(12)	(13)
<b>Total deductions</b> .....	<b>1,346,298,472</b>	<b>610,529,521</b>	<b>697,441,282</b>	<b>448,331,549</b>	<b>438,396,847</b>	<b>634,414,959</b>	<b>6,752,469,820</b>
Cost of goods sold <sup>3</sup> .....	935,860,173	450,414,734	506,923,005	311,461,614	292,923,689	407,286,587	3,822,661,441
Compensation of officers.....	46,511,391	14,067,936	12,950,777	6,875,295	5,963,719	6,909,055	31,575,863
Salaries and wages <sup>4</sup> .....	114,128,711	47,107,701	53,524,803	36,549,043	38,317,107	56,485,084	560,345,232
Repairs.....	8,999,245	3,104,303	3,499,761	2,270,041	2,368,912	3,894,819	71,187,121
Bad debts.....	3,880,888	1,681,867	2,101,253	1,758,803	2,026,516	3,136,167	44,804,002
Rent on business property.....	21,483,825	7,126,348	8,359,531	5,809,099	6,205,869	8,899,031	101,613,415
Taxes paid.....	29,922,149	11,276,047	13,272,910	8,811,606	8,807,343	13,181,081	173,773,406
Interest paid.....	16,281,575	7,603,927	10,324,618	9,860,350	13,489,826	23,255,662	465,615,525
Contributions or gifts.....	258,298	107,032	167,633	134,801	177,970	323,228	5,545,564
Amortization.....	1,678,040	1,105,097	1,551,628	1,316,231	1,500,998	3,101,451	27,776,159
Depreciation.....	23,556,006	10,179,090	13,496,686	9,961,863	11,192,223	17,730,352	281,321,933
Depletion.....	152,902	180,281	207,046	267,941	258,203	515,373	7,671,491
Advertising.....	10,861,217	4,772,261	6,250,455	4,821,331	4,476,253	7,751,722	94,537,861
Pension, profit sharing, stock bonus and annuity plans.....	4,740,990	1,909,623	2,248,002	1,568,723	1,528,721	2,500,127	51,464,656
Employee benefit programs.....	11,295,889	5,086,994	6,290,299	5,090,224	5,200,621	8,471,048	103,482,960
Net loss, noncapital assets.....	1,364,465	762,309	1,599,928	1,864,727	1,979,998	3,200,066	14,759,769
Other deductions.....	115,322,708	44,043,972	54,672,947	39,909,856	41,978,878	67,774,105	894,333,422
<b>Total receipts less total deductions</b> .....	<b>24,231,526</b>	<b>12,322,958</b>	<b>17,108,872</b>	<b>13,513,321</b>	<b>17,755,916</b>	<b>34,307,987</b>	<b>443,055,762</b>
Constructive taxable income from related foreign corporations.....	37,040	18,978	116,340	168,081	164,685	613,153	35,450,965
<b>Net income (less deficit)</b> .....	<b>24,023,252</b>	<b>12,179,807</b>	<b>16,785,323</b>	<b>12,817,779</b>	<b>16,188,534</b>	<b>30,724,075</b>	<b>442,157,227</b>
Net income, total.....	43,349,889	20,668,801	27,175,158	21,344,797	24,142,372	42,119,307	485,926,707
Deficit, total.....	19,326,637	8,488,993	10,389,835	8,527,017	7,953,839	11,395,232	43,769,480
Net income (less deficit), Form 1120-A.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120-F.....	--	--	--	--	--	--	--
Net income (less deficit), Form 1120S <sup>5</sup> .....	17,198,244	8,521,788	10,500,329	5,519,739	4,117,240	3,199,216	1,050,326
<b>Statutory special deductions, total</b> <sup>6</sup> .....	<b>3,740,779</b>	<b>2,026,508</b>	<b>3,206,878</b>	<b>3,202,109</b>	<b>4,736,968</b>	<b>11,180,762</b>	<b>103,107,617</b>
Net operating loss deduction.....	3,342,428	1,701,174	2,522,809	1,971,590	2,195,896	3,863,172	23,660,697
Dividends received deduction.....	310,497	204,440	232,466	279,058	298,959	750,763	11,606,718
Public utility dividends paid deduction.....	--	--	--	**	77	9	99,340
<b>Income subject to tax</b> <sup>7</sup> .....	<b>15,301,039</b>	<b>7,875,769</b>	<b>11,635,897</b>	<b>11,632,889</b>	<b>14,827,619</b>	<b>27,377,537</b>	<b>384,558,060</b>
<b>Income tax before credits, total</b> .....	<b>4,692,728</b>	<b>2,708,084</b>	<b>4,065,727</b>	<b>3,971,170</b>	<b>5,227,930</b>	<b>9,736,294</b>	<b>137,392,549</b>
Regular tax.....	4,541,650	2,634,297	3,928,237	3,952,709	5,077,367	9,451,342	133,133,019
Personal Holding Company tax.....	2,610	*705	535	*4	19	132	3,975
Recapture of investment and low- income housing credits.....	*43	*408	*260	*849	73	32	53,259
Alternative minimum tax.....	146,238	69,520	128,127	113,850	136,408	252,626	3,527,376
Environmental tax.....	589	1,265	5,120	8,331	14,424	30,986	554,493
Foreign tax credit.....	15,574	14,713	73,425	89,604	124,704	399,952	24,656,697
U.S. possessions tax credit.....	16,417	19,104	96,735	163,230	141,301	667,024	2,626,534
Orphan drug credit.....	--	--	--	470	509	1,468	15,884
Nonconventional source fuel credit.....	3,022	*1,057	3,126	1,161	6,615	3,900	572,087
General business credit.....	71,456	43,262	76,034	54,724	79,153	170,730	3,543,381
Prior-year minimum tax credit.....	65,411	43,950	57,060	70,425	86,926	137,317	2,827,710
<b>Total income tax after credits</b> .....	<b>4,520,848</b>	<b>2,585,998</b>	<b>3,759,346</b>	<b>3,591,556</b>	<b>4,788,722</b>	<b>8,355,903</b>	<b>103,150,217</b>

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

\*\* Amount is less than \$500.

<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 providing separate data for U.S. branches, assets for which are included in the appropriate size class).

<sup>3</sup> Beginning with the Statistics of Income, 1994 Corporation Source Book, Publication 1053, the term "cost of sales and operations" was replaced with "cost of goods sold."

<sup>4</sup> Prior to the publication of the Statistics of Income, 1994 Corporation Source Book, Publication 1053, data for "salaries and wages" was included in the totals for "other deductions."

<sup>5</sup> Net Income of S Corporations was taxed (with few exceptions) through their shareholders. Therefore, the net income of these corporations was excluded from income subject to tax.

<sup>6</sup> Also includes deductions for dividends paid by regulated investment companies and real estate investment trusts. These deductions are not shown separately.

<sup>7</sup> See Footnote 5.

<sup>8</sup> For purposes of the statistics, all of the taxes shown above (except the regular tax) 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 due to rounding.

# Foreign-Controlled Domestic Corporations, 1994

by James R. Hobbs

**F**or Tax Year 1994, the 54,620 domestic corporations each "controlled" by a foreign "person" generated \$1.4 trillion of total receipts and reported total assets amounting to \$2.3 trillion. These corporations, 1.3 percent of the U.S. total, accounted for 10.3 percent of the receipts and 10.0 percent of the assets reported on U.S. corporation income tax returns. They also represented 7.0 percent of the "taxable income" and 7.4 percent of the total income tax after credits reported by all corporations.

The net income (less deficit) reported by foreign-controlled domestic corporations (FCDC's) for tax purposes under the Internal Revenue Code was \$21.9 billion for 1994. This was an increase over the \$11.2 billion of net profits reported for 1993 [1]. Placed in context, the net income (less deficit) reported on all corporation income tax returns increased from \$498.2 billion for 1993 to \$577.3 billion for 1994 [2].

Of all the FCDC's, 21,369 reported (positive) net income for 1994, totaling \$44.7 billion, a 24.5 percent increase over the \$35.9 billion of net income for 1993. The profitable companies for 1994 also reported \$34.4 billion of taxable income after statutory special deductions (i.e., "income subject to tax" shown in the statistics), 22.9 percent higher than their taxable income for 1993. The U.S. tax liability (i.e., "total income tax after credits") of FCDC's was \$10.1 billion, 23.5 percent greater than that of the previous year.

For 1994, the 2,488 "large" companies (i.e., those with at least \$250 million of assets, or with at least \$50 million of receipts, or with both) accounted for most of the key financial items of all FCDC's: 91.9 percent of total assets, 90.4 percent of total receipts, 87.2 percent of taxable income, and 86.2 percent of total income tax after credits. After an overview of all FCDC's, this article focuses on the large foreign-controlled domestic companies and compares them on industry and age bases to large domestic corporations that were not controlled by foreign persons.

## Direct Foreign Investment in the United States

Direct foreign investment in the United States can take several forms, including corporations, partnerships, and even joint ventures. Under these forms of direct investment, the foreign investor has sufficient equity in the enterprise to control and participate in managing its operations [3]. In regard to corporations, a foreign

investor can either gain control of an existing U.S. company, create a new company incorporated in the United States, or operate in the United States through a branch of a foreign corporation.

There are numerous factors involved in the decision of a foreign investor to operate in the United States through either a domestic or foreign corporation [4]. This article focuses on domestic corporations that are controlled by a foreign person [5]. Control is generally defined as ownership by any foreign person or entity (including an individual, corporation, partnership, estate, or trust), directly or indirectly, of 50 percent or more of a U.S. corporation's voting stock at the end of the tax year. (This is discussed in greater depth in the Data Sources and Limitations section. Also, a description of foreign persons and an explanation of the rules of ownership attribution are given in the Explanation of Selected Terms section.)

This article includes two basic tables that show balance sheet, income statement, and tax items, as well as various ratios. Table 1 includes information for all FCDC's by selected industrial groupings and selected countries. Country information is based on the location of the owner's country of residence, incorporation, organization, creation, or administration, as reported on tax returns filed with the Internal Revenue Service (IRS). Table 2 presents information on "large" FCDC's, classified by selected industrial groupings, selected countries, and age of the companies. For comparison purposes, this table also contains data for large domestic corporations that were not controlled by foreign persons. Domestic corporations that are not foreign controlled can file on Form 1120, *U.S. Corporation Income Tax Return*; Form 1120-A, *U.S. Corporation Short-Form Income Tax Return*; Form 1120-L, *U.S. Life Insurance Company Income Tax Return*; Form 1120-PC, *U.S. Property and Casualty Insurance Company Income Tax Return*; Form 1120-REIT, *U.S. Income Tax Return for Real Estate Investment Trusts*; and Form 1120-RIC, *U.S. Income Tax Return for Regulated Investment Companies*. FCDC's can also file tax returns on Forms 1120, 1120-L, 1120-PC, 1120-REIT, and 1120-RIC, but not on 1120-A. Because FCDC's cannot file Forms 1120S, *U.S. Income Tax Return for an S Corporation*, and because S Corporations are mostly taxable income reporting, but not taxpaying, entities (in that income is taxed to the shareholders), these forms were excluded from the data for domestically-controlled corporations shown in the figures and tables of this article. Also, FCDC's cannot file Forms 1120-F, *U.S. Income Tax Return of a Foreign Corporation*. Domestically-controlled corporation data shown in this article do not include Forms 1120-F, al-

James R. Hobbs is a management official with the Special Studies and Publications Branch.

# Foreign-Controlled Domestic Corporations, 1994

though data for all corporation returns do include these forms (as well as Forms 1120S).

## Foreign-Controlled Domestic Corporations

### Growth of Corporations

Direct foreign investment in the United States through foreign-controlled domestic corporations grew steadily and substantially during the 1985-1994 period [6]. Total receipts of FCDC's grew from \$0.5 trillion for 1985 to \$1.4 trillion for 1994, a 166.5 percent increase using current dollars. In comparison, total receipts reported on all U.S. corporation income tax returns grew from \$8.4 trillion for 1985 to \$13.4 trillion for 1994, a 59.5 percent increase [7]. As a result of the rapid growth rate of FCDC's, their share of the receipts reported on all corporate returns increased from 6.1 percent for 1985 to 10.3 percent for 1994 (see Figure A).

The growth of FCDC's can also be measured from the early 1970's, when a question concerning foreign ownership of companies was first placed on the corporation income tax return. For 1971, these companies reported \$39.2 billion of total receipts, just 2.1 percent of the \$1.9

trillion reported for all corporations.

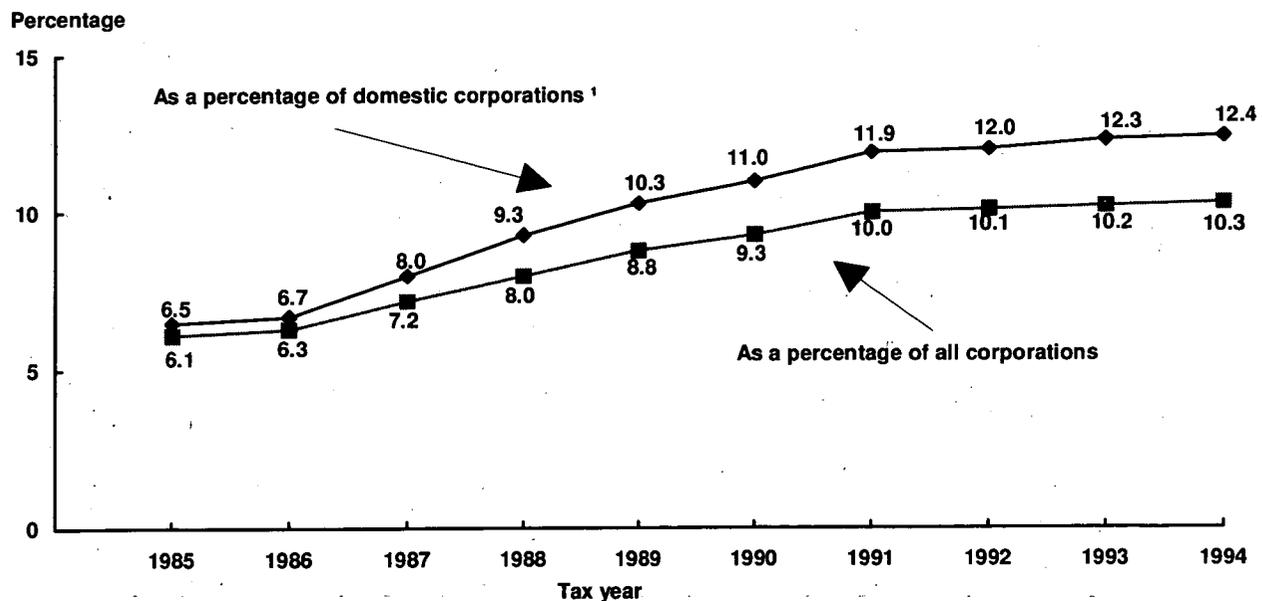
Figure A also shows that FCDC total receipts as a percentage of the total receipts of domestic corporations (excluding Forms 1120S) increased from 6.5 percent for 1985 to 12.4 percent for 1994. While the receipts of FCDC's increased at a greater pace than did those of domestic corporations not foreign controlled during this 10-year period, the profit margin (as measured by the percentage of net income less deficit to total receipts) of FCDC's was consistently lower than that of the other domestic corporations (see Figure B).

Figures A and B provide a global, or first, comparison of FCDC's to other domestic corporations. However, a more complete comparison requires that the data take into account characteristics other than just ownership status, such as the industrial activities, sizes, and ages within the two groups of corporations. Later in this article, this type of comparison is presented for the returns of "large" corporations.

There were an estimated 54,620 returns of foreign-controlled domestic corporations for 1994, a slight increase over the 54,001 returns for 1993. (FCDC's, like

**Figure A**

**Foreign-Controlled Domestic Corporations as a Percentage of Other Corporations, Based on Total Receipts, Tax Years 1985-1994**

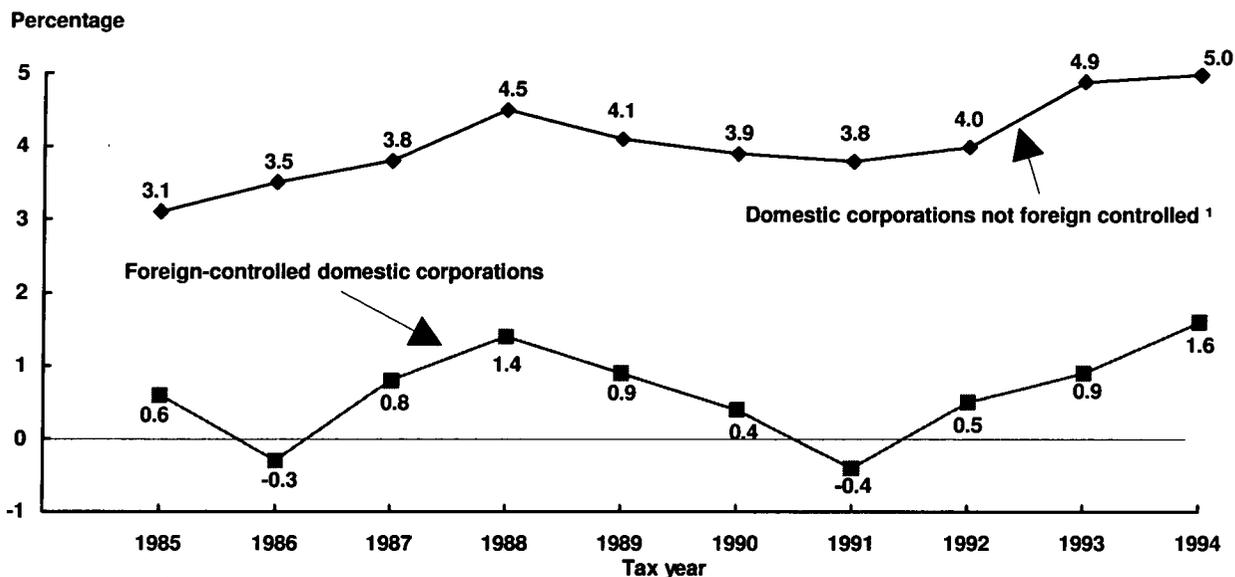


<sup>1</sup> Excludes Forms 1120S, U.S. Income Tax Return for an S Corporation.

# Foreign-Controlled Domestic Corporations, 1994

**Figure B**

**Foreign-Controlled Domestic Corporations Compared to Domestic Corporations not Foreign Controlled: Net Income (Less Deficit) as a Percentage of Total Receipts, Tax Years 1985-1994**



<sup>1</sup> Excludes Forms 1120S, U. S. Income Tax Return for an S Corporation.

most other corporations, could file consolidated returns for affiliated groups of domestic corporations. To the extent that they did, the data included in this article actually represent more companies than the stated number of returns.) Returns of FCDC's comprised a rather constant percentage of all U.S. corporation income tax returns, between 1.1 and 1.4 percent for each year between 1985 and 1994. This is in contrast to the rising percentage of receipts (and also assets) they reported over this period.

### Industry Characteristics

In the preceding section it was stated that FCDC receipts grew from 6.1 percent of all corporate receipts for 1985 to 10.3 percent for 1994. This growth can be viewed more specifically on an industrial basis. The four most significant industrial divisions (or groups) for FCDC's have been wholesale trade; manufacturing; finance, insurance, and real estate; and services. Using total receipts as the measure, the growth during the 1985-1994 period of FCDC's as a percentage of all corporations for these four groups was: for wholesale trade, 16.2 percent to 23.2 percent; for manufacturing, 7.2 percent to 13.1 percent; for finance, insurance, and real estate, 3.5 percent to 7.8

percent; and for services, 2.4 percent to 5.4 percent. Thus, FCDC's in all four groups made significant increases over this period.

For 1994, foreign-controlled domestic corporations were involved in every type of industrial activity, but, based on number of returns, 82.1 percent were concentrated in four industrial groupings: (1) finance, insurance, and real estate (17,619 returns); (2) wholesale trade (13,405 returns); (3) services (7,725 returns); and (4) manufacturing (6,071 returns). (In general, data are presented only for broad industrial classifications; they do not focus on more specific industrial subgroups underlying these broad classifications. The Data Sources and Limitations section discusses how returns were classified by industry.)

While the services industrial division comprised a substantial number of the total returns filed by FCDC's, these companies tended to have small amounts of receipts and assets when compared to companies in the other three groupings. For this reason, most of the remaining discussion on industry characteristics focuses on companies classified in finance, insurance, and real estate; wholesale trade; and manufacturing.

Based on assets, two industrial divisions dominated the

## Foreign-Controlled Domestic Corporations, 1994

total for 1994. Finance, insurance, and real estate and manufacturing accounted for \$1.1 trillion and \$0.7 trillion of total assets, respectively, for a combined 76.5 percent of the \$2.3 trillion of assets for all FCDC's. These two divisions made up a similar portion of the total assets reported on returns of other corporations. In this respect, FCDC's closely mirrored other corporations.

Alternatively, on the basis of total receipts, manufacturing and wholesale trade continued to be the two primary industrial categories for FCDC's for 1994. Manufacturers reported \$0.6 trillion of receipts, while wholesalers reported \$0.4 trillion. These two groups accounted for 72.9 percent of the \$1.4 trillion of total receipts recorded for all FCDC's. This percentage was substantially higher than the comparable one (42.8 percent) for other corporations that filed U.S. corporation income tax returns.

Companies classified in different industries often have different financial characteristics. For instance, the comparative levels of total assets and total receipts of companies primarily engaged in wholesale trade activities differ significantly from those primarily engaged in finance, insurance, and real estate activities. FCDC wholesalers produced large amounts of receipts with relatively small amounts of assets (as of the end of their accounting periods), resulting in \$1.80 of receipts for each dollar of assets for 1994. Companies classified in finance, insurance, and real estate reported large amounts of assets, but relatively small amounts of receipts. These FCDC's produced only \$.14 of receipts for each dollar of assets. Other corporations in these two industrial categories had similar characteristics.

While foreign-controlled domestic corporations accounted for one-tenth of the \$13.4 trillion of total receipts reported by all corporations filing U.S. income tax returns for 1994, these companies played disproportionately larger roles in certain industrial groups. For instance, FCDC's produced very substantial parts of the total receipts reported for mining (30.8 percent) and wholesale trade (23.2 percent). FCDC's also accounted for 13.1 percent of the receipts reported by all manufacturing companies. Conversely, FCDC involvement in the agriculture, forestry, and fishing; construction; transportation and public utilities; retail trade; services; and finance, insurance, and real estate industrial divisions was relatively low for 1994, accounting for only 1.7, 1.9, 2.4, 3.5, 5.4, and 7.8 percents, respectively, of the receipts for all companies classified in these categories.

While FCDC's accounted for 30.8 percent of the receipts for all mining companies for 1994, companies in this industrial division are not a major source of FCDC activity. Thus, they are not a major focus of this article.

In comparison to the four industrial groupings shown in Table 1, mining accounted for only 1.7 percent of the total FCDC returns for 1994, 2.6 percent of the total FCDC receipts, and 3.1 percent of the total FCDC assets.

Statistics classified by industry do have certain limitations, which are discussed more thoroughly in the Data Sources and Limitations section, below. However, a brief point should be made here. FCDC's accounted for 23.2 percent of the receipts of all companies classified as wholesalers. This percentage may be subject to certain limitations. For example, certain U.S. companies (not foreign controlled) and their subsidiaries may have been involved in both the manufacturing and wholesaling of products and reported tax information for these activities on a single (consolidated) income tax return, which was classified under manufacturing, rather than trade. Conversely, many domestic companies controlled by foreign corporations acted as wholesalers in the United States for products manufactured overseas by their parent, or other related, companies. These domestic companies would have been classified in the wholesale trade industrial grouping.

### Country Characteristics

Domestic corporations can be controlled by "persons" resident in any country throughout the world. However, for 1994, owners from 10 countries controlled 59.2 percent of the 54,620 domestic corporations classified as 50-percent-or-more controlled by a foreign person (see Table 1). (The countries represent the geographic location of the direct foreign owner's place of residence in the case of individuals, and place of incorporation, organization, creation, or administration in the case of other persons. Because holding companies located in a country different from that of the ultimate owner may directly own the stock of U.S. affiliates, the country reported on the tax return may not necessarily reflect the country of the ultimate owner. No data on the extent of this potential limitation are available.) The 32,336 corporations controlled by persons from the 10 countries accounted for the major portion of the most significant financial items (such as, total assets, 90.4 percent; total receipts, 88.3 percent; total taxable income, 83.9 percent; and, total income tax after credits, 89.7 percent) for all FCDC's.

Domestic corporations controlled by Japanese persons had assets of \$559 billion and total receipts of \$400 billion for 1994, amounts easily larger than those for any other country. These assets and receipts represented 23.9 and 29.2 percents of the respective totals for all FCDC's. (Companies controlled by Japanese persons also accounted for the largest amount of assets and receipts for each of the

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years in the 1985-1993 period.) Finance, insurance, and real estate companies accounted for \$296 billion, 53.0 percent, of the Japanese-controlled assets. Nearly \$265 billion, 66.2 percent, of the Japanese receipts were produced by wholesale trade companies.

Although Japanese-controlled domestic corporations accounted for the largest part of the assets and receipts reported by all FCDC's, they did not file the largest number of returns, and they did not report the largest amounts of taxable income and total income tax after credits for 1994. Canadian-controlled domestic corporations filed the most returns, 11,322; Japanese-controlled domestic corporations were second with 6,867; and United Kingdom-controlled domestic corporations were third with 4,242. The U.K.-controlled companies reported the largest amounts of taxable income and total U.S. income taxes after credits (\$8.0 billion and \$2.5 billion, respectively), with Japanese-controlled companies second (\$5.7 billion and \$1.9 billion), and Netherlands-controlled companies third (\$3.3 billion and \$1.2 billion).

Domestic corporations controlled by persons in the United Kingdom accounted for the second largest amount (\$193 billion) of FCDC receipts for 1994, as well as the second largest amount for the 1985-1993 period as a whole. These receipts represented 14.1 percent of the 1994 receipts for all FCDC's. Most of the U.K. receipts, totaling \$108 billion, were reported by manufacturers.

For 1994, Japanese-controlled domestic corporations reported a combined (positive) net income of \$2.0 billion on \$400.0 billion of receipts, while U.K.-controlled companies reported net income totaling \$6.9 billion on \$192.8 billion of receipts. There are many factors that may have caused the difference in the percentages of profits divided by receipts (0.51 percent versus 3.58 percent, respectively; see column 47 of Table 1) for these two countries. Although many of these causal factors are

**FCDC's of Japanese persons accounted for the largest part of all FCDC receipts. The United Kingdom was second.**

beyond the scope of this article, it is noteworthy to look at the reported profits and losses on a country/industry basis. In the manufacturing industrial division, the percentages were similar (2.27 percent and 2.60 percent) for the two countries. Japanese-controlled corporations reported a net income of \$1.8 billion on \$79.4 billion of receipts, while U.K.-controlled companies reported net income of \$2.8 billion on \$107.8 billion of receipts. However, there was a substantial difference between the two countries in the case of companies classified under finance, insurance, and

real estate. Japanese-controlled corporations reported a net deficit of \$0.9 billion on \$25.7 billion of receipts, while U.K.-controlled companies reported a (positive) net income of \$1.9 billion on \$27.2 billion of receipts. The primary cause of this difference was real estate companies. The companies with Japanese ownership reported a net deficit of \$1.4 billion and receipts of \$3.5 billion. In comparison, companies with U.K. ownership reported a small amount of net income (less than \$0.1 billion) on receipts of \$2.5 billion. For the wholesale trade area, both Japanese- and U.K.-controlled companies reported \$1.3 billion of net profits, but on very different levels of receipts (\$264.7 billion for Japan and \$24.4 billion for the United Kingdom).

### Receipts, Deductions, and Profits

A domestic corporation, whether controlled by a foreign person or not, could have business activities in foreign countries, as well as in the United States. The estimates shown in this article include business activities in the United States, as well as certain foreign activities as reported on tax returns of domestic corporations. Whether from domestic or foreign sources, income includes receipts from sales and operations, as well as investment income. However, income is reported differently, depending on whether it is earned through a branch or through a foreign subsidiary of a domestic corporation. "Total receipts" shown in this article includes the receipts of foreign branch operations of U.S. companies. Also included in these receipts are dividends remitted to U.S. corporations by their foreign subsidiaries. However, for the statistics, two items of constructive taxable income from related foreign corporations (i.e., includable income from Controlled Foreign Corporations and foreign dividend "gross-up") are not included in "total receipts." These two items are, however, reflected in the data for "net income (less deficit)" [8]. (See the Explanation of Selected Terms section.)

The receipts and deductions shown in this article for foreign-controlled domestic corporations do not include amounts generated by their foreign parent companies. However, FCDC's could have had business transactions with their foreign parent companies (as well as with other related foreign persons), and FCDC receipts and deductions stemming from these transactions are included in the statistics [9].

Approximately 91 percent of the \$1.4 trillion of total receipts reported by domestic corporations controlled by a foreign person consisted of "business receipts" (i.e., receipts from sales and operations). These same companies reported \$1.3 trillion of total deductions for 1994. Cost of goods

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sold was 67 percent of the total.

It is noteworthy to look at the "gross profit" of FCDC's. Gross profit is the difference between business receipts and cost of goods sold. The manufacturing and wholesale trade industrial groupings accounted for most of the reported amounts of business receipts and cost of goods sold. Manufacturers had substantially higher gross profits than did wholesalers. As shown in column 39 of Table 1, for every dollar of business receipts, manufacturers reported \$.69 of cost of goods sold. By comparison, wholesalers reported \$.84 of cost of goods sold for each dollar of business receipts.

Total receipts less total deductions for FCDC's amounted to a positive \$21.0 billion for 1994. This is somewhat different from the \$21.9 billion of net income (less deficit) reported by these companies. Total receipts less total deductions includes all of the income "actually" (as opposed to "constructively") received by corporations and reported on tax returns. Unlike net income (less deficit), total receipts less total deductions includes non-taxable interest on State and local Government obligations and excludes the two items of constructive taxable income from related foreign corporations described herein. For 1994, FCDC's received \$0.7 billion of tax-exempt interest on State and local Government obligations and reported \$1.7 billion of constructive taxable income.

The previous paragraph discussed the difference, for statistical purposes, between total receipts less total deductions and net income (less deficit). It is also important to make a distinction between (positive) net income and taxable income (i.e., "income subject to tax" shown in the statistics). Because certain statutory special deductions, including the "net operating loss" deduction, were available to most companies in computing their taxable income, the statistics for net income are generally larger than the amounts shown for taxable income.

Net income (less deficit) for foreign-controlled domestic corporations was \$21.9 billion for 1994, up from the \$11.2 billion for 1993. Net income (less deficit) reported on all corporation income tax returns also increased between 1993 and 1994, from \$498.2 billion to \$577.3 billion.

The performance of FCDC's in three of the four principal industrial groups shown in Table 1 improved for 1994. Companies whose principal business activity was in manufacturing reported \$13.8 billion of net income (less deficit), a significant rise from the \$8.4 billion of income reported for 1993. Wholesalers also reported a substantial increase in net income (\$3.4 billion) for 1994, compared to the \$0.5 billion for the previous year. The services group improved its performance by reducing overall net losses from \$0.7 billion for 1993 to \$0.4 billion for 1994. How-

ever, the performance of the finance, insurance, and real estate group in regard to net income decreased to \$2.2 billion from \$2.8 billion for the previous year.

The \$21.9 billion of net income (less deficit) was the result of 21,369 corporations reporting \$44.7 billion of (positive) profits and 33,251 companies reporting \$22.8 billion of deficits [10]. Thus, fewer than 4 out of every 10 (39.1 percent) domestic corporations with foreign owners reported a (positive) profit for 1994. In comparison, 55.3 percent of all other corporations filing U.S. income tax returns for the same year reported a (positive) profit. The percentage of FCDC's reporting a profit for 1994 was within the range of percentages for the 1985-1993 period as a whole, varying between 38.7 percent and 43.3 percent. Also, while the (positive) profits of FCDC's increased from \$35.9 billion for 1993 to \$44.7 billion for 1994, and deficits decreased from \$24.7 billion to \$22.8 billion, the number of FCDC's reporting profits actually decreased between 1993 and 1994 (from 22,007 to 21,369), and the number reporting losses increased (from 31,994 to 33,251).

The percentage of companies reporting (positive) profits varied among the different industrial groups. About half of the FCDC's classified in manufacturing (51.4 percent), services (48.8 percent), and wholesale trade (44.2 percent) reported profits for 1994. However, less than one-third (31.2 percent) of the companies classified in finance, insurance, and real estate reported profits. Real estate companies primarily accounted for this low percentage, with only 3,888 of the 13,301 returns classified in this industry reporting profits (29.2 percent).

Over six out of every 10 FCDC's reported a deficit for 1994. Collectively, these companies had \$22.8 billion in deficits, a small decrease from the \$24.7 billion of deficits reported for 1993. Deficits could be carried back or forward to other tax years, under prescribed rules, to reduce the taxable income of those years (see "net operating loss deduction" in the Explanation of Selected Terms section). When a company "carried back" a deficit to a previous tax year, it could file either Form 1120X, *Amended U.S. Corporation Income Tax Return*, or Form 1139, *Corporation Application for Tentative Refund*. These forms are not included in the statistics for foreign-controlled domestic corporations. However, net operating losses carried forward to Tax Year 1994 from years prior to then are included in the statistics as part of the computation of "income subject to tax" (discussed below).

### Taxes

For 1994, foreign-controlled domestic corporations reported \$34.4 billion of "income subject to tax" (or

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taxable income, i.e., the base on which tax was computed, for purposes of the statistics), resulting in \$11.9 billion of "regular" tax. The \$12.9 billion of total income tax before credits reported by FCDC's consisted of the regular tax plus the alternative minimum tax, the environmental tax, the Personal Holding Company tax, the tax from the recapture of low-income housing credits, and the tax from the recapture of investment credits. The alternative minimum tax was \$0.8 billion for 1994. The remaining taxes comprised a very small part of the total.

The difference between the \$44.7 billion of positive profits (or net income) and \$34.4 billion of income subject to tax was, for the most part, the result of statutory special deductions. These deductions were allowed for most corporations in computing their taxable income and, in the statistics, include the deduction for "net operating losses" (NOL's) from prior years. For 1994, the net operating loss deduction was \$9.4 billion and accounted for over 87 percent of the total statutory special deductions. (See the Explanation of Selected Terms section for a discussion of the net operating loss deduction.) FCDC's reduced their 1994 net income by 21 percent, using NOL's carried over from prior years. (NOL's carried back to 1994 from Tax Year 1995 and beyond are not included in the statistics shown in this article.)

Tax credits totaling \$2.8 billion reduced the U.S. income tax liability of foreign-controlled domestic corporations to \$10.1 billion for 1994. The largest credits claimed were \$1.8 billion of foreign tax credits, \$0.4 billion of prior-year minimum tax credits, and \$0.3 billion each of general business credits and U.S. possessions tax credits. Other credits included the orphan drug credit and the nonconventional source fuel credit. The \$10.1 billion of total U.S. income tax after credits represents the tax liability as originally reported by taxpayers. However, it does not include any changes made by taxpayers through amended returns or by IRS as a result of examination or enforcement activities.

Interestingly, while the amount of FCDC profits and tax liabilities increased between 1993 and 1994, the percentages of these companies reporting (positive) net income and tax liabilities actually decreased for 1994. Approximately 39.1 percent of all FCDC's had positive amounts of net income for 1994, and 29.6 percent reported U.S. income tax liabilities (i.e., total income tax after credits). By comparison, for the previous year, the percentages

were 40.8 and 30.4, respectively. The percentages of FCDC's that had net income and U.S. income tax liabilities varied considerably among countries, as well as among different industrial groups. For 1994, of the 10 countries shown in Table 1, Sweden had the lowest percentages of companies both with net income (14.0 percent) and with U.S. income tax liabilities (13.8 percent), while Switzerland had the highest percentages (62.7 and 55.0, respectively). Among the four industrial groupings shown in the same table, the finance, insurance, and real estate group had the lowest respective percentages (31.2 and 20.5), while manufacturing had the highest percentages (51.4 and 48.0).

### **"Large" Foreign-Controlled Domestic Corporations**

"Large" companies accounted for the majority of the key FCDC financial items. For purposes of this article, large companies were those with at least \$250 million of total assets, or \$50 million of business receipts, or both. (Within the finance, insurance, and real estate industrial group, total receipts were used in place of business receipts for selecting the large companies. Total receipts includes both business receipts (i.e., gross receipts from sales and operations plus investment income.) Both size of assets and size of receipts were used to select these large companies in order to obtain maximum coverage of three primary industrial groups: manufacturing; wholesale trade; and finance, insurance, and real estate [11]. The services group was not separately covered for this large-company analysis. Only 6.4 percent of the large FCDC's were classified as service companies.

As previously discussed, certain industries have different characteristics from other industries. For instance, companies classified in the wholesale trade industrial group generally report large amounts of receipts compared to their end-of-year assets. By comparison, corporations classified in the finance, insurance, and real estate industrial group generally report large amounts of assets compared to their receipts. If only assets or receipts were used to select the large companies, then one of these industrial groups would have greater coverage in comparison to the other group. Table 2 shows data for the large FCDC's by selected industrial groups. This table also contains data for large domestic corporations that were not foreign owned (i.e., that were owned by domestic persons, or in which ownership by each separate foreign person was less than 50 percent).

Data shown in Table 2 are the focus of this section of the article which covers large FCDC's in comparison to

**FCDC's reported \$10 billion of total U.S. income taxes after credits for 1994.**

## Foreign-Controlled Domestic Corporations, 1994

other large domestic corporations. In addition to presenting data by selected industrial groups, Table 2 also presents data by selected countries of the foreign owners of the domestic corporations, and by age of both the FCDC's and the other domestic corporations. Regarding the age of corporations, two categories are used: "new" and "old." Each company included in the study was placed into one of these categories based on the year of incorporation reported on the company's income tax return. Certain limitations of the data presented by age of the corporations are discussed later in this article.

For 1994, large companies reported 91.9 percent of the total assets, 90.4 percent of the total receipts, 87.2 percent of the taxable income, and 86.2 percent of the total income tax after credits, of all the FCDC's. While accounting for most of these key financial items, these 2,488 companies comprised just 4.6 percent of the number of income tax returns filed by FCDC's.

Table 2 shows that there were 13,789 large domestic corporations that did not have controlling foreign owners for 1994. Large companies accounted for even less of the total number of income tax returns filed by domestic corporations without foreign owners (excluding Forms 1120-F and 1120S), only 0.6 percent. However, like the FCDC's, the large companies comprised the majority of the key financial items of this group of returns: 89.0 percent of total assets, 74.9 percent of total receipts, 86.9 percent of taxable income, and 86.4 percent of total income tax after credits.

Large FCDC's generally report greater profits than do the smaller FCDC's. For 1994, large FCDC's reported a combined positive amount of \$25.4 billion of net income (less deficit), while the smaller companies reported a combined loss of \$3.5 billion. Later in this article, the profitability of the large FCDC's is compared to that of large domestically-controlled corporations. This comparison includes industry and age characteristics of the corporations. It also includes country characteristics for the FCDC's.

### Industry Characteristics

The industrial classification of the large companies is somewhat different as between domestic corporations that are foreign controlled and those that are not. For 1994, about 32.5 percent of the large domestic companies without foreign owners were classified in the finance, insurance, and real estate industrial group. For the large FCDC's, this group accounted for only 15.2 percent of the companies. Conversely, large FCDC's were more commonly classified in manufacturing (39.8 percent versus 25.0 percent) and wholesale trade (26.8 percent versus

12.5 percent) compared to the large domestic companies that were not foreign controlled.

Table 2 shows selected items and percentages for large domestic corporations, both foreign- and domestically-controlled. In comparing the percentages between the two groups of returns, this article focuses on each of the three industrial groupings shown in the table, rather than on the data for all industries. By doing so, the effect of different financial characteristics in different industries (previously discussed) is minimized.

In each of the three industrial groupings shown in Table 2, the percentage of returns reporting amounts of positive net income was significantly less for the FCDC's than for the domestically-controlled large companies. The smallest differences were for manufacturers (72.9 percent versus 81.0 percent) and wholesalers (75.1 percent versus 83.4 percent). (See column 32 of the table.) The largest difference was in the finance, insurance, and real estate group, with 83.0 percent of the domestically-controlled companies reporting profits, while only 64.7 percent of the FCDC's did so. This group contained a wide variation of business activities and corresponding profits. For instance, 87.4 percent of domestically-controlled banks and credit agencies reported profits (i.e., positive net income), while 71.1 percent of their FCDC counterparts reported profits. In comparison, 57.3 percent of domestically-controlled real estate companies reported profits, while only 38.1 percent of their FCDC counterparts were profitable.

Another key ratio is net income (less deficit) to total receipts (column 47 of Table 2). Once again, for each of the three industrial divisions shown in this table, domestically-controlled companies reported significantly-higher percentages than did their foreign-controlled counterparts. The differences were: (1) for finance, insurance, and real estate, 10.3 percent for domestically-controlled companies, compared to 2.8 percent for FCDC's; (2) for manufacturing, 6.2 percent versus 2.7 percent; and (3) for wholesale trade, 2.2 percent versus 0.8 percent.

A third method of comparing the profitability of large FCDC's to other large domestic corporations focuses on retained earnings. Column 11 of Table 2 shows the total of unappropriated and appropriated retained earnings of the corporations. The amounts were reported in the end-of-year balance sheets of the corporations' books of account. They represent earnings and profits of the corporations retained from normal and discontinued operations of previous years, as well as from "extraordinary" gains and losses. For 1994, large FCDC's reported \$7.3 billion of negative retained earnings, while other large domestic corporations reported \$1,543.9 billion of positive retained earnings. It should be noted that retained earnings are

## Foreign-Controlled Domestic Corporations, 1994

components of net worth and thus affect the ratio of net income (less deficit) to net worth, which is shown in column 46 of Table 2.

While the differences in the ratios between domestically-controlled large companies and their foreign-controlled counterparts for taxable income (i.e., "income subject to tax") compared to total receipts were substantial, these differences were generally somewhat smaller than the differences discussed above for net income (less deficit) compared to total receipts. However, in the finance, insurance, and real estate group, the differences narrowed substantially. The difference in net income (less deficit) as a percentage of total receipts for this group was 10.3 percent for domestically-controlled companies compared to 2.8 percent for FCDC's. In calculating the taxable income as a percentage of the total receipts reported by these companies, the difference had narrowed to 6.2 percent for domestically-controlled companies versus 3.7 percent for FCDC's. This "narrowing" effect reflects to some extent the relatively large amount of statutory special deductions claimed by domestically-controlled large companies classified in the finance, insurance, and real estate group.

Table 2 also includes the ratio of total income tax after credits to total receipts (column 54). The total income tax after credits reported by both domestically-controlled companies (\$107.3 billion) and by FCDC's (\$8.7 billion) represents the tax liability of these companies as originally reported on their U.S. income tax returns. However, it does not take into account either of the following changes: (1) amended returns filed by the corporations, or (2) adjustments made by IRS as a result of examination or enforcement activities. Among other reasons, corporations could file amended returns to use carryback provisions for net operating losses and unused foreign tax and general business credits.

In using total income tax after credits as a percentage of total receipts, it should also be noted that a small portion of total income tax after credits (for example, the recapture tax on investment credit) does not relate to the current-year total receipts reported by corporations. However, this is not considered to be a major limitation in using the percentage because the regular tax and the alternative minimum tax represented 99 percent or more of the total income tax for both domestically-controlled companies and FCDC's.

In each of the three industrial groupings shown in Table 2, the percentage of total income tax after credits divided by total receipts was higher for domestically-controlled corporations than it was for FCDC's. The finance, insur-

ance, and real estate group had the highest percentages for both domestically-controlled corporations (1.8 percent) and for FCDC's (1.2 percent). While these percentages appear to be more similar than the percentages previously discussed, the large domestically-controlled corporations classified in this group reported 47.2 percent more taxes after credits than did the FCDC's when based on the same level of receipts. The differences in this percentage were significantly greater between large domestically-controlled corporations and large FCDC's in the other two industrial groups. The differences were: (1) for manufacturing, 1.4 percent versus 0.8 percent; and (2) for wholesale trade, 0.6 percent versus 0.4 percent. Thus, for manufacturing, as an example, large domestically-controlled corporations reported 69.9 percent more taxes after credits than did the large FCDC's when based on the same level of receipts.

The differences in financial characteristics of different industries once again become evident when reviewing the percentages shown in Table 2. For instance, when the percentage of net income (less deficit) divided by total receipts (column 47) is used, the finance, insurance, and real estate group has a substantially higher percentage (2.8 percent for large FCDC's) than does the wholesale trade group (0.8 percent). However, when total assets is used as the denominator in place of total receipts (column 45), the difference is reversed (large FCDC's in finance, insurance, and real estate have a 0.4 percentage and those in wholesale trade have a 1.5 percentage). Because the distribution of industrial activities is not the same for large FCDC's as it is for domestically-controlled companies, this again illustrates the importance of comparing domestically-controlled companies to FCDC's on an industrial basis.

### Age Characteristics

Table 2 shows data for both large FCDC's and other large domestic corporations by the age of the corporations. "New" corporations are those with years of incorporation of 1992 and after reported on their income tax returns (for example, in answer to Form 1120, page 1, question C). "Old" corporations are those incorporated in 1991 and before, or with unknown (i.e., unreported) dates of incorporation.

The year of incorporation may be somewhat unreliable as an indicator of the true age of corporations. For example, a consolidated return may include companies which fall into both the new and old categories. However, the return (including all of the financial information contained in it) was classified into just one of the categories based on the year of incorporation of the parent company. Another limitation is the case of an old corporation reorganizing

## Foreign-Controlled Domestic Corporations, 1994

itself and, as a result, becoming a new corporation and reporting a recent year of incorporation. Here, a new corporation is not necessarily the same as a new business. A third limitation is that the year of incorporation is an item which is difficult to verify during statistical processing because there are no other items to which it can be compared on a tax return form. Thus, it is subject to greater levels of taxpayer reporting and data entry errors. Despite these limitations, it is believed that an analysis of the data by age of the corporations is meaningful. Further, there is no known bias in the accuracy of the year of incorporation between FCDC's and other domestic corporations.

Looking at the age characteristics of both large FCDC's and other large domestic corporations provides some additional information on the attributes of FCDC's. First, most of the large corporations were old corporations. For the FCDC's, 2,281 of the 2,488 large corporations were old corporations; 91.7 percent. The other large domestic corporations were very similar to FCDC's in this respect with 91.4 percent being old corporations (i.e., 12,605 out of 13,789).

New companies (both FCDC's and other domestic corporations) tend to report lower profits than do their older counterparts. Looking at net income (less deficit) as a percentage of total receipts,

new FCDC's had a ratio of 1.35 for 1994, while old FCDC's had a ratio of 2.10. For other large domestic corporations, the ratio was 5.77 for new companies and

6.29 for old companies. (See column 47 of Table 2.) Thus, in addition to comparing FCDC's to other domestic corporations on the bases of industry and size, this article uses the same age groupings for the comparisons.

There are six unique industry and age combinations of the large corporations shown in Table 2 by which FCDC's can be compared to other domestic corporations. In five of the six, the ratio of net income (less deficit) to total receipts was substantially lower for FCDC's than it was for other domestic corporations. In manufacturing, new FCDC's had a ratio of 1.35, compared to 4.62 percent for other domestic corporations. Within this same industrial group, the ratio for old FCDC's was 2.73 and that for other old domestic corporations was 6.25.

In the finance, insurance, and real estate group, new corporations had ratios of net income (less deficit) to total receipts of 1.29 (FCDC's) and 13.59 (other domestic corporations). The older corporations had ratios of 2.88

(FCDC's) and 10.20 (other domestic corporations). Due to the diverse business activities of this group, as previously mentioned, further analysis of the specific industries might identify additional variations not apparent from the industrial division (or group) totals. However, this is beyond the scope of this article.

For wholesalers, the older corporations had ratios of 0.77 (FCDC's) and 2.31 (other domestic corporations). The one exception of the six cases is new corporations whose primary industrial activities were classified under wholesale trade. The 66 large FCDC's in this group reported amounts of net income (less deficit) equaling 1.37 percent of their total receipts, while their domestically-controlled counterparts, numbering 78, reported a slightly smaller percentage, 1.24. In the next section of this article, country detail of the large FCDC's is examined.

### Country Characteristics

Within each industrial grouping in Table 2, there are six countries shown for the FCDC's. The country information is based on the location of the owner's country of residence, incorporation, organization, creation, or administration, as reported on the U.S. income tax returns of the foreign-controlled domestic corporations. (See the Data Sources and Limitations section of this article for a brief discussion of the possible limitations of the data classified on a country basis.) The six countries were selected for the table based on the largest aggregated amounts of total receipts at the "all industries" level. FCDC's controlled by persons from these six countries accounted for 71.5 percent of the number of returns, 78.5 percent of the assets, and 80.0 percent of the total receipts of the 2,488 large FCDC's.

More specifically, Japanese owners controlled 663 of the 2,488 large FCDC's, which was the largest portion (26.6 percent). These corporations accounted for 23.5 percent of the assets and 30.0 percent of the receipts of all large FCDC's. Nearly three-fourths of these corporations were either manufacturers or wholesalers.

United Kingdom owners controlled the second highest number of large FCDC's, 301, or 12.1 percent of the total. Following the United Kingdom, Canada had 257 large FCDC's, the Netherlands had 212, Germany had 199, and France had 147.

FCDC's with United Kingdom owners also had the second largest total assets and total receipts of all large FCDC's. These 301 corporations accounted for 16.9 percent of the assets and 14.6 percent of the receipts of all large FCDC's.

Within a given industrial and age grouping, domestic corporations controlled by owners in different foreign

**Nearly 92 percent of the large FCDC's were "old" corporations.**

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**Figure C**

**"Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Net Income (Less Deficit) as a Percentage of Total Receipts, by Age of Corporations and Selected Industrial Groupings and Countries, Tax Year 1994**

Industry and age of corporations	Net income (less deficit) divided by total receipts					
	Domestic corporations not foreign controlled <sup>1</sup>	Foreign-controlled domestic corporations				
		All countries	Lowest percentage <sup>2</sup>		Highest percentage <sup>2</sup>	
			Percentage	Country	Percentage	Country
(1)	(2)	(3)	(4)	(5)	(6)	
<b>Manufacturing:</b>						
New corporations.....	4.62	1.35	1.03	Germany	6.15	France
Old corporations.....	6.25	2.73	1.60	France	3.02	Germany
<b>Wholesale trade:</b>						
New corporations.....	1.24	1.37	-0.80	Germany	7.38	United Kingdom
Old corporations.....	2.31	0.77	-1.71	Germany	4.67	United Kingdom
<b>Finance, insurance, and real estate:</b>						
New corporations.....	13.59	1.29	-8.13	Canada	9.66	Netherlands
Old corporations.....	10.20	2.88	1.00	Germany	7.34	United Kingdom

<sup>1</sup> Excludes Forms 1120S, U.S. Income Tax Return for an S Corporation.

<sup>2</sup> Within each industry/age group, the foreign countries (among the six shown in Table 2, i.e., Canada, France, Germany, Japan, Netherlands, and the United Kingdom) with the lowest and highest percentages are shown in columns 3 through 6.

NOTES: "Large" corporations were those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance, insurance, and real estate division). "New" corporations were those with dates of incorporation between 1992 and 1995; "old" corporations were those with dates of incorporation prior to 1992.

countries had different levels of profitability. Sometimes the differences were comparatively small, such as for old FCDC's classified as manufacturers. The ratios of net income (less deficit) to total receipts for the six countries ranged from a low of 1.60 for France to a high of 3.02 for Germany. (See Figure C.) Sometimes the differences among countries were comparatively large, such as for new FCDC's classified in the finance, insurance, and real estate group. The ratios for the six countries ranged from a low of -8.13 for Canada to a high of 9.66 for the Netherlands. In this latter case, the large difference may be the result, at least in part, of different industrial activities within the finance, insurance, and real estate group.

For all three industrial groups shown in Figure C, the range in profitability ratios of the six countries of owners of FCDC's was considerably greater for new corporations than it was for older corporations. Here, the range is considered to be the difference between the lowest profitability ratio and the highest profitability ratio within a given industry/age group. For example, in manufacturing, the range for the new corporations was 5.12 (i.e., the difference between 6.15 for France and 1.03 for Germany), while it was only 1.42 for the older corporations.

**Summary**

Direct foreign investment in the United States through FCDC's continued to grow for 1994. While total assets

reported on all U.S. corporation income tax returns increased by 7.5 percent over the previous year, assets of domestic corporations controlled by foreign persons increased by 11.5 percent [12]. As a result, the percentage of total corporate assets accounted for by FCDC's increased to 10.0 percent. In addition, the share of total corporate receipts accounted for by FCDC's increased to 10.3 percent. Between 1993 and 1994, receipts reported by all corporations increased by 8.9 percent, while the receipts of FCDC's increased at a faster pace, by 9.5 percent.

Two industrial groupings (manufacturing and wholesale trade) generated nearly three-fourths of the total receipts of all FCDC's. From a country perspective, domestic corporations controlled by persons in Japan had total receipts of \$400 billion, 29.2 percent of the FCDC total. In addition, the United Kingdom, the Netherlands, and Germany accounted for 14.1, 10.7, and 9.6 percents, respectively, of the total.

The collective net income (less deficit) reported by foreign-controlled domestic corporations increased to \$21.9 billion, compared to \$11.2 billion for 1993. This reflects both an increase in (positive) net income (from \$35.9 billion to \$44.7 billion) and a decrease in deficits (from \$24.7 to \$22.8 billion). Total income tax after credits moved in the same direction as net income, increasing from \$8.2 billion for 1993 to \$10.1 billion for 1994.

## Foreign-Controlled Domestic Corporations, 1994

Of the 54,620 foreign-controlled domestic corporations, 2,488 "large" companies accounted for 86 percent or more of the total amounts of key financial items (e.g., total assets, total receipts, taxable income, and total income tax after credits). In comparing these large companies to large domestically-controlled companies on industry and age bases, in most cases the ratios related to profitability, e.g., net income (less deficit) compared to total receipts, were substantially smaller for the FCDC's. While this article has been able to compare the profits of FCDC's to other domestic corporations on the same bases of size, industry, and age, additional research is needed to explain the remaining differences in the profitability of the two groups of companies [13].

### Explanation of Selected Terms

The following are brief explanations of some of the terms used in this article. For more extensive definitions, see *Statistics of Income--1994, Corporation Income Tax Returns* [14].

**Alternative Minimum Tax.**--This tax was designed to ensure that a taxpayer with substantial economic income would not avoid significant tax liability through a legitimate use of exclusions, deductions, and credits. It is included in the statistics shown for both total income tax before (and after) credits.

**Attribution Rules.**--In regard to domestic corporations that are 50 percent or more owned by one foreign "person," these rules provide that an individual shall be considered as owning the stock of a corporation if it is owned, directly or indirectly, by or for his or her family. The family of an individual includes his or her spouse, brothers and sisters, ancestors, and lineal descendants. For more information on these rules, see section 267(c) of the Internal Revenue Code. However, if a corporation is owned by two or more unrelated persons, neither of which owned 50 percent or more of the corporation, then that corporation was excluded from the FCDC statistics even though, together, these persons may have met the 50-percent-or-more ownership criterion.

**Business Receipts.**--These receipts were, in general, the gross operating receipts of the corporation reduced by the cost of returned goods and allowances. Some corporations reported sales and excise taxes as part of their gross receipts from sales (and deducted these taxes as part of "cost of goods sold" or as "taxes paid"); others reported their receipts after adjustment for these taxes. Business receipts include rents reported as the principal business income by real estate operators and certain manufacturing, public utility, trade, and service corporations. In the finance, insurance, and real estate industries, business

receipts include such banking items as fees, commissions, trust department earnings, and service charges. Interest, the principal operating income of banking and savings institutions, was excluded from business receipts, but included in the separate statistics for "interest received." Also in the finance, insurance, and real estate division, premium income of most insurance companies was included in business receipts.

**Cost of Goods Sold.**--This item generally consisted of the direct costs incurred by corporations 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. For statistical processing purposes, however, certain items (such as advertising, amortization, bad debts, compensation of officers, depletion, depreciation, interest paid, sales and excise taxes, and contributions to charitable organizations, employee benefit programs, and pension plans) reported by taxpayers in cost of goods sold schedules were transferred to their respective and separate deduction categories. For studies prior to Tax Year 1994, "cost of sales and operations" was used in place of this item. For an explanation of the difference between these two items, see *Statistics of Income--1994, Corporation Income Tax Returns*.

**Foreign Person.**--A foreign person (or entity) is defined as a person other than a U.S. person. A U.S. person includes: (1) a citizen or resident of the United States, (2) a domestic partnership, (3) a domestic corporation, and (4) any estate or trust (other than a foreign estate or trust). Section 7701 of the Internal Revenue Code further defines the term, U.S. person.

**Income Subject to Tax.**--For most corporations, income subject to tax, i.e., taxable income, was defined by Internal Revenue Code section 63 and consisted of net income minus certain statutory special deductions. There were special provisions in the Code for determining the taxable income of life insurance companies, regulated investment companies, and real estate investment trusts. On Form 1120, this item was reported on page 1, line 30.

**Net Income (or Deficit).**--This is the difference between taxable receipts and the ordinary and necessary business deductions allowed by the Internal Revenue Code. In this article, it is also referred to as either "profits" or "losses." It reflects not only actual receipts, but "constructive" receipts as well (i.e., certain income from Controlled Foreign Corporations and from the foreign taxes deemed paid on foreign dividends received). Tax-exempt interest on State and local Government obligations is excluded from this item, but is included in "total receipts." Because

## Foreign-Controlled Domestic Corporations, 1994

certain statutory special deductions, including the net operating loss deduction, were allowed most corporations in computing their "taxable income" (or "income subject to tax"), the statistics for net income are generally larger than the amounts shown for (U.S.) "income subject to tax" (i.e., the base on which the regular income tax was computed). See also the discussion of the "net operating loss deduction." On Form 1120, this item was reported on page 1, line 28.

*Net Operating Loss Deduction (NOLD).*--A statutory "net operating loss" (NOL) for a given tax year could be carried back, in general, 3 years to reduce the taxable income of those years, and any amount of the NOL not offset against income during that time could be carried forward and offset against income for a period not exceeding 15 years. The amount of the deduction included in the statistics, however, consists only of losses from prior years carried forward and actually used to reduce taxable income for the current (1994) tax year. Losses incurred after the 1994 Tax Year and carried back to that year at a later date could not be reported on the tax returns used for this article. Net operating losses on which the 1994 deduction was based include: (1) the excess of ordinary and necessary business expenses over income for previous loss years, and (2) statutory special deductions claimed for a 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).

*Net Worth.*--This item represented the stockholders' equity in the corporation, i.e., total assets less the claims of creditors. It is the net result of adding capital stock, paid-in or capital surplus, appropriated retained earnings, unappropriated retained earnings, and then subtracting the cost of treasury stock. Treasury stock is common or preferred stock originally issued by the corporation which has been reacquired and held at the end of the accounting period by the issuing corporation.

*Number of Returns.*--The data contained in this article include the number of returns filed for Tax Year 1994. For expedient reasons, the number of returns is sometimes referred to in this article as the number of corporations. However, the actual number of corporations may be larger than the number of returns because most domestic corporations could elect to file consolidated income tax returns. These returns were filed by common parent corporations and contained combined financial data of two or more affiliated domestic corporations meeting certain stock ownership requirements. Each consolidated return was treated for statistical purposes as a single unit. The number of returns shown in this article represents returns of "active" corporations, i.e., those which reported any

income or deduction items. While any corporation in existence during any portion of the taxable year was required to file an income tax return (even though it may have been inactive, not having any income or deductions), the great majority of returns filed with IRS were for active corporations.

*Statutory Special Deductions.*--This item was the sum of: (1) deductions for net operating losses of prior years, (2) inter-corporate dividends received deductions, (3) deductions for dividends paid on certain preferred stock of public utilities, (4) deductions for dividends paid by regulated investment companies and real estate investment trusts, and (5) Internal Revenue Code section 857(b)(2)(E) deductions reported by real estate investment trusts. Since these deductions were allowed by law, in addition to ordinary and necessary business deductions, they are shown in the statistics as deductions from net income. In general, net income less statutory special deductions equals income subject to tax.

*Total Assets.*--This item represented those assets reported in the end-of-year balance sheets of 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.

*Total Income Tax After Credits.*--For 1994, total income tax was primarily comprised of the regular tax imposed on corporate income subject to tax (92.5 percent of the total tax) and the alternative minimum tax (6.4 percent). Some taxes included in total income tax were not imposed directly on a corporation's income subject to tax, such as the recapture tax on investment credits. Thus, 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. For 1994, the credits used to reduce total income tax primarily included the foreign tax credit (66.3 percent of the total credits), the prior-year minimum tax credit (14.2 percent), the general business credit (9.5 percent), and the U.S. possessions tax credit (9.1 percent). The statistics shown for this item may differ somewhat from the actual income tax collections and the final income tax liability of corporations for Tax Year 1994. Adjustments could be made to income tax returns after they were filed, which could affect the final tax liability. Such adjustments are not reflected in the statistics. Adjustments could result from tax examination and enforcement activities by IRS, or the use of carryback provisions for net operating losses and unused foreign tax and general business credits by taxpayers. This item is computed within the Statistics of Income corporate program.

## Foreign-Controlled Domestic Corporations, 1994

**Total Receipts.**--This item includes all of the income actually (as opposed to constructively) received by a corporation and reported on its income tax return. It includes gross taxable receipts, before the deduction of cost of goods sold and ordinary and necessary business expenses. It also includes tax-exempt interest received on State and local Government obligations. A domestic corporation (i.e., one incorporated in the United States), whether controlled by a foreign person or not, could have business activities in a foreign country, as well as in the United States. Thus, total receipts may include those from foreign branch operations of the U.S. company. Also, the total receipts of a domestic corporation conducting business abroad through foreign subsidiaries may include dividends remitted from those subsidiaries. This term, however, excludes certain taxable income from related foreign corporations that is only constructively received by the domestic corporation. Also, the statistics for this term exclude long-term capital gains of regulated investment companies. This item is computed within the Statistics of Income corporate program.

**Total Receipts Less Total Deductions.**--This item differs from "net income (less deficit)" for statistical purposes in that it includes nontaxable interest received on State and local Government obligations, and excludes constructive taxable income from related foreign corporations. This item is computed within the Statistics of Income corporate program.

### Data Sources and Limitations

#### Sample

The statistics for domestic corporations controlled by a foreign person are based on samples of corporation income tax returns filed primarily on Form 1120 (*U.S. Corporation Income Tax Return*). In addition, the 1994 statistics include data from the small numbers of other corporation income tax returns filed on Forms 1120-L (*U.S. Life Insurance Company Income Tax Return*), 1120-RIC (*U.S. Income Tax Return for Regulated Investment Companies*), 1120-REIT (*U.S. Income Tax Return for Real Estate Investment Trusts*), and 1120-PC (*U.S. Property and Casualty Insurance Company Income Tax Return*). As previously mentioned, FCDC's could not file Forms 1120-F and 1120S.

Form 1120 sampled returns were stratified based on the size of total assets and the size of "proceeds" (which was used as a measure of income and was the larger of the absolute value of net income or deficit or the absolute value of "cash flow," i.e., net income plus depreciation and depletion). Forms 1120-L, 1120-RIC, 1120-REIT, and

1120-PC were sampled based solely on the size of total assets.

For 1994, the sampling rates for Forms 1120 alone (the overwhelming majority of the returns included in the sample) ranged from less than 1 percent to 100 percent. In general, Form 1120 returns with assets of \$50 million or more, or with "proceeds" of \$10 million or more, were selected for the study at the 100-percent rate. For additional information on the sampling rates, see *Statistics of Income--1994, Corporation Income Tax Returns*.

Because the data presented are estimates based on samples, they are subject to sampling error. To properly use these data, the magnitude of the sampling error should be known. Coefficients of variation (CV's) are used to measure that magnitude. For a general discussion of CV's, see the appendix to this publication. For a more detailed discussion of the CV's applicable to the corporation statistics, see *Statistics of Income--1994, Corporation Income Tax Returns*.

#### Nonsampling Limitations

Most of the data in this article relate to Tax Year 1994, defined to cover returns with accounting periods that ended during the 12-month span beginning in July 1994 and ending in June 1995. Additionally, the sampling frame for the 1994 statistics consisted of tax returns which posted to the IRS Business Master File between July 1994 and June 1996. As a result of the 12-month span for ending accounting periods, the statistics shown in this article include income received or expenses incurred during a 23-month span. For Tax Year 1994, that span was from August 1993 through June 1995. Nevertheless, most of the income and expenses are, in fact, associated with Calendar Year 1994.

Returns were selected for this study based on taxpayers' responses to two questions that appeared on the various types of Form 1120. The first question asked whether any "foreign person" owned, directly or indirectly, 25 percent or more of the filing corporation's voting stock at any time during the tax year. If this question was answered "yes," then a second question asked for the percentage owned [15]. If the first question was answered "yes," and the second question was answered with a percentage between 50 and 100, then the return was included in the FCDC statistics [16, 17]. Taxpayers sometimes incorrectly answered these questions, or did not answer them at all. However, prior to tabulation, corporations with large amounts of assets and with changes in foreign ownership status between 1993 and 1994 were researched and the answers to the questions were verified. These large corporations have a dominating effect on the estimates for

## Foreign-Controlled Domestic Corporations, 1994

balance sheet, income statement, and tax items.

Each return used for the statistics had an industry code reported, or was assigned one during statistical processing. This code was used as a classifier of the returns. The industry code represented the principal business activity (i.e., the activity which accounted for the largest portion of the total receipts) of the corporation filing the return. However, a given return may have been for a company engaged in several business activities or may have been a consolidated return filed for an affiliated group of corporations that conducted different business activities. To the extent that some consolidated (and non-consolidated) corporations were engaged in many types of business activities, the data in this article are not entirely related to the industrial activity under which they are shown.

There is an additional limitation related to data presented by industrial classification. Companies that sell similar products may not be classified in the same industry. For instance, those FCDC's that were primarily U.S. distributors of products made in foreign countries by their parent or other related companies, were classified as wholesalers. However, other domestic corporations that were also distributors and that were included in consolidated returns covering the manufacture and distribution of similar products may have been classified as manufacturers.

Each return used for the statistics also had a foreign country code assigned during statistical processing which identified the owner's country. For individuals, it was the owner's country of residence. For all others, it was the country in which the foreign entity was incorporated, organized, created, or administered. The code was also used as a classifier of the returns. To the extent that a holding company or other affiliated entity was part of a chain between a U.S. subsidiary company and the ultimate parent, the data may not be entirely related to the foreign country under which they are shown.

### Notes and References

- [1] For 1993 data covering FCDC's, see Hobbs, James R., "Foreign-Controlled Domestic Corporations, 1993," Internal Revenue Service, *Statistics of Income Bulletin*, Publication 1136, Fall 1996, Volume 16, Number 2.
- [2] Total corporate data come from Internal Revenue Service, *Statistics of Income Bulletin*, Publication 1136, Spring 1997, Volume 16, Number 4, and unpublished tabulations.
- [3] Direct investment is different from portfolio investment in that the latter exerts no control over the management of the enterprise, except to the extent, for example, of rights to vote periodically in stockholder meetings of the corporation. The portfolio investor has a minimal interest in a company, and is primarily seeking dividend payments, an increase in the value of the shares of stock, or both.
- [4] Sections 7701(a)(4) and (5) of the Internal Revenue Code define a domestic corporation as one created or organized in the United States or under the laws of the United States or any State. A foreign corporation is "one which is not domestic."
- [5] There will be separate tabulations covering branch operations of foreign corporations with income "effectively connected" with a U.S. trade or business in Internal Revenue Service, *Statistics of Income--1994, Corporation Income Tax Returns*, Publication 16, currently planned for publication in the Fall of 1997.
- [6] For additional information on foreign investment in the United States, see U.S. Department of Commerce, Bureau of Economic Analysis (BEA) reports. BEA periodically produces several data sets related to this subject, including: (a) *United States Department of Commerce News*, "U.S. Net International Investment Position, 1995," BEA 96-20, July 2, 1996; (b) *United States Department of Commerce News*, "Foreign Investors' Spending to Acquire or Establish U.S. Businesses Continued to Increase in 1995," BEA 96-21, July 9, 1996; and (c) *United States Department of Commerce News*, "U.S. International Transactions: Fourth Quarter and Year 1996," BEA 97-06, March 13, 1997. The data in these news releases may not be directly comparable to the information shown in this article because of definitional differences such as those relating to time periods covered and levels of foreign ownership.
- [7] Beginning with Tax Year 1988, returns of Foreign Sales Corporations and Interest-Charge Domestic International Sales Corporations were excluded from the Statistics of Income totals for all U.S. corporation income tax returns. Previously, they were included in those totals. Because these returns accounted for such a small portion of the total for most financial items, this change is not considered to be significant in terms of year-to-year comparisons.

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- [8] In general, the computation of net income (less deficit) can be shown as follows:
- Begin With:* Total Receipts  
(Includes Business Receipts)
  - Less:* Total Deductions  
(Includes Cost of Goods Sold)
  - Equals:* Total Receipts Less Total Deductions
  - Plus:* Constructive Taxable Income from Related Foreign Corporations
  - Less:* Tax-exempt Interest on State and Local Government Obligations
  - Equals:* Net Income (Less Deficit)
- [9] For the most recent detailed information on transactions between FCDC's and their related foreign persons, see "Transactions Between Large Foreign-Owned Domestic Corporations and Related Foreign Persons, 1992," Internal Revenue Service, *Statistics of Income Bulletin*, Publication 1136, Fall 1996, Volume 16, Number 2. While the above-mentioned article provides more complete information on transactions between FCDC's and their related foreign persons, the reader may want to review columns 6 and 9 of Tables 1 and 2 of this article for data on loans to and from the stockholders of FCDC's. At the end of their 1994 accounting periods, FCDC's had \$57.0 billion of outstanding loans from their stockholders, while making \$15.7 billion of loans to their stockholders. The principal stockholders of FCDC's are foreign "persons," usually foreign corporations.
- [10] The 33,251 companies reporting a deficit may include a small number of "break-even" companies, i.e., those whose receipts and deductions were equal.
- [11] Most, if not all, of the large FCDC's and other domestic corporations were selected for this study at the 100 percent sampling rate. Therefore, sampling error is not considered to be a major concern for the large-corporation data. A complete discussion on sampling rates is contained in *Statistics of Income--1994, Corporation Income Tax Returns*.
- [12] The 11.5 percent increase between 1993 and 1994 in the assets of domestic corporations controlled by foreign persons, as well as the 7.5 percent increase for all corporations, may overstate the actual "growth in investment." Assets are generally reported at book value on tax returns (i.e., at the value at the time of acquisition). The book value of newly-acquired assets is generally greater than the book value of similar assets they replaced. Therefore, new corporations may tend to have a greater percentage of new assets with greater book values. To the extent that new corporations comprised a different portion of FCDC's than they did for other companies, the comparability of 11.5 percent to 7.5 percent (above) may be limited.
- [13] See Grubert, Harry, "Another Look at the Low Taxable Income of Foreign-Controlled Companies in the United States," unpublished manuscript, 1997.
- [14] *Statistics of Income--1994, Corporation Income Tax Returns*, Publication 16, is currently planned for publication in the Fall of 1997.
- [15] On Form 1120, Page 3, Schedule K, the actual questions were: "(10) Did one foreign person at any time during the tax year own, directly or indirectly, at least 25 percent 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?" and "(10a) If 'Yes,' enter percentage owned." There was an additional question used for the country distribution of these statistics, which was "(10b) If 'Yes,' enter owner's country."
- [16] Returns for this study may exclude certain domestic companies that are effectively controlled by foreign persons, such as public companies in which "control" may be exercised with as little as 10 to 20 percent of the stock holdings.
- [17] *Statistics of Income* also compiles statistics for the domestic corporations with 25 to 49 percent foreign ownership. If a company was classified as an FCDC based on 50-percent-or-more foreign stock ownership, then it was not included in the 25-to-49 percent foreign ownership category, even if it had an unrelated foreign owner with 25 to 49 percent stock ownership. For 1994, there were only 4,074 returns which indicated a level of foreign ownership between 25 and 49 percent. These companies reported \$116.5 billion of assets, \$65.1 billion of receipts, \$2.1 billion of taxable income, and \$0.6 billion of total income tax after credits. All of these amounts were small in comparison to data for the FCDC's.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries**

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

Selected industrial groupings and countries	Number of returns			Assets			Current liabilities
	Total	With net income	With total income tax after credits	Total	Inventories	Loans to stockholders	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All industries</b> <sup>1</sup> .....	<b>54,620</b>	<b>21,369</b>	<b>16,186</b>	<b>2,339,033</b>	<b>131,863</b>	<b>15,717</b>	<b>1,092,301</b>
Australia.....	374	182	172	71,068	3,019	1,669	13,310
Belgium.....	159	78	70	16,308	1,908	*1	5,256
Canada.....	11,322	5,375	3,494	201,505	8,679	732	58,963
France.....	2,381	1,168	1,068	205,475	8,984	1,680	82,642
Germany.....	3,339	1,374	1,274	157,439	14,013	72	69,346
Japan.....	6,867	2,483	2,091	558,630	39,832	1,019	358,977
Netherlands.....	1,587	854	444	307,316	10,004	1,263	103,921
Sweden.....	535	75	74	29,632	2,846	*1,276	17,844
Switzerland.....	1,530	959	841	187,101	7,913	280	120,394
United Kingdom.....	4,242	1,893	1,460	380,134	17,738	6,581	150,116
<b>Manufacturing</b> <sup>1</sup> .....	<b>6,071</b>	<b>3,123</b>	<b>2,915</b>	<b>653,726</b>	<b>64,715</b>	<b>1,937</b>	<b>198,629</b>
Australia.....	33	25	25	8,892	974	--	4,005
Belgium.....	*19	*15	*15	*5,524	*607	--	*710
Canada.....	1,573	1,022	986	65,235	5,111	*298	19,663
France.....	200	122	122	48,724	5,529	*211	13,890
Germany.....	585	369	364	61,891	9,314	36	19,138
Japan.....	991	482	461	61,819	9,775	13	24,497
Netherlands.....	146	87	88	135,643	5,896	*208	34,001
Sweden.....	80	42	44	9,788	2,116	*8	2,949
Switzerland.....	287	221	165	60,217	6,359	*260	22,506
United Kingdom.....	517	307	288	134,004	11,877	849	35,370
<b>Wholesale trade</b> <sup>1</sup> .....	<b>13,405</b>	<b>5,931</b>	<b>4,524</b>	<b>246,656</b>	<b>46,364</b>	<b>943</b>	<b>144,841</b>
Australia.....	*49	*43	*44	*1,564	*144	--	*295
Belgium.....	93	32	27	1,024	214	(*)	472
Canada.....	921	528	300	7,346	1,743	*15	3,127
France.....	420	205	143	4,466	870	*36	2,011
Germany.....	1,156	440	416	22,194	3,202	*8	12,796
Japan.....	1,824	989	769	143,817	26,229	672	91,041
Netherlands.....	498	165	163	14,991	2,441	*18	6,954
Sweden.....	239	14	13	2,552	643	(*)	1,187
Switzerland.....	244	193	185	4,717	1,197	*14	2,429
United Kingdom.....	985	653	378	17,926	2,778	*120	5,377
<b>Finance, insurance, and real estate</b> <sup>1</sup> .....	<b>17,619</b>	<b>5,503</b>	<b>3,618</b>	<b>1,135,459</b>	<b>2,482</b>	<b>12,195</b>	<b>669,580</b>
Australia.....	131	38	29	5,204	3	1,609	3,251
Belgium.....	29	24	20	3,709	(*)	(*)	2,360
Canada.....	4,724	1,812	992	105,223	573	159	30,425
France.....	354	173	149	137,031	24	*1,422	62,028
Germany.....	935	320	273	55,578	4	*5	31,362
Japan.....	2,164	529	453	296,163	793	325	222,674
Netherlands.....	258	125	75	125,983	166	*986	56,162
Sweden.....	204	*10	*10	16,019	4	*1,263	13,123
Switzerland.....	469	182	184	118,678	44	*5	94,416
United Kingdom.....	785	305	206	168,979	422	5,404	94,208
<b>Services</b> <sup>1</sup> .....	<b>7,725</b>	<b>3,772</b>	<b>2,754</b>	<b>151,127</b>	<b>6,031</b>	<b>147</b>	<b>35,401</b>
Australia.....	*92	*70	*67	*36,591	*1,525	(*)	*1,603
Belgium.....	*4	**	**	*130	*21	*1	*103
Canada.....	1,873	1,232	539	5,004	172	*63	1,080
France.....	517	423	407	7,319	1,082	*3	1,100
Germany.....	280	138	136	3,961	110	*17	2,515
Japan.....	860	208	184	44,313	2,139	*1	14,727
Netherlands.....	323	195	58	18,357	272	*32	3,799
Sweden.....	*5	**	**	*290	*44	--	*146
Switzerland.....	342	*214	*211	1,990	67	--	520
United Kingdom.....	713	253	226	23,664	224	*23	6,392

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Noncurrent liabilities		Net worth		Total receipts	Business receipts
	Total	Loans from stockholders	Total	Retained earnings		
	(8)	(9)	(10)	(11)		
<b>All Industries <sup>1</sup></b> .....	<b>743,428</b>	<b>56,999</b>	<b>503,303</b>	<b>-78,013</b>	<b>1,369,526</b>	<b>1,243,386</b>
Australia.....	28,341	903	29,417	-3,873	20,502	17,761
Belgium.....	4,203	28	6,849	2,173	18,234	17,515
Canada.....	98,040	7,362	44,502	717	110,926	99,641
France.....	90,885	3,874	31,948	-9,697	89,983	78,266
Germany.....	45,227	2,293	42,866	-2,005	131,438	123,544
Japan.....	116,759	14,352	82,894	-30,408	400,047	368,950
Netherlands.....	99,057	4,619	104,338	8,352	146,964	133,525
Sweden.....	4,907	649	6,881	-460	24,212	22,457
Switzerland.....	41,447	3,821	25,260	-3,124	74,585	62,795
United Kingdom.....	149,235	12,293	80,784	-12,880	192,840	171,521
<b>Manufacturing <sup>1</sup></b> .....	<b>230,992</b>	<b>20,245</b>	<b>224,105</b>	<b>-5,831</b>	<b>554,382</b>	<b>529,544</b>
Australia.....	2,742	*79	2,145	-1,741	8,092	7,937
Belgium.....	*2,006	--	*2,808	*1,098	*5,805	*5,635
Canada.....	21,799	2,506	23,773	4,443	53,847	51,936
France.....	18,272	1,717	16,562	-6,081	40,715	38,992
Germany.....	17,404	729	25,348	-512	62,984	60,410
Japan.....	17,196	1,281	20,126	-7,156	79,449	77,806
Netherlands.....	28,988	2,043	72,654	16,452	77,414	74,472
Sweden.....	2,518	*347	4,321	-108	12,263	12,054
Switzerland.....	24,445	2,277	13,266	-4,534	46,200	43,642
United Kingdom.....	73,411	7,743	25,223	-9,779	107,827	100,962
<b>Wholesale trade <sup>1</sup></b> .....	<b>59,313</b>	<b>5,331</b>	<b>42,502</b>	<b>-10,206</b>	<b>443,422</b>	<b>430,589</b>
Australia.....	*425	*17	*844	*98	*1,266	*1,253
Belgium.....	129	*17	422	7	1,701	1,676
Canada.....	2,568	609	1,651	-710	16,461	16,037
France.....	1,069	*285	1,387	-1,139	8,470	8,314
Germany.....	5,593	762	3,805	-1,332	34,759	33,091
Japan.....	28,474	1,507	24,301	-1,138	264,735	257,826
Netherlands.....	6,273	164	1,764	-706	21,730	21,096
Sweden.....	673	*59	692	127	5,891	5,284
Switzerland.....	813	169	1,476	171	8,741	8,578
United Kingdom.....	8,686	1,010	3,862	-1,299	24,357	23,109
<b>Finance, insurance, and real estate <sup>1</sup></b> .....	<b>334,925</b>	<b>21,416</b>	<b>130,954</b>	<b>-23,702</b>	<b>154,963</b>	<b>82,979</b>
Australia.....	895	33	1,058	-475	511	183
Belgium.....	1,011	*9	338	-41	163	*11
Canada.....	63,700	2,431	11,098	-3,387	18,001	10,762
France.....	63,575	1,624	11,429	363	18,864	9,928
Germany.....	14,627	316	9,589	825	12,388	9,753
Japan.....	52,913	8,859	20,576	-17,026	25,742	6,109
Netherlands.....	49,685	1,462	20,136	-839	21,853	14,389
Sweden.....	1,347	*233	1,548	-492	4,453	3,613
Switzerland.....	14,491	1,069	9,771	1,971	15,128	6,189
United Kingdom.....	47,910	1,879	26,862	4,190	27,246	16,851
<b>Services <sup>1</sup></b> .....	<b>65,175</b>	<b>4,251</b>	<b>50,551</b>	<b>-22,097</b>	<b>65,223</b>	<b>56,364</b>
Australia.....	*21,661	*70	*13,327	*-1,930	*7,329	*5,340
Belgium.....	*11	--	*16	*-47	*106	*99
Canada.....	2,880	779	1,044	-1,422	5,462	5,104
France.....	5,130	*55	1,089	-1,839	3,211	2,878
Germany.....	712	*199	734	-304	2,885	2,560
Japan.....	13,260	1,838	16,325	-3,652	15,514	13,425
Netherlands.....	8,424	*450	6,134	-5,307	8,755	6,936
Sweden.....	*98	*1	*46	*-40	*537	*505
Switzerland.....	1,191	*209	278	-676	2,205	2,126
United Kingdom.....	7,294	248	9,978	-2,977	11,554	10,411

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Interest received <sup>2</sup>	Total deductions	Cost of goods sold	Interest paid	Taxes paid	Total receipts less total deductions
	(14)	(15)	(16)	(17)	(18)	(19)
<b>All industries <sup>1</sup>.....</b>	<b>75,039</b>	<b>1,348,566</b>	<b>899,823</b>	<b>72,276</b>	<b>20,850</b>	<b>20,960</b>
Australia.....	2,240	20,515	12,389	2,943	304	-13
Belgium.....	249	17,620	13,152	441	248	614
Canada.....	6,561	108,662	68,031	5,394	1,708	2,264
France.....	6,476	89,173	60,980	4,129	1,244	810
Germany.....	3,460	129,273	86,630	4,022	2,067	2,164
Japan.....	20,686	398,181	303,765	19,785	3,451	1,866
Netherlands.....	8,299	144,142	93,447	6,685	2,153	2,822
Sweden.....	742	23,649	15,664	578	317	563
Switzerland.....	8,506	73,407	34,980	8,996	1,474	1,178
United Kingdom.....	12,458	185,981	103,806	13,147	5,160	6,859
<b>Manufacturing <sup>1</sup>.....</b>	<b>8,556</b>	<b>541,644</b>	<b>365,367</b>	<b>20,175</b>	<b>9,959</b>	<b>12,738</b>
Australia.....	102	8,147	6,072	207	133	-55
Belgium.....	*85	*5,744	*4,152	*201	*83	*61
Canada.....	560	52,887	37,930	1,467	771	960
France.....	428	40,102	26,915	1,358	667	613
Germany.....	633	61,098	41,640	1,438	1,057	1,886
Japan.....	582	77,688	62,435	1,504	953	1,761
Netherlands.....	1,563	75,915	55,252	2,437	1,057	1,499
Sweden.....	53	11,849	8,414	205	146	413
Switzerland.....	1,079	45,330	22,675	2,077	944	869
United Kingdom.....	2,865	105,161	61,060	7,494	3,375	2,666
<b>Wholesale trade <sup>1</sup>.....</b>	<b>4,416</b>	<b>440,139</b>	<b>363,243</b>	<b>7,654</b>	<b>3,512</b>	<b>3,283</b>
Australia.....	*6	*1,281	*941	*31	*22	*-15
Belgium.....	5	1,674	1,452	13	16	27
Canada.....	113	16,311	13,380	225	144	150
France.....	52	8,427	6,894	90	96	43
Germany.....	686	35,207	26,806	1,112	332	-448
Japan.....	2,515	263,456	221,422	4,194	1,501	1,279
Netherlands.....	262	21,398	17,031	493	163	331
Sweden.....	67	5,439	4,387	90	45	452
Switzerland.....	43	8,558	6,670	110	104	183
United Kingdom.....	320	23,134	17,530	613	318	1,222
<b>Finance, insurance, and real estate <sup>1</sup>.....</b>	<b>56,031</b>	<b>152,417</b>	<b>41,907</b>	<b>35,134</b>	<b>3,042</b>	<b>2,546</b>
Australia.....	173	532	*96	199	18	-22
Belgium.....	132	160	--	140	* <sup>(9)</sup>	2
Canada.....	5,363	17,389	5,285	2,871	252	612
France.....	5,570	18,608	9,830	2,104	279	256
Germany.....	1,920	12,087	3,757	1,187	191	301
Japan.....	16,766	26,650	2,100	12,818	511	-908
Netherlands.....	5,834	21,011	6,308	2,467	385	842
Sweden.....	606	4,777	*1,724	258	104	-323
Switzerland.....	7,348	14,998	*2,945	6,717	270	130
United Kingdom.....	8,436	25,142	7,967	3,603	619	2,105
<b>Services <sup>1</sup>.....</b>	<b>3,854</b>	<b>65,698</b>	<b>26,576</b>	<b>5,636</b>	<b>1,663</b>	<b>-474</b>
Australia.....	*1,788	*7,566	*3,398	*2,360	*60	*-237
Belgium.....	*6	*118	*79	*9	*1	*-13
Canada.....	120	5,371	1,238	249	203	90
France.....	140	3,239	800	166	90	-28
Germany.....	88	2,741	1,174	58	77	144
Japan.....	618	15,719	7,004	957	293	-205
Netherlands.....	550	8,782	3,366	922	239	-27
Sweden.....	*9	*534	*415	*11	*4	*3
Switzerland.....	29	2,266	1,165	55	124	-61
United Kingdom.....	375	11,391	4,411	564	314	163

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Net income (less deficit)	Net income	Deficit	Statutory special deductions		Income subject to tax
				Total	Net operating loss deduction	
	(20)	(21)	(22)	(23)	(24)	(25)
<b>All Industries <sup>1</sup>.....</b>	<b>21,949</b>	<b>44,724</b>	<b>22,775</b>	<b>10,698</b>	<b>9,359</b>	<b>34,351</b>
Australia.....	25	826	801	121	118	705
Belgium.....	651	802	151	76	69	727
Canada.....	2,223	4,233	2,010	1,289	957	2,985
France.....	952	2,520	1,568	813	753	1,709
Germany.....	2,163	3,754	1,590	893	759	2,907
Japan.....	2,043	8,048	6,004	2,328	2,219	5,742
Netherlands.....	2,777	4,216	1,438	1,015	794	3,294
Sweden.....	572	1,049	477	171	155	879
Switzerland.....	1,199	2,281	1,082	448	375	1,892
United Kingdom.....	6,912	9,752	2,840	1,811	1,509	7,982
<b>Manufacturing <sup>1</sup>.....</b>	<b>13,821</b>	<b>21,368</b>	<b>7,547</b>	<b>4,803</b>	<b>4,072</b>	<b>16,641</b>
Australia.....	-41	205	246	*67	*66	*139
Belgium.....	*61	*66	*5	*58	*58	*8
Canada.....	970	1,537	568	626	373	942
France.....	754	1,711	958	551	515	1,161
Germany.....	1,951	2,269	318	541	453	1,730
Japan.....	1,801	3,028	1,227	1,127	1,091	1,903
Netherlands.....	1,527	1,833	306	439	335	1,396
Sweden.....	427	475	47	39	29	436
Switzerland.....	904	1,554	650	295	278	1,262
United Kingdom.....	2,803	4,640	1,838	611	446	4,064
<b>Wholesale trade <sup>1</sup>.....</b>	<b>3,367</b>	<b>7,390</b>	<b>4,023</b>	<b>2,073</b>	<b>1,976</b>	<b>5,325</b>
Australia.....	*-15	*11	*25	*8	*8	*2
Belgium.....	27	33	6	*14	*7	*20
Canada.....	150	350	200	94	93	256
France.....	44	156	112	35	32	121
Germany.....	-437	655	1,093	227	220	429
Japan.....	1,322	2,696	1,374	743	722	1,960
Netherlands.....	332	539	207	140	107	399
Sweden.....	452	471	19	*98	*98	*372
Switzerland.....	183	217	34	37	36	180
United Kingdom.....	1,253	1,327	75	351	338	977
<b>Finance, insurance, and real estate <sup>1</sup>.....</b>	<b>2,165</b>	<b>7,961</b>	<b>5,796</b>	<b>1,967</b>	<b>1,533</b>	<b>6,223</b>
Australia.....	-27	59	85	26	*25	*32
Belgium.....	2	21	18	*1	* <sup>(3)</sup>	*20
Canada.....	560	1,196	636	259	198	941
France.....	246	370	124	152	134	221
Germany.....	224	280	56	75	37	249
Japan.....	-879	1,291	2,171	263	217	1,042
Netherlands.....	762	1,161	399	200	124	1,052
Sweden.....	-327	*47	373	*15	*10	*33
Switzerland.....	118	378	260	83	*27	351
United Kingdom.....	1,942	2,175	232	493	404	1,687
<b>Services <sup>1</sup>.....</b>	<b>-377</b>	<b>2,186</b>	<b>2,563</b>	<b>609</b>	<b>593</b>	<b>1,584</b>
Australia.....	*-230	*5	*235	*2	*2	*3
Belgium.....	*-13	*2	*14	--	--	*2
Canada.....	90	235	145	100	94	141
France.....	-18	104	122	14	*13	91
Germany.....	145	183	38	*5	*3	178
Japan.....	-140	648	788	78	75	570
Netherlands.....	-24	255	279	160	160	95
Sweden.....	*3	*7	*4	--	--	*7
Switzerland.....	-62	*54	116	*13	*13	*41
United Kingdom.....	178	503	325	157	153	346

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Income tax before credits			Credits		Total income tax after credits
	Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(26)	(27)	(28)	(29)	(30)	
<b>All Industries <sup>1</sup></b> .....	<b>12,858</b>	<b>11,900</b>	<b>829</b>	<b>2,768</b>	<b>1,835</b>	<b>10,090</b>
Australia.....	253	246	6	169	*142	84
Belgium.....	281	254	26	142	*136	139
Canada.....	1,096	1,023	69	95	20	1,001
France.....	660	590	67	159	124	501
Germany.....	1,104	1,005	96	126	56	979
Japan.....	2,232	1,990	230	371	242	1,862
Netherlands.....	1,354	1,147	128	187	128	1,167
Sweden.....	310	306	3	94	*23	216
Switzerland.....	684	656	25	103	13	581
United Kingdom.....	2,903	2,781	108	380	229	2,523
<b>Manufacturing <sup>1</sup></b> .....	<b>6,263</b>	<b>5,793</b>	<b>369</b>	<b>1,527</b>	<b>991</b>	<b>4,736</b>
Australia.....	51	*48	*2	*2	* <sup>(3)</sup>	49
Belgium.....	*23	*3	*20	* <sup>(3)</sup>	* <sup>(3)</sup>	*23
Canada.....	366	324	40	54	*8	312
France.....	438	404	32	118	91	321
Germany.....	649	600	48	66	24	583
Japan.....	728	661	64	75	18	654
Netherlands.....	639	487	77	104	63	536
Sweden.....	154	152	*1	42	*18	118
Switzerland.....	460	439	19	87	*5	373
United Kingdom.....	1,457	1,418	31	206	90	1,251
<b>Wholesale trade <sup>1</sup></b> .....	<b>2,049</b>	<b>1,824</b>	<b>216</b>	<b>192</b>	<b>55</b>	<b>1,857</b>
Australia.....	*2	* <sup>(3)</sup>	*2	--	--	*2
Belgium.....	*7	*7	* <sup>(3)</sup>	* <sup>(3)</sup>	* <sup>(3)</sup>	*7
Canada.....	91	86	4	*1	* <sup>(3)</sup>	90
France.....	43	40	*3	*2	*2	41
Germany.....	177	146	30	9	*1	168
Japan.....	803	677	122	67	7	736
Netherlands.....	169	137	31	14	*2	155
Sweden.....	*131	*130	* <sup>(3)</sup>	*47	--	*84
Switzerland.....	64	61	*3	1	* <sup>(3)</sup>	63
United Kingdom.....	351	339	11	46	41	305
<b>Finance, Insurance, and real estate <sup>1</sup></b> .....	<b>2,272</b>	<b>2,156</b>	<b>104</b>	<b>206</b>	<b>144</b>	<b>2,065</b>
Australia.....	12	*11	* <sup>(3)</sup>	* <sup>(3)</sup>	* <sup>(3)</sup>	11
Belgium.....	*7	*7	* <sup>(3)</sup>	* <sup>(3)</sup>	* <sup>(3)</sup>	*7
Canada.....	328	324	4	14	*1	314
France.....	104	76	28	*37	*31	67
Germany.....	98	86	12	23	*23	75
Japan.....	386	362	20	58	49	328
Netherlands.....	372	368	3	6	*2	367
Sweden.....	*12	*11	*1	*5	*5	*7
Switzerland.....	123	122	*1	*13	*7	110
United Kingdom.....	619	589	28	17	15	602
<b>Services <sup>1</sup></b> .....	<b>584</b>	<b>540</b>	<b>42</b>	<b>206</b>	<b>189</b>	<b>378</b>
Australia.....	*1	*1	* <sup>(3)</sup>	* <sup>(3)</sup>	* <sup>(3)</sup>	*1
Belgium.....	*1	*1	--	* <sup>(3)</sup>	* <sup>(3)</sup>	*1
Canada.....	50	46	*4	*6	*2	44
France.....	32	30	3	* <sup>(3)</sup>	--	32
Germany.....	61	61	* <sup>(3)</sup>	*2	*1	59
Japan.....	214	198	15	161	*158	53
Netherlands.....	39	33	7	*2	*2	37
Sweden.....	*2	*2	--	* <sup>(3)</sup>	* <sup>(3)</sup>	*2
Switzerland.....	*15	*14	* <sup>(3)</sup>	*2	*1	*13
United Kingdom.....	131	119	11	30	25	100

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Percentages					Total liabilities divided by net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	Divided by total number of returns		Divided by total assets			
	(32)	(33)	(34)	(35)	(36)	
<b>All industries <sup>1</sup></b> .....	<b>39.12</b>	<b>29.63</b>	<b>46.70</b>	<b>31.78</b>	<b>21.52</b>	<b>364.74</b>
Australia.....	48.66	45.99	18.73	39.88	41.39	141.59
Belgium.....	49.06	44.03	32.23	25.77	42.00	138.11
Canada.....	47.47	30.86	29.26	48.65	22.08	352.80
France.....	49.06	44.86	40.22	44.23	15.55	543.15
Germany.....	41.15	38.16	44.05	28.73	27.23	267.28
Japan.....	36.16	30.45	64.26	20.90	14.84	573.91
Netherlands.....	53.81	27.98	33.82	32.23	33.95	194.54
Sweden.....	14.02	13.83	60.22	16.56	23.22	330.64
Switzerland.....	62.68	54.97	64.35	22.15	13.50	640.70
United Kingdom.....	44.63	34.42	39.49	39.26	21.25	370.56
<b>Manufacturing <sup>1</sup></b> .....	<b>51.44</b>	<b>48.02</b>	<b>30.38</b>	<b>35.33</b>	<b>34.28</b>	<b>191.71</b>
Australia.....	75.76	75.76	45.04	30.84	24.12	314.55
Belgium.....	*78.95	*78.95	*12.85	*36.31	*50.83	*96.72
Canada.....	64.97	62.68	30.14	33.42	36.44	174.41
France.....	61.00	61.00	28.51	37.50	33.99	194.19
Germany.....	63.08	62.22	30.92	28.12	40.96	144.16
Japan.....	48.64	46.52	39.63	27.82	32.56	207.16
Netherlands.....	59.59	60.27	25.07	21.37	53.56	86.70
Sweden.....	52.50	55.00	30.13	25.73	44.15	126.52
Switzerland.....	77.00	57.49	37.37	40.59	22.03	353.92
United Kingdom.....	59.38	55.71	26.39	54.78	18.82	431.28
<b>Wholesale trade <sup>1</sup></b> .....	<b>44.24</b>	<b>33.75</b>	<b>58.72</b>	<b>24.05</b>	<b>17.23</b>	<b>480.34</b>
Australia.....	*87.76	*89.80	*18.86	*27.17	*53.96	*85.31
Belgium.....	34.41	29.03	46.09	12.60	41.21	142.42
Canada.....	57.33	32.57	42.57	34.96	22.47	344.94
France.....	48.81	34.05	45.03	23.94	31.06	222.06
Germany.....	38.06	35.99	57.66	25.20	17.14	483.29
Japan.....	54.22	42.16	63.30	19.80	16.90	491.81
Netherlands.....	33.13	32.73	46.39	41.85	11.77	749.83
Sweden.....	5.86	5.44	46.51	26.37	27.12	268.79
Switzerland.....	79.10	75.82	51.49	17.24	31.29	219.65
United Kingdom.....	66.29	38.38	30.00	48.45	21.54	364.14
<b>Finance, insurance, and real estate <sup>1</sup></b> .....	<b>31.23</b>	<b>20.53</b>	<b>58.97</b>	<b>29.50</b>	<b>11.53</b>	<b>767.07</b>
Australia.....	29.01	22.14	62.47	17.20	20.33	391.87
Belgium.....	82.76	68.97	63.63	27.26	9.11	997.34
Canada.....	38.36	21.00	28.91	60.54	10.55	848.13
France.....	48.87	42.09	45.27	46.39	8.34	1,098.99
Germany.....	34.22	29.20	56.43	26.32	17.25	479.60
Japan.....	24.45	20.93	75.19	17.87	6.95	1,339.36
Netherlands.....	48.45	29.07	44.58	39.44	15.98	525.66
Sweden.....	*4.90	*4.90	81.92	8.41	9.66	934.75
Switzerland.....	38.81	39.23	79.56	12.21	8.23	1,114.59
United Kingdom.....	38.85	26.24	55.75	28.35	15.90	529.07
<b>Services <sup>1</sup></b> .....	<b>48.83</b>	<b>35.65</b>	<b>23.42</b>	<b>43.13</b>	<b>33.45</b>	<b>198.96</b>
Australia.....	*76.09	*72.83	*4.38	*59.20	*36.42	*174.56
Belgium.....	**	**	*79.23	*8.46	*12.31	*712.50
Canada.....	65.78	28.78	21.58	57.55	20.86	379.31
France.....	81.82	78.72	15.03	70.09	14.88	572.08
Germany.....	49.29	48.57	63.49	17.98	18.53	439.65
Japan.....	24.19	21.40	33.23	29.92	36.84	171.44
Netherlands.....	60.37	17.96	20.70	45.89	33.42	199.27
Sweden.....	**	**	*50.34	*33.79	*15.86	*530.43
Switzerland.....	*62.57	*61.70	26.13	59.85	13.97	615.47
United Kingdom.....	35.48	31.70	27.01	30.82	42.17	137.16

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Percentages -- Continued						
	Total receipts divided by total assets	Cost of goods sold divided by		Interest paid divided by total receipts	Total receipts less total deductions divided by		
	(38)	Business receipts	Inventories	(41)	Total assets	Net worth	Total receipts
	(39)	(40)	(41)	(42)	(43)	(44)	
<b>All Industries <sup>1</sup></b> .....	<b>58.55</b>	<b>72.37</b>	<b>682.39</b>	<b>5.28</b>	<b>0.90</b>	<b>4.16</b>	<b>1.53</b>
Australia.....	28.85	69.75	410.37	14.35	-0.02	-0.04	-0.06
Belgium.....	111.81	75.09	689.31	2.42	3.77	8.96	3.37
Canada.....	55.05	68.28	783.86	4.86	1.12	5.09	2.04
France.....	43.79	77.91	678.76	4.59	0.39	2.54	0.90
Germany.....	83.49	70.12	618.21	3.06	1.37	5.05	1.65
Japan.....	71.61	82.33	762.62	4.95	0.33	2.25	0.47
Netherlands.....	47.82	69.98	934.10	4.55	0.92	2.70	1.92
Sweden.....	81.71	69.75	550.39	2.39	1.90	8.18	2.33
Switzerland.....	39.86	55.71	442.06	12.06	0.63	4.66	1.58
United Kingdom.....	50.73	60.52	585.22	6.82	1.80	8.49	3.56
<b>Manufacturing <sup>1</sup></b> .....	<b>84.80</b>	<b>69.00</b>	<b>564.58</b>	<b>3.64</b>	<b>1.95</b>	<b>5.68</b>	<b>2.30</b>
Australia.....	91.00	76.50	623.41	2.56	-0.62	-2.56	-0.68
Belgium.....	*105.09	*73.68	*684.02	*3.46	*1.10	*2.17	*1.05
Canada.....	82.54	73.03	742.12	2.72	1.47	4.04	1.78
France.....	83.56	69.03	486.80	3.34	1.26	3.70	1.51
Germany.....	101.77	68.93	447.07	2.28	3.05	7.44	2.99
Japan.....	128.52	80.24	638.72	1.89	2.85	8.75	2.22
Netherlands.....	57.07	74.19	937.11	3.15	1.11	2.06	1.94
Sweden.....	125.29	69.80	397.64	1.67	4.22	9.56	3.37
Switzerland.....	76.72	51.96	356.58	4.50	1.44	6.55	1.88
United Kingdom.....	80.47	60.48	514.10	6.95	1.99	10.57	2.47
<b>Wholesale trade <sup>1</sup></b> .....	<b>179.77</b>	<b>84.36</b>	<b>783.46</b>	<b>1.73</b>	<b>1.33</b>	<b>7.72</b>	<b>0.74</b>
Australia.....	*80.95	*75.10	*653.47	*2.45	*-0.96	*-1.78	*-1.18
Belgium.....	166.11	86.63	678.50	0.76	2.64	6.40	1.59
Canada.....	224.08	83.43	767.64	1.37	2.04	9.09	0.91
France.....	189.66	82.92	792.41	1.06	0.96	3.10	0.51
Germany.....	156.61	81.01	837.16	3.20	-2.02	-11.77	-1.29
Japan.....	184.08	85.88	844.19	1.58	0.89	5.26	0.48
Netherlands.....	144.95	80.73	697.71	2.27	2.21	18.76	1.52
Sweden.....	230.84	83.02	682.27	1.53	17.71	65.32	7.67
Switzerland.....	185.31	77.76	557.23	1.26	3.88	12.40	2.09
United Kingdom.....	135.88	75.86	631.03	2.52	6.82	31.64	5.02
<b>Finance, insurance, and real estate <sup>1</sup></b> .....	<b>13.65</b>	<b>50.50</b>	<b>1,688.44</b>	<b>22.67</b>	<b>0.22</b>	<b>1.94</b>	<b>1.64</b>
Australia.....	9.82	*52.46	*3,200.00	38.94	-0.42	-2.08	-4.31
Belgium.....	4.39	--	--	85.89	0.05	0.59	1.23
Canada.....	17.11	49.11	922.34	15.95	0.58	5.51	3.40
France.....	13.77	99.01	40,958.33	11.15	0.19	2.24	1.36
Germany.....	22.29	38.52	93,925.00	9.58	0.54	3.14	2.43
Japan.....	8.69	34.38	264.82	49.79	-0.31	-4.41	-3.53
Netherlands.....	17.35	43.84	3,800.00	11.29	0.67	4.18	3.85
Sweden.....	27.80	*47.72	*43,100.00	5.79	-2.02	-20.87	-7.25
Switzerland.....	12.75	*47.58	*6,693.18	44.40	0.11	1.33	0.86
United Kingdom.....	16.12	47.28	1,887.91	13.22	1.25	7.84	7.73
<b>Services <sup>1</sup></b> .....	<b>43.16</b>	<b>47.15</b>	<b>440.66</b>	<b>8.64</b>	<b>-0.31</b>	<b>-0.94</b>	<b>-0.73</b>
Australia.....	*20.03	*63.63	*222.82	*32.20	*-0.65	*-1.79	*-3.23
Belgium.....	*81.54	*79.80	*376.19	*8.49	*-10.00	*-81.25	*-12.26
Canada.....	109.15	24.26	719.77	4.56	1.80	8.62	1.65
France.....	43.87	27.80	73.94	5.17	-0.38	-2.57	-0.87
Germany.....	72.84	45.86	1,067.27	2.01	3.64	19.62	4.99
Japan.....	35.01	52.17	327.44	6.17	-0.46	-1.26	-1.32
Netherlands.....	47.69	48.53	1,237.50	10.53	-0.15	-0.44	-0.31
Sweden.....	*185.17	*82.18	*943.18	*2.05	*1.03	*6.52	*0.56
Switzerland.....	110.80	54.80	1,738.81	2.49	-3.07	-21.94	-2.77
United Kingdom.....	48.83	42.37	1,969.20	4.88	0.69	1.63	1.41

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Percentages -- Continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
(45)	(46)	(47)	(48)	
<b>All industries</b> <sup>1</sup> .....	<b>0.94</b>	<b>4.36</b>	<b>1.60</b>	<b>20.93</b>
Australia.....	0.04	0.08	0.12	14.29
Belgium.....	3.99	9.51	3.57	8.60
Canada.....	1.10	5.00	2.00	22.61
France.....	0.46	2.98	1.06	29.88
Germany.....	1.37	5.05	1.65	20.22
Japan.....	0.37	2.46	0.51	27.57
Netherlands.....	0.90	2.66	1.89	18.83
Sweden.....	1.93	8.31	2.36	14.78
Switzerland.....	0.64	4.75	-1.61	16.44
United Kingdom.....	1.82	8.56	3.58	15.47
<b>Manufacturing</b> <sup>1</sup> .....	<b>2.11</b>	<b>6.17</b>	<b>2.49</b>	<b>19.06</b>
Australia.....	-0.46	-1.91	-0.51	*32.20
Belgium.....	*1.10	*2.17	*1.05	*87.88
Canada.....	1.49	4.08	1.80	24.27
France.....	1.55	4.55	1.85	30.10
Germany.....	3.15	7.70	3.10	19.96
Japan.....	2.91	8.95	2.27	36.03
Netherlands.....	1.13	2.10	1.97	18.28
Sweden.....	4.36	9.88	3.48	6.11
Switzerland.....	1.50	6.81	1.96	17.89
United Kingdom.....	2.09	11.11	2.60	9.61
<b>Wholesale trade</b> <sup>1</sup> .....	<b>1.37</b>	<b>7.92</b>	<b>0.76</b>	<b>26.74</b>
Australia.....	*-0.96	*-1.78	*-1.18	*72.73
Belgium.....	2.64	6.40	1.59	*21.21
Canada.....	2.04	9.09	0.91	26.57
France.....	0.99	3.17	0.52	20.51
Germany.....	-1.97	-11.48	-1.26	33.59
Japan.....	0.92	5.44	0.50	26.78
Netherlands.....	2.21	18.82	1.53	19.85
Sweden.....	17.71	65.32	7.67	*20.81
Switzerland.....	3.88	12.40	2.09	16.59
United Kingdom.....	6.99	32.44	5.14	25.47
<b>Finance, insurance, and real estate</b> <sup>1</sup> .....	<b>0.19</b>	<b>1.65</b>	<b>1.40</b>	<b>19.26</b>
Australia.....	-0.52	-2.55	-5.28	*42.37
Belgium.....	0.05	0.59	1.23	*1.54
Canada.....	0.53	5.05	3.11	16.56
France.....	0.18	2.15	1.30	36.22
Germany.....	0.40	2.34	1.81	13.21
Japan.....	-0.30	-4.27	-3.41	16.81
Netherlands.....	0.60	3.78	3.49	10.68
Sweden.....	-2.04	-21.12	-7.34	*21.28
Switzerland.....	0.10	1.21	0.78	*7.14
United Kingdom.....	1.15	7.23	7.13	18.57
<b>Services</b> <sup>1</sup> .....	<b>-0.25</b>	<b>-0.75</b>	<b>-0.58</b>	<b>27.13</b>
Australia.....	*-0.63	*-1.73	*-3.14	*40.00
Belgium.....	*-10.00	*-81.25	*-12.26	--
Canada.....	1.80	8.62	1.65	40.00
France.....	-0.25	-1.65	-0.56	*12.50
Germany.....	3.66	19.75	5.03	*1.64
Japan.....	-0.32	-0.86	-0.90	11.57
Netherlands.....	-0.13	-0.39	-0.27	62.75
Sweden.....	*1.03	*6.52	*0.56	--
Switzerland.....	-3.12	-22.30	-2.81	*24.07
United Kingdom.....	0.75	1.78	1.54	30.42

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 1. -- Foreign-Controlled Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries -- Continued**

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

Selected industrial groupings and countries	Percentages -- Continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
(49)	(50)	(51)	(52)	(53)	(54)	
<b>All industries</b> <sup>1</sup> .....	<b>1.47</b>	<b>6.83</b>	<b>2.51</b>	<b>0.43</b>	<b>2.00</b>	<b>0.74</b>
Australia.....	0.99	2.40	3.44	0.12	0.29	0.41
Belgium.....	4.46	10.61	3.99	0.85	2.03	0.76
Canada.....	1.48	6.71	2.69	0.50	2.25	0.90
France.....	0.83	5.35	1.90	0.24	1.57	0.56
Germany.....	1.85	6.78	2.21	0.62	2.28	0.74
Japan.....	1.03	6.93	1.44	0.33	2.25	0.47
Netherlands.....	1.07	3.16	2.24	0.38	1.12	0.79
Sweden.....	2.97	12.77	3.63	0.73	3.14	0.89
Switzerland.....	1.01	7.49	2.54	0.31	2.30	0.78
United Kingdom.....	2.10	9.88	4.14	0.66	3.12	1.31
<b>Manufacturing</b> <sup>1</sup> .....	<b>2.55</b>	<b>7.43</b>	<b>3.00</b>	<b>0.72</b>	<b>2.11</b>	<b>0.85</b>
Australia.....	*1.56	*6.48	*1.72	0.55	2.28	0.61
Belgium.....	*0.14	*0.28	*0.14	*0.42	*0.82	*0.40
Canada.....	1.44	3.96	1.75	0.48	1.31	0.58
France.....	2.38	7.01	2.85	0.66	1.94	0.79
Germany.....	2.80	6.82	2.75	0.94	2.30	0.93
Japan.....	3.08	9.46	2.40	1.06	3.25	0.82
Netherlands.....	1.03	1.92	1.80	0.40	0.74	0.69
Sweden.....	4.45	10.09	3.56	1.21	2.73	0.96
Switzerland.....	2.10	9.51	2.73	0.62	2.81	0.81
United Kingdom.....	3.03	16.11	3.77	0.93	4.96	1.16
<b>Wholesale trade</b> <sup>1</sup> .....	<b>2.16</b>	<b>12.53</b>	<b>1.20</b>	<b>0.75</b>	<b>4.37</b>	<b>0.42</b>
Australia.....	*0.13	*0.24	*0.16	*0.13	*0.24	*0.16
Belgium.....	*1.95	*4.74	*1.18	*0.68	*1.66	*0.41
Canada.....	3.48	15.51	1.56	1.23	5.45	0.55
France.....	2.71	8.72	1.43	0.92	2.96	0.48
Germany.....	1.93	11.27	1.23	0.76	4.42	0.48
Japan.....	1.36	8.07	0.74	0.51	3.03	0.28
Netherlands.....	2.66	22.62	1.84	1.03	8.79	0.71
Sweden.....	*14.58	*53.76	*6.31	*3.29	*12.14	*1.43
Switzerland.....	3.82	12.20	2.06	1.34	4.27	0.72
United Kingdom.....	5.45	25.30	4.01	1.70	7.90	1.25
<b>Finance, insurance, and real estate</b> <sup>1</sup> .....	<b>0.55</b>	<b>4.75</b>	<b>4.02</b>	<b>0.18</b>	<b>1.58</b>	<b>1.33</b>
Australia.....	*0.61	*3.02	*6.26	0.21	1.04	2.15
Belgium.....	*0.54	*5.92	*12.27	*0.19	*2.07	*4.29
Canada.....	0.89	8.48	5.23	0.30	2.83	1.74
France.....	0.16	1.93	1.17	0.05	0.59	0.36
Germany.....	0.45	2.60	2.01	0.13	0.78	0.61
Japan.....	0.35	5.06	4.05	0.11	1.59	1.27
Netherlands.....	0.84	5.22	4.81	0.29	1.82	1.68
Sweden.....	*0.21	*2.13	*0.74	*0.04	*0.45	*0.16
Switzerland.....	0.30	3.59	2.32	0.09	1.13	0.73
United Kingdom.....	1.00	6.28	6.19	0.36	2.24	2.21
<b>Services</b> <sup>1</sup> .....	<b>1.05</b>	<b>3.13</b>	<b>2.43</b>	<b>0.25</b>	<b>0.75</b>	<b>0.58</b>
Australia.....	*0.01	*0.02	*0.04	* <sup>(3)</sup>	*0.01	*0.01
Belgium.....	*1.54	*12.50	*1.89	*0.77	*6.25	*0.94
Canada.....	2.82	13.51	2.58	0.88	4.21	0.81
France.....	1.24	8.36	2.83	0.44	2.94	1.00
Germany.....	4.49	24.25	6.17	1.49	8.04	2.05
Japan.....	1.29	3.49	3.67	0.12	0.32	0.34
Netherlands.....	0.52	1.55	1.09	0.20	0.60	0.42
Sweden.....	*2.41	*15.22	*1.30	*0.69	*4.35	*0.37
Switzerland.....	*2.06	*14.75	*1.86	*0.65	*4.68	*0.59
United Kingdom.....	1.46	3.47	2.99	0.42	1.00	0.87

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

\*\* Not shown to avoid disclosure of information about specific corporations. However, the data are included in the appropriate totals.

<sup>1</sup> Includes industrial groups and/or countries, as appropriate, not specifically listed.

<sup>2</sup> Excludes interest received on State and local Government obligations.

<sup>3</sup> For money amounts, less than \$500,000. For percentages, less than 0.005 percent.

NOTE: This table presents separate data for the 10 largest countries, based on total receipts (column 12) for 1994, at the all-industries level.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Number of returns			Assets			Current liabilities
	Total	With net income	With total income tax after credits	Total	Inventories	Loans to stockholders	
	(1)	(2)	(3)	(4)	(5)	(6)	
<b>All Industries<sup>1</sup>:</b>							
<b>Domestic corporations not foreign controlled...</b>	<b>13,789</b>	<b>11,102</b>	<b>9,732</b>	<b>17,842,800</b>	<b>628,553</b>	<b>29,963</b>	<b>7,129,897</b>
New corporations.....	1,183	845	611	713,311	22,326	1,998	219,472
Old corporations.....	12,605	10,258	9,120	17,129,489	606,227	27,966	6,910,424
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>2,488</b>	<b>1,743</b>	<b>1,787</b>	<b>2,149,238</b>	<b>114,417</b>	<b>14,052</b>	<b>1,024,142</b>
New corporations.....	207	137	139	133,101	8,065	165	77,969
Old corporations.....	2,281	1,607	1,648	2,016,137	106,352	13,888	946,172
<b>Selected countries:</b>							
Canada.....	257	183	185	178,781	7,063	461	52,607
New corporations.....	25	14	14	8,118	439	( <sup>2</sup> )	2,144
Old corporations.....	231	169	171	170,663	6,624	461	50,463
France.....	147	100	108	197,745	8,099	1,601	79,749
New corporations.....	6	3	3	4,673	1,194	( <sup>2</sup> )	894
Old corporations.....	141	97	105	193,071	6,905	1,601	78,855
Germany.....	199	160	169	145,054	11,847	39	65,186
New corporations.....	9	6	6	944	226	( <sup>2</sup> )	750
Old corporations.....	190	153	162	144,110	11,620	39	64,437
Japan.....	663	454	467	505,028	36,057	903	339,475
New corporations.....	49	36	36	67,839	2,431	3	51,049
Old corporations.....	614	418	432	437,189	33,626	900	288,426
Netherlands.....	212	143	147	298,155	9,241	1,237	101,068
New corporations.....	22	**	**	13,882	301	37	8,956
Old corporations.....	190	**	**	284,273	8,940	1,200	92,112
United Kingdom.....	301	219	224	363,405	16,318	6,028	144,618
New corporations.....	24	16	17	15,455	1,370	100	3,962
Old corporations.....	277	203	207	347,950	14,948	5,928	140,656
<b>Manufacturing:</b>							
<b>Domestic corporations not foreign controlled...</b>	<b>3,446</b>	<b>2,792</b>	<b>2,856</b>	<b>3,463,875</b>	<b>251,624</b>	<b>16,506</b>	<b>1,053,626</b>
New corporations.....	243	160	159	84,386	9,621	326	18,598
Old corporations.....	3,203	2,632	2,697	3,379,489	242,003	16,180	1,035,029
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>991</b>	<b>722</b>	<b>750</b>	<b>622,961</b>	<b>58,840</b>	<b>1,845</b>	<b>187,231</b>
New corporations.....	64	40	42	27,742	3,176	53	10,534
Old corporations.....	926	682	708	595,219	55,664	1,793	176,697
<b>Selected countries:</b>							
Canada.....	108	85	86	61,762	4,473	285	18,506
New corporations.....	10	6	7	6,418	296	( <sup>2</sup> )	1,293
Old corporations.....	98	79	79	55,345	4,177	285	17,213
France.....	69	45	49	47,327	5,256	208	13,517
New corporations.....	4	**	**	1,358	212	( <sup>2</sup> )	287
Old corporations.....	65	**	**	45,968	5,043	208	13,230
Germany.....	109	90	96	57,409	8,162	36	17,685
New corporations.....	8	**	**	849	183	( <sup>2</sup> )	693
Old corporations.....	101	**	**	56,560	7,978	36	16,992
Japan.....	241	169	177	54,602	8,715	11	21,364
New corporations.....	13	6	6	3,525	615	( <sup>2</sup> )	1,784
Old corporations.....	229	163	171	51,077	8,100	11	19,580
Netherlands.....	64	45	46	134,454	5,707	208	33,544
New corporations.....	4	**	**	679	104	37	128
Old corporations.....	60	**	**	133,775	5,603	172	33,415
United Kingdom.....	136	102	107	130,529	11,336	809	34,202
New corporations.....	5	**	**	6,422	682	( <sup>2</sup> )	1,853
Old corporations.....	131	**	**	124,107	10,655	809	32,349

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Number of returns			Assets			Current liabilities
	Total	With net income	With total income tax after credits	Total	Inventories	Loans to stockholders	
	(1)	(2)	(3)	(4)	(5)	(6)	
<b>Wholesale trade:</b>							
<b>Domestic corporations not foreign controlled....</b>	<b>1,723</b>	<b>1,437</b>	<b>1,434</b>	<b>378,196</b>	<b>92,211</b>	<b>758</b>	<b>210,325</b>
New corporations.....	78	51	54	15,094	4,206	372	5,429
Old corporations.....	1,645	1,386	1,380	363,102	88,004	386	204,896
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>666</b>	<b>500</b>	<b>503</b>	<b>218,796</b>	<b>38,469</b>	<b>865</b>	<b>126,626</b>
New corporations.....	66	52	52	28,210	3,316	109	9,957
Old corporations.....	601	449	451	190,587	35,152	756	116,669
<b>Selected countries:</b>							
Canada.....	47	34	34	5,729	1,293	15	2,091
New corporations.....	7	**	**	655	117	( <sup>3</sup> )	225
Old corporations.....	40	**	**	5,074	1,176	15	1,866
France.....	21	15	18	3,488	591	36	1,453
New corporations.....	**	**	**	638	101	( <sup>3</sup> )	440
Old corporations.....	**	**	**	2,850	491	36	1,012
Germany.....	52	40	41	19,611	2,369	3	11,541
New corporations.....	**	**	**	95	43	( <sup>3</sup> )	57
Old corporations.....	**	**	**	19,516	2,326	3	11,484
Japan.....	254	193	195	135,919	24,202	671	86,183
New corporations.....	20	**	**	17,307	1,816	3	6,126
Old corporations.....	234	**	**	118,612	22,387	668	80,057
Netherlands.....	44	28	29	13,790	2,098	18	6,326
New corporations.....	8	8	8	737	110	( <sup>3</sup> )	195
Old corporations.....	36	20	21	13,053	1,988	18	6,131
United Kingdom.....	35	27	25	16,024	2,324	97	4,375
New corporations.....	5	**	**	6,360	500	97	1,133
Old corporations.....	30	**	**	9,665	1,825	( <sup>3</sup> )	3,242
<b>Finance, insurance, and real estate:</b>							
<b>Domestic corporations not foreign controlled....</b>	<b>4,480</b>	<b>3,717</b>	<b>2,163</b>	<b>11,234,574</b>	<b>118,141</b>	<b>5,428</b>	<b>5,251,683</b>
New corporations.....	550	456	197	424,518	1,373	1,227	167,216
Old corporations.....	3,930	3,262	1,967	10,810,056	116,768	4,201	5,084,468
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>377</b>	<b>244</b>	<b>244</b>	<b>1,046,353</b>	<b>1,372</b>	<b>10,956</b>	<b>645,033</b>
New corporations.....	30	17	17	64,257	97	( <sup>3</sup> )	54,272
Old corporations.....	347	227	227	982,096	1,274	10,956	590,761
<b>Selected countries:</b>							
Canada.....	38	24	24	94,493	413	8	28,015
New corporations.....	**	**	**	755	--	( <sup>3</sup> )	459
Old corporations.....	**	**	**	93,738	413	8	27,555
France.....	28	20	19	134,434	--	1,351	60,944
New corporations.....	--	--	--	--	--	--	--
Old corporations.....	28	20	19	134,434	--	1,351	60,944
Germany.....	16	**	**	51,849	--	( <sup>3</sup> )	30,416
New corporations.....	--	--	--	--	--	--	--
Old corporations.....	16	**	**	51,849	--	( <sup>3</sup> )	30,416
Japan.....	97	52	54	268,776	452	221	215,205
New corporations.....	11	6	6	46,853	--	( <sup>3</sup> )	43,047
Old corporations.....	86	46	48	221,924	452	221	172,157
Netherlands.....	32	23	23	122,103	37	984	55,205
New corporations.....	3	3	3	9,892	--	( <sup>3</sup> )	8,256
Old corporations.....	29	20	20	112,211	37	984	46,949
United Kingdom.....	55	45	44	162,518	369	4,984	92,756
New corporations.....	4	**	**	1,525	97	( <sup>3</sup> )	585
Old corporations.....	51	**	**	160,994	272	4,984	92,170

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations--Continued**

(Money amounts are in millions of dollars)

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Noncurrent liabilities		Net worth		Total receipts	Business receipts
	Total	Loans from stockholders	Total	Retained earnings		
	(8)	(9)	(10)	(11)	(12)	(13)
<b>All industries<sup>1</sup>:</b>						
<b>Domestic corporations not foreign controlled....</b>	<b>5,219,181</b>	<b>63,430</b>	<b>5,493,722</b>	<b>1,543,907</b>	<b>7,211,689</b>	<b>6,112,966</b>
New corporations.....	193,895	1,204	299,944	30,260	280,936	248,371
Old corporations.....	5,025,286	62,226	5,193,779	1,513,647	6,930,753	5,864,595
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>656,237</b>	<b>35,257</b>	<b>468,860</b>	<b>-7,271</b>	<b>1,238,364</b>	<b>1,123,102</b>
New corporations.....	37,281	1,438	17,851	-5,539	77,784	71,239
Old corporations.....	618,956	33,820	451,009	-1,732	1,160,580	1,051,863
<b>Selected countries:</b>						
<b>Canada.....</b>	<b>87,066</b>	<b>4,042</b>	<b>39,108</b>	<b>5,677</b>	<b>-94,373</b>	<b>84,718</b>
New corporations.....	4,420	264	1,554	-482	8,727	8,164
Old corporations.....	82,646	3,778	37,554	6,159	85,646	76,553
<b>France.....</b>	<b>87,869</b>	<b>3,123</b>	<b>30,126</b>	<b>-7,433</b>	<b>84,569</b>	<b>73,443</b>
New corporations.....	4,012	( <sup>2</sup> )	-233	-1,493	3,033	2,961
Old corporations.....	83,857	3,123	30,359	-5,939	81,536	70,481
<b>Germany.....</b>	<b>41,761</b>	<b>1,276</b>	<b>38,106</b>	<b>-1,535</b>	<b>119,288</b>	<b>111,963</b>
New corporations.....	32	( <sup>2</sup> )	-163	-378	1,514	1,457
Old corporations.....	41,730	1,276	37,944	-1,157	117,773	110,506
<b>Japan.....</b>	<b>85,268</b>	<b>7,421</b>	<b>80,285</b>	<b>-5,165</b>	<b>371,084</b>	<b>342,924</b>
New corporations.....	12,253	195	4,538	-101	31,091	27,242
Old corporations.....	73,015	7,226	75,748	-5,064	339,994	315,681
<b>Netherlands.....</b>	<b>93,644</b>	<b>3,073</b>	<b>103,443</b>	<b>13,308</b>	<b>141,471</b>	<b>128,702</b>
New corporations.....	2,808	112	2,117	14	3,537	2,732
Old corporations.....	90,836	2,961	101,325	13,295	137,934	125,970
<b>United Kingdom.....</b>	<b>141,917</b>	<b>9,540</b>	<b>76,869</b>	<b>-4,141</b>	<b>180,443</b>	<b>160,112</b>
New corporations.....	7,559	651	3,934	-1,247	12,984	12,328
Old corporations.....	134,358	8,889	72,936	-2,894	167,458	147,784
<b>Manufacturing:</b>						
<b>Domestic corporations not foreign controlled....</b>	<b>1,207,524</b>	<b>29,034</b>	<b>1,202,725</b>	<b>617,338</b>	<b>2,865,518</b>	<b>2,653,617</b>
New corporations.....	32,458	306	33,331	6,180	80,775	78,404
Old corporations.....	1,175,066	28,728	1,169,394	611,157	2,784,743	2,575,213
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>220,407</b>	<b>17,811</b>	<b>215,323</b>	<b>3,279</b>	<b>519,596</b>	<b>495,912</b>
New corporations.....	9,733	666	7,475	-3,811	25,716	24,704
Old corporations.....	210,674	17,145	207,848	7,090	493,880	471,208
<b>Selected countries:</b>						
<b>Canada.....</b>	<b>20,364</b>	<b>2,068</b>	<b>22,892</b>	<b>4,735</b>	<b>49,417</b>	<b>47,601</b>
New corporations.....	3,749	162	1,375	-501	4,469	3,969
Old corporations.....	16,615	1,906	21,517	5,236	44,948	43,632
<b>France.....</b>	<b>17,875</b>	<b>1,551</b>	<b>15,935</b>	<b>-5,559</b>	<b>38,988</b>	<b>37,372</b>
New corporations.....	715	( <sup>2</sup> )	356	-23	1,203	1,159
Old corporations.....	17,159	1,551	15,579	-5,536	37,785	36,213
<b>Germany.....</b>	<b>16,239</b>	<b>570</b>	<b>23,486</b>	<b>-418</b>	<b>57,114</b>	<b>54,680</b>
New corporations.....	18	( <sup>2</sup> )	139	-349	1,265	1,216
Old corporations.....	16,221	570	23,347	-68	55,849	53,464
<b>Japan.....</b>	<b>14,684</b>	<b>594</b>	<b>18,554</b>	<b>-4,448</b>	<b>72,740</b>	<b>71,285</b>
New corporations.....	602	32	1,139	-167	3,654	3,542
Old corporations.....	14,082	563	17,415	-4,281	69,086	67,743
<b>Netherlands.....</b>	<b>28,603</b>	<b>1,989</b>	<b>72,307</b>	<b>16,637</b>	<b>76,235</b>	<b>73,387</b>
New corporations.....	331	98	220	-45	753	750
Old corporations.....	28,273	1,891	72,087	16,682	75,482	72,637
<b>United Kingdom.....</b>	<b>71,904</b>	<b>7,438</b>	<b>24,423</b>	<b>-7,496</b>	<b>104,443</b>	<b>97,766</b>
New corporations.....	2,124	301	2,445	-1,281	6,364	6,166
Old corporations.....	69,780	7,138	21,979	-6,215	98,079	91,600

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Noncurrent liabilities		Net worth		Total receipts (12)	Business receipts (13)
	Total	Loans from stockholders	Total	Retained earnings		
	(8)	(9)	(10)	(11)		
<b>Wholesale trade:</b>						
<b>Domestic corporations not foreign controlled....</b>	<b>80,056</b>	<b>1,799</b>	<b>87,816</b>	<b>47,720</b>	<b>557,390</b>	<b>537,079</b>
New corporations.....	4,480	476	5,186	2,678	36,313	35,932
Old corporations.....	75,577	1,323	82,630	45,042	521,077	501,147
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>53,232</b>	<b>3,253</b>	<b>38,938</b>	<b>-2,823</b>	<b>393,205</b>	<b>381,698</b>
New corporations.....	14,778	322	3,474	-159	38,748	37,578
Old corporations.....	38,454	2,931	35,464	-2,664	354,457	344,120
Selected countries:						
Canada.....	2,157	385	1,481	-21	12,862	12,520
New corporations.....	322	91	108	47	3,220	3,189
Old corporations.....	1,835	294	1,373	-69	9,642	9,331
France.....	782	176	1,253	-809	6,885	6,775
New corporations.....	18	( <sup>2</sup> )	180	-96	1,249	1,239
Old corporations.....	764	176	1,073	-712	5,636	5,536
Germany.....	5,143	607	2,927	-1,438	30,512	28,961
New corporations.....	14	( <sup>2</sup> )	24	-29	249	241
Old corporations.....	5,129	607	2,903	-1,409	30,263	28,720
Japan.....	26,806	886	22,930	1,167	252,156	245,775
New corporations.....	9,669	14	1,512	-81	23,259	22,451
Old corporations.....	17,136	872	21,418	1,247	228,896	223,324
Netherlands.....	5,966	144	1,498	-443	19,638	19,055
New corporations.....	380	14	162	3	847	843
Old corporations.....	5,586	130	1,336	-446	18,791	18,211
United Kingdom.....	8,424	913	3,226	-670	21,149	19,973
New corporations.....	4,153	197	1,073	76	4,810	4,562
Old corporations.....	4,270	715	2,153	-746	16,340	15,411
<b>Finance, insurance, and real estate:</b>						
<b>Domestic corporations not foreign controlled....</b>	<b>2,758,125</b>	<b>20,503</b>	<b>3,214,766</b>	<b>588,356</b>	<b>1,484,240</b>	<b>741,884</b>
New corporations.....	57,864	111	199,438	12,424	54,467	29,494
Old corporations.....	2,710,261	20,392	3,015,327	575,933	1,429,773	712,389
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>286,139</b>	<b>10,549</b>	<b>115,181</b>	<b>10,109</b>	<b>143,989</b>	<b>77,407</b>
New corporations.....	4,946	317	5,039	-50	5,586	1,662
Old corporations.....	281,193	10,231	110,141	10,160	138,403	75,745
Selected countries:						
Canada.....	57,848	1,058	8,630	1,367	16,139	9,869
New corporations.....	242	( <sup>2</sup> )	54	-14	160	137
Old corporations.....	57,606	1,058	8,577	1,381	15,979	9,731
France.....	62,636	1,342	10,854	781	18,490	9,760
New corporations.....	--	--	--	--	--	--
Old corporations.....	62,636	1,342	10,854	781	18,490	9,760
Germany.....	13,576	( <sup>2</sup> )	7,857	999	11,946	9,526
New corporations.....	--	--	--	--	--	--
Old corporations.....	13,576	( <sup>2</sup> )	7,857	999	11,946	9,526
Japan.....	31,691	4,934	21,881	-771	22,865	4,746
New corporations.....	1,952	150	1,853	136	3,546	622
Old corporations.....	29,739	4,784	20,028	-907	19,319	4,124
Netherlands.....	47,215	367	19,682	1,611	21,229	14,034
New corporations.....	900	( <sup>2</sup> )	736	49	735	13
Old corporations.....	46,315	367	18,946	1,562	20,494	14,021
United Kingdom.....	45,061	816	24,702	5,899	26,394	16,426
New corporations.....	813	117	126	-40	384	281
Old corporations.....	44,248	698	24,575	5,939	26,010	16,146

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

(Money amounts are in millions of dollars)

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Interest received <sup>2</sup>	Total deductions	Cost of goods sold	Interest paid	Taxes paid	Total receipts less total deductions
	(14)	(15)	(16)	(17)	(18)	(19)
<b>All industries<sup>1</sup>:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>639,364</b>	<b>6,757,683</b>	<b>3,887,866</b>	<b>415,314</b>	<b>186,170</b>	<b>454,006</b>
New corporations.....	19,514	263,359	155,471	13,757	7,311	17,577
Old corporations.....	619,850	6,494,324	3,732,395	401,557	178,859	436,429
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>71,426</b>	<b>1,213,821</b>	<b>817,843</b>	<b>66,943</b>	<b>17,923</b>	<b>24,543</b>
New corporations.....	4,540	76,800	51,797	4,512	919	984
Old corporations.....	66,885	1,137,022	766,046	62,431	17,004	23,559
<b>Selected countries:</b>						
<b>Canada.....</b>	<b>6,184</b>	<b>92,057</b>	<b>58,907</b>	<b>4,761</b>	<b>1,329</b>	<b>2,316</b>
New corporations.....	251	8,664	5,283	471	182	63
Old corporations.....	5,933	83,393	53,624	4,290	1,146	2,254
<b>France.....</b>	<b>6,315</b>	<b>83,717</b>	<b>58,103</b>	<b>3,945</b>	<b>1,117</b>	<b>853</b>
New corporations.....	15	3,000	2,355	52	22	33
Old corporations.....	6,300	80,717	55,748	3,894	1,095	819
<b>Germany.....</b>	<b>3,298</b>	<b>117,510</b>	<b>78,328</b>	<b>3,787</b>	<b>1,837</b>	<b>1,777</b>
New corporations.....	8	1,504	1,100	24	39	11
Old corporations.....	3,289	116,007	77,228	3,763	1,798	1,767
<b>Japan.....</b>	<b>19,397</b>	<b>367,017</b>	<b>284,610</b>	<b>18,017</b>	<b>2,832</b>	<b>4,067</b>
New corporations.....	3,200	30,891	21,007	2,586	200	199
Old corporations.....	16,196	336,126	263,603	15,431	2,633	3,868
<b>Netherlands.....</b>	<b>8,105</b>	<b>138,461</b>	<b>90,399</b>	<b>6,369</b>	<b>2,002</b>	<b>3,011</b>
New corporations.....	563	3,330	1,591	514	58	207
Old corporations.....	7,543	135,131	88,808	5,855	1,944	2,804
<b>United Kingdom.....</b>	<b>12,230</b>	<b>173,688</b>	<b>97,485</b>	<b>12,779</b>	<b>4,831</b>	<b>6,755</b>
New corporations.....	265	12,418	7,701	505	186	566
Old corporations.....	11,965	161,270	89,784	12,275	4,644	6,189
<b>Manufacturing:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>62,754</b>	<b>2,711,125</b>	<b>1,794,467</b>	<b>95,572</b>	<b>75,622</b>	<b>154,394</b>
New corporations.....	758	77,139	53,546	2,164	1,501	3,637
Old corporations.....	61,996	2,633,986	1,740,921	93,407	74,121	150,757
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>8,355</b>	<b>506,843</b>	<b>341,258</b>	<b>19,450</b>	<b>9,280</b>	<b>12,753</b>
New corporations.....	382	25,394	16,247	935	460	322
Old corporations.....	7,973	481,449	325,011	18,514	8,820	12,431
<b>Selected countries:</b>						
<b>Canada.....</b>	<b>543</b>	<b>48,417</b>	<b>34,840</b>	<b>1,398</b>	<b>694</b>	<b>1,000</b>
New corporations.....	225	4,422	1,500	443	155	47
Old corporations.....	318	43,995	33,340	955	539	953
<b>France.....</b>	<b>420</b>	<b>38,450</b>	<b>25,801</b>	<b>1,321</b>	<b>631</b>	<b>538</b>
New corporations.....	5	1,129	855	38	14	74
Old corporations.....	415	37,321	24,946	1,284	617	464
<b>Germany.....</b>	<b>611</b>	<b>55,480</b>	<b>37,582</b>	<b>1,347</b>	<b>933</b>	<b>1,634</b>
New corporations.....	2	1,253	891	12	38	13
Old corporations.....	609	54,227	36,691	1,335	895	1,622
<b>Japan.....</b>	<b>544</b>	<b>70,717</b>	<b>57,454</b>	<b>1,330</b>	<b>840</b>	<b>2,023</b>
New corporations.....	59	3,544	2,908	101	35	110
Old corporations.....	484	67,173	54,546	1,229	805	1,913
<b>Netherlands.....</b>	<b>1,539</b>	<b>74,700</b>	<b>54,458</b>	<b>2,401</b>	<b>1,038</b>	<b>1,534</b>
New corporations.....	2	727	514	13	12	26
Old corporations.....	1,537	73,974	53,944	2,388	1,026	1,508
<b>United Kingdom.....</b>	<b>2,832</b>	<b>101,855</b>	<b>58,937</b>	<b>7,423</b>	<b>3,304</b>	<b>2,588</b>
New corporations.....	75	6,264	3,722	198	83	99
Old corporations.....	2,757	95,590	55,215	7,225	3,221	2,489

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Interest received <sup>2</sup>	Total deductions	Cost of goods sold	Interest paid	Taxes paid	Total receipts less total deductions
	(14)	(15)	(16)	(17)	(18)	(19)
<b>Wholesale trade:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>10,089</b>	<b>546,123</b>	<b>463,773</b>	<b>10,499</b>	<b>5,304</b>	<b>11,267</b>
New corporations.....	80	35,860	31,011	320	304	453
Old corporations.....	10,008	510,263	432,762	10,178	5,000	10,814
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>4,223</b>	<b>390,024</b>	<b>324,698</b>	<b>7,102</b>	<b>2,831</b>	<b>3,181</b>
New corporations.....	430	38,220	29,694	821	271	528
Old corporations.....	3,793	351,804	295,004	6,281	2,560	2,653
<b>Selected countries:</b>						
Canada.....	107	12,763	10,649	191	104	99
New corporations.....	2	3,181	2,922	16	16	39
Old corporations.....	105	9,582	7,726	175	88	60
France.....	47	6,794	5,770	71	73	91
New corporations.....	9	1,239	1,196	11	1	11
Old corporations.....	38	5,556	4,574	61	72	80
Germany.....	657	31,043	23,746	1,071	270	-531
New corporations.....	6	251	209	12	1	-2
Old corporations.....	651	30,792	23,537	1,059	269	-529
Japan.....	2,453	250,842	211,668	4,045	1,339	1,313
New corporations.....	320	23,161	17,255	564	131	98
Old corporations.....	2,132	227,682	194,413	3,481	1,208	1,215
Netherlands.....	255	19,346	15,493	473	130	292
New corporations.....	1	812	564	16	3	35
Old corporations.....	254	18,534	14,930	457	127	257
United Kingdom.....	308	20,061	15,341	579	270	1,088
New corporations.....	74	4,459	3,073	158	79	351
Old corporations.....	235	15,603	12,268	421	192	737
<b>Finance, insurance, and real estate:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>532,277</b>	<b>1,303,831</b>	<b>465,796</b>	<b>229,283</b>	<b>25,608</b>	<b>180,409</b>
New corporations.....	17,694	45,541	21,129	6,215	1,085	8,926
Old corporations.....	514,583	1,258,290	444,667	223,068	24,523	171,483
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>53,354</b>	<b>139,451</b>	<b>40,091</b>	<b>32,110</b>	<b>2,459</b>	<b>4,538</b>
New corporations.....	3,620	5,503	1,035	2,552	57	83
Old corporations.....	49,734	133,948	39,056	29,558	2,402	4,454
<b>Selected countries:</b>						
Canada.....	5,073	15,435	5,011	2,488	177	704
New corporations.....	20	173	79	8	8	-13
Old corporations.....	5,053	15,262	4,932	2,481	169	717
France.....	5,475	18,245	9,783	2,043	259	245
New corporations.....	--	--	--	--	--	--
Old corporations.....	5,475	18,245	9,783	2,043	259	245
Germany.....	1,819	11,687	3,669	1,115	172	259
New corporations.....	--	--	--	--	--	--
Old corporations.....	1,819	11,687	3,669	1,115	172	259
Japan.....	15,713	22,580	1,432	11,674	376	285
New corporations.....	2,819	3,562	388	1,918	25	-15
Old corporations.....	12,894	19,018	1,045	9,756	351	300
Netherlands.....	5,712	20,316	6,217	2,305	345	913
New corporations.....	557	664	( <sup>3</sup> )	436	16	71
Old corporations.....	5,155	19,652	6,217	1,870	329	842
United Kingdom.....	8,290	24,290	7,903	3,429	574	2,105
New corporations.....	101	362	69	119	5	22
Old corporations.....	8,189	23,928	7,835	3,310	569	2,083

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

(Money amounts are in millions of dollars)

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Net income (less deficit)	Net income	Deficit	Statutory special deductions		Income subject to tax
				Total	Net operating loss deduction	
	(20)	(21)	(22)	(23)	(24)	(25)
<b>All industries<sup>1</sup>:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>451,985</b>	<b>494,959</b>	<b>42,975</b>	<b>101,718</b>	<b>22,142</b>	<b>396,018</b>
New corporations.....	16,216	19,457	3,241	7,145	1,329	12,442
Old corporations.....	435,769	475,502	39,733	94,573	20,813	383,576
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>25,425</b>	<b>38,171</b>	<b>12,747</b>	<b>8,513</b>	<b>7,306</b>	<b>29,960</b>
New corporations.....	1,051	1,955	904	375	300	1,594
Old corporations.....	24,374	36,217	11,843	8,138	7,007	28,367
Selected countries:						
Canada.....	2,276	3,134	858	859	580	2,309
New corporations.....	62	113	51	16	12	101
Old corporations.....	2,214	3,021	808	843	568	2,208
France.....	997	2,119	1,123	707	660	1,415
New corporations.....	44	125	82	4	3	122
Old corporations.....	953	1,994	1,041	703	657	1,293
Germany.....	1,716	2,984	1,268	750	620	2,279
New corporations.....	11	39	29	( <sup>3</sup> )	( <sup>3</sup> )	39
Old corporations.....	1,705	2,945	1,239	749	620	2,240
Japan.....	4,250	6,809	2,559	1,843	1,752	4,986
New corporations.....	203	396	194	103	100	293
Old corporations.....	4,047	6,413	2,366	1,740	1,652	4,693
Netherlands.....	2,965	3,897	932	870	656	3,118
New corporations.....	212	217	6	50	46	167
Old corporations.....	2,753	3,679	926	820	610	2,952
United Kingdom.....	6,795	8,966	2,171	1,604	1,311	7,401
New corporations.....	604	679	76	102	76	578
Old corporations.....	6,192	8,287	2,095	1,503	1,235	6,824
<b>Manufacturing:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>177,896</b>	<b>190,527</b>	<b>12,631</b>	<b>13,107</b>	<b>6,361</b>	<b>177,728</b>
New corporations.....	3,731	4,709	978	351	259	4,362
Old corporations.....	174,165	185,818	11,653	12,756	6,102	173,366
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>13,835</b>	<b>19,475</b>	<b>5,640</b>	<b>4,218</b>	<b>3,510</b>	<b>15,331</b>
New corporations.....	347	774	427	116	91	662
Old corporations.....	13,488	18,701	5,213	4,102	3,419	14,669
Selected countries:						
Canada.....	1,010	1,346	336	598	347	778
New corporations.....	47	70	23	8	5	66
Old corporations.....	963	1,275	312	590	342	712
France.....	678	1,540	863	500	475	1,041
New corporations.....	74	115	40	4	3	111
Old corporations.....	604	1,426	822	496	472	930
Germany.....	1,700	1,907	206	482	396	1,426
New corporations.....	13	39	26	( <sup>3</sup> )	( <sup>3</sup> )	39
Old corporations.....	1,688	1,867	180	481	395	1,388
Japan.....	2,062	2,708	646	949	921	1,760
New corporations.....	115	143	28	20	20	123
Old corporations.....	1,947	2,565	618	930	901	1,637
Netherlands.....	1,562	1,780	218	409	305	1,374
New corporations.....	26	32	6	21	21	11
Old corporations.....	1,536	1,748	212	389	284	1,362
United Kingdom.....	2,724	4,411	1,688	555	391	3,891
New corporations.....	99	150	51	31	12	120
Old corporations.....	2,624	4,261	1,637	524	379	3,771

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Net income (less deficit)	Net income	Deficit	Statutory special deductions		Income subject to tax
				Total	Net operating loss deduction	
	(20)	(21)	(22)	(23)	(24)	(25)
<b>Wholesale trade:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>12,482</b>	<b>13,548</b>	<b>1,065</b>	<b>1,218</b>	<b>1,030</b>	<b>12,336</b>
New corporations.....	452	551	99	13	10	541
Old corporations.....	12,030	12,997	967	1,205	1,021	11,795
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>3,267</b>	<b>5,865</b>	<b>2,598</b>	<b>1,658</b>	<b>1,572</b>	<b>4,215</b>
New corporations.....	532	638	106	134	128	504
Old corporations.....	2,735	5,227	2,492	1,524	1,444	3,711
Selected countries:						
Canada.....	99	218	119	60	59	158
New corporations.....	39	42	2	6	6	35
Old corporations.....	60	176	117	54	53	123
France.....	92	110	19	27	24	84
New corporations.....	11	11	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	11
Old corporations.....	81	100	19	27	24	73
Germany.....	-520	473	993	188	180	286
New corporations.....	-2	( <sup>3</sup> )	2	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Old corporations.....	-518	473	991	188	180	286
Japan.....	1,358	2,319	961	643	625	1,682
New corporations.....	98	99	( <sup>3</sup> )	71	71	27
Old corporations.....	1,259	2,220	961	572	554	1,655
Netherlands.....	292	456	164	126	93	330
New corporations.....	35	35	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	35
Old corporations.....	258	422	164	126	93	296
United Kingdom.....	1,118	1,161	43	308	295	853
New corporations.....	355	368	13	39	33	329
Old corporations.....	763	793	30	269	262	524
<b>Finance, insurance, and real estate:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>153,219</b>	<b>168,274</b>	<b>15,055</b>	<b>78,182</b>	<b>6,839</b>	<b>92,446</b>
New corporations.....	7,404	8,375	971	5,765	177	2,733
Old corporations.....	145,815	159,899	14,084	72,417	6,662	89,713
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>4,056</b>	<b>6,397</b>	<b>2,342</b>	<b>1,338</b>	<b>976</b>	<b>5,277</b>
New corporations.....	72	276	203	51	13	235
Old corporations.....	3,983	6,122	2,138	1,287	962	5,043
Selected countries:						
Canada.....	653	869	216	79	54	794
New corporations.....	-13	( <sup>3</sup> )	13	1	( <sup>3</sup> )	( <sup>3</sup> )
Old corporations.....	666	869	203	78	54	794
France.....	237	287	50	120	103	169
New corporations.....	--	--	--	--	--	--
Old corporations.....	237	287	50	120	103	169
Germany.....	120	120	( <sup>3</sup> )	55	20	108
New corporations.....	--	--	--	--	--	--
Old corporations.....	120	120	( <sup>3</sup> )	55	20	108
Japan.....	318	1,000	682	145	104	867
New corporations.....	-17	148	165	10	6	139
Old corporations.....	335	852	517	136	98	728
Netherlands.....	833	1,080	247	147	75	1,022
New corporations.....	71	71	( <sup>3</sup> )	7	7	64
Old corporations.....	762	1,009	247	140	68	959
United Kingdom.....	1,932	1,999	68	421	336	1,583
New corporations.....	22	32	10	( <sup>3</sup> )	( <sup>3</sup> )	32
Old corporations.....	1,909	1,967	58	421	336	1,550

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

(Money amounts are in millions of dollars)

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Income tax before credits			Credits		Total income tax after credits
	Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(26)	(27)	(28)	(29)	(30)	(31)
<b>All Industries<sup>1</sup>:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>140,623</b>	<b>136,951</b>	<b>3,139</b>	<b>33,305</b>	<b>23,211</b>	<b>107,319</b>
New corporations.....	4,679	4,338	322	830	337	3,849
Old corporations.....	135,944	132,613	2,816	32,475	22,875	103,469
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>11,334</b>	<b>10,451</b>	<b>757</b>	<b>2,641</b>	<b>1,766</b>	<b>8,694</b>
New corporations.....	631	555	71	99	74	532
Old corporations.....	10,703	9,896	686	2,542	1,693	8,162
Selected countries:						
Canada.....	860	804	52	81	14	778
New corporations.....	37	35	1	( <sup>9</sup> )	( <sup>9</sup> )	36
Old corporations.....	823	769	51	81	14	742
France.....	558	492	63	156	123	403
New corporations.....	43	42	( <sup>9</sup> )	1	1	42
Old corporations.....	516	450	63	155	122	361
Germany.....	889	794	92	104	40	785
New corporations.....	14	13	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	14
Old corporations.....	875	781	92	104	40	771
Japan.....	1,958	1,737	210	343	223	1,616
New corporations.....	158	102	54	14	13	145
Old corporations.....	1,800	1,635	157	329	210	1,471
Netherlands.....	1,292	1,088	125	183	125	1,109
New corporations.....	62	58	4	5	4	57
Old corporations.....	1,230	1,030	122	178	121	1,052
United Kingdom.....	2,702	2,587	101	353	219	2,349
New corporations.....	214	202	11	49	45	165
Old corporations.....	2,488	2,385	90	304	174	2,184
<b>Manufacturing:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>63,421</b>	<b>62,125</b>	<b>1,030</b>	<b>23,046</b>	<b>16,678</b>	<b>40,375</b>
New corporations.....	1,561	1,522	34	349	99	1,212
Old corporations.....	61,860	60,603	996	22,697	16,578	39,164
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>5,796</b>	<b>5,350</b>	<b>346</b>	<b>1,491</b>	<b>986</b>	<b>4,305</b>
New corporations.....	246	231	14	37	17	209
Old corporations.....	5,549	5,119	332	1,453	968	4,096
Selected countries:						
Canada.....	310	270	39	52	8	258
New corporations.....	23	23	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	23
Old corporations.....	287	247	38	52	8	235
France.....	396	363	31	116	90	280
New corporations.....	39	39	( <sup>9</sup> )	--	--	39
Old corporations.....	357	324	31	116	90	241
Germany.....	545	497	46	61	24	484
New corporations.....	14	13	( <sup>9</sup> )	( <sup>9</sup> )	( <sup>9</sup> )	14
Old corporations.....	531	484	46	61	24	470
Japan.....	671	613	54	72	17	599
New corporations.....	44	43	( <sup>9</sup> )	4	4	39
Old corporations.....	627	570	54	68	13	559
Netherlands.....	631	479	76	104	63	527
New corporations.....	7	4	3	--	--	7
Old corporations.....	624	476	72	104	63	520
United Kingdom.....	1,397	1,360	29	191	87	1,206
New corporations.....	51	42	9	4	3	47
Old corporations.....	1,346	1,318	21	187	85	1,159

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Income tax before credits			Credits		Total income tax after credits
	Total	Regular tax	Alternative minimum tax	Total	Foreign tax credit	
	(26)	(27)	(28)	(29)	(30)	(31)
<b>Wholesale trade:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>4,343</b>	<b>4,292</b>	<b>37</b>	<b>878</b>	<b>750</b>	<b>3,465</b>
New corporations.....	191	188	2	13	10	178
Old corporations.....	4,152	4,104	35	865	740	3,287
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>1,682</b>	<b>1,464</b>	<b>209</b>	<b>176</b>	<b>48</b>	<b>1,506</b>
New corporations.....	231	175	54	14	12	216
Old corporations.....	1,452	1,289	155	162	37	1,289
<b>Selected countries:</b>						
Canada.....	59	54	3	( <sup>2</sup> )	( <sup>2</sup> )	58
New corporations.....	13	12	1	--	--	13
Old corporations.....	45	42	3	( <sup>2</sup> )	( <sup>2</sup> )	45
France.....	31	29	3	2	2	30
New corporations.....	4	4	--	1	1	3
Old corporations.....	28	25	3	1	1	27
Germany.....	129	99	29	8	( <sup>2</sup> )	121
New corporations.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Old corporations.....	129	99	29	8	( <sup>2</sup> )	121
Japan.....	709	585	121	59	4	650
New corporations.....	63	9	53	( <sup>2</sup> )	( <sup>2</sup> )	63
Old corporations.....	646	576	67	59	4	587
Netherlands.....	146	115	30	11	( <sup>2</sup> )	135
New corporations.....	12	12	--	( <sup>2</sup> )	( <sup>2</sup> )	12
Old corporations.....	134	103	30	11	( <sup>2</sup> )	123
United Kingdom.....	310	298	10	45	41	265
New corporations.....	116	115	( <sup>2</sup> )	13	11	102
Old corporations.....	194	183	10	31	30	163
<b>Finance, insurance, and real estate:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>31,464</b>	<b>30,909</b>	<b>522</b>	<b>4,607</b>	<b>3,484</b>	<b>26,856</b>
New corporations.....	980	951	24	32	7	948
Old corporations.....	30,484	29,958	498	4,576	3,477	25,908
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>1,940</b>	<b>1,843</b>	<b>87</b>	<b>171</b>	<b>114</b>	<b>1,769</b>
New corporations.....	84	82	( <sup>2</sup> )	10	9	75
Old corporations.....	1,856	1,761	87	162	105	1,694
<b>Selected countries:</b>						
Canada.....	280	278	1	14	1	266
New corporations.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	--	--	( <sup>2</sup> )
Old corporations.....	280	278	1	14	1	266
France.....	86	59	27	37	31	49
New corporations.....	--	--	--	--	--	--
Old corporations.....	86	59	27	37	31	49
Germany.....	48	37	11	8	8	40
New corporations.....	--	--	--	--	--	--
Old corporations.....	48	37	11	8	8	40
Japan.....	319	303	13	55	47	264
New corporations.....	50	48	( <sup>2</sup> )	10	9	41
Old corporations.....	268	254	13	46	38	223
Netherlands.....	362	357	3	5	2	357
New corporations.....	22	22	--	--	--	22
Old corporations.....	340	335	3	5	2	334
United Kingdom.....	582	554	26	11	10	570
New corporations.....	11	11	--	--	--	11
Old corporations.....	570	542	26	11	10	559

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages					
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	Total liabilities divided by net worth
	Divided by total number of returns		Divided by total assets			(37)
	(32)	(33)	(34)	(35)	(36)	
<b>All Industries<sup>1</sup>:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>80.51</b>	<b>70.58</b>	<b>39.96</b>	<b>29.25</b>	<b>30.79</b>	<b>224.79</b>
New corporations.....	71.43	51.65	30.77	27.18	42.05	137.81
Old corporations.....	81.38	72.35	40.34	29.34	30.32	229.81
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>70.06</b>	<b>71.82</b>	<b>47.65</b>	<b>30.53</b>	<b>21.82</b>	<b>358.40</b>
New corporations.....	66.18	67.15	58.58	28.01	13.41	645.62
Old corporations.....	70.45	72.25	46.93	30.70	22.37	347.03
Selected countries:						
Canada.....	71.21	71.98	29.43	48.70	21.87	357.15
New corporations.....	56.00	56.00	26.41	54.45	19.14	422.39
Old corporations.....	73.16	74.03	29.57	48.43	22.00	354.45
France.....	68.03	73.47	40.33	44.44	15.23	556.39
New corporations.....	50.00	50.00	19.13	85.85	-4.99	-2,105.58
Old corporations.....	68.79	74.47	40.84	43.43	15.72	535.96
Germany.....	80.40	84.92	44.94	28.79	26.27	280.66
New corporations.....	66.67	66.67	79.45	3.39	17.27	479.75
Old corporations.....	80.53	85.26	44.71	28.96	26.33	279.80
Japan.....	68.48	70.44	67.22	16.88	15.90	529.04
New corporations.....	73.47	73.47	75.25	18.06	6.69	1,394.93
Old corporations.....	68.08	70.36	65.97	16.70	17.33	477.16
Netherlands.....	67.45	69.34	33.90	31.41	34.69	188.23
New corporations.....	**	**	64.52	20.23	15.25	555.69
Old corporations.....	**	**	32.40	31.95	35.64	180.56
United Kingdom.....	72.76	74.42	39.80	39.05	21.15	372.76
New corporations.....	66.67	70.83	25.64	48.91	25.45	292.86
Old corporations.....	73.29	74.73	40.42	38.61	20.96	377.06
<b>Manufacturing:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>81.02</b>	<b>82.88</b>	<b>30.42</b>	<b>34.86</b>	<b>34.72</b>	<b>188.00</b>
New corporations.....	65.84	65.43	22.04	38.46	39.50	153.18
Old corporations.....	82.17	84.20	30.63	34.77	34.60	188.99
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>72.86</b>	<b>75.68</b>	<b>30.06</b>	<b>35.38</b>	<b>34.56</b>	<b>189.31</b>
New corporations.....	62.50	65.63	37.97	35.08	26.94	271.13
Old corporations.....	73.65	76.46	29.69	35.39	34.92	186.37
Selected countries:						
Canada.....	78.70	79.63	29.96	32.97	37.06	169.80
New corporations.....	60.00	70.00	20.15	58.41	21.42	366.69
Old corporations.....	80.61	80.61	31.10	30.02	38.88	157.22
France.....	65.22	71.01	28.56	37.77	33.67	197.00
New corporations.....	**	**	21.13	52.65	26.22	281.46
Old corporations.....	**	**	28.78	37.33	33.89	195.06
Germany.....	82.57	88.07	30.81	28.29	40.91	144.44
New corporations.....	**	**	81.63	2.12	16.37	511.51
Old corporations.....	**	**	30.04	28.68	41.28	142.26
Japan.....	70.12	73.44	39.13	26.89	33.98	194.29
New corporations.....	46.15	46.15	50.61	17.08	32.31	209.48
Old corporations.....	71.18	74.67	38.33	27.57	34.10	193.29
Netherlands.....	70.31	71.88	24.95	21.27	53.78	85.95
New corporations.....	**	**	18.85	48.75	32.40	208.64
Old corporations.....	**	**	24.98	21.13	53.89	85.57
United Kingdom.....	75.00	78.68	26.20	55.09	18.71	434.45
New corporations.....	**	**	28.85	33.07	38.07	162.66
Old corporations.....	**	**	26.07	56.23	17.71	464.67

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages					Total liabilities divided by net worth
	Number of returns with net income	Number of returns with total income tax after credits	Current liabilities	Noncurrent liabilities	Net worth	
	Divided by total number of returns		Divided by total assets			
	(32)	(33)	(34)	(35)	(36)	
<b>Wholesale trade:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>83.40</b>	<b>83.23</b>	<b>55.61</b>	<b>21.17</b>	<b>23.22</b>	<b>330.67</b>
New corporations.....	65.38	69.23	35.97	29.68	34.36	191.07
Old corporations.....	84.26	83.89	56.43	20.81	22.76	339.43
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>75.08</b>	<b>75.53</b>	<b>57.87</b>	<b>24.33</b>	<b>17.80</b>	<b>461.91</b>
New corporations.....	78.79	78.79	35.30	52.39	12.31	712.00
Old corporations.....	74.71	75.04	61.22	20.18	18.61	437.41
Selected countries:						
Canada.....	72.34	72.34	36.50	37.65	25.85	286.83
New corporations.....	**	**	34.35	49.16	16.49	506.48
Old corporations.....	**	**	36.78	36.16	27.06	269.56
France.....	71.43	85.71	41.66	22.42	35.92	178.37
New corporations.....	**	**	68.97	2.82	28.21	254.44
Old corporations.....	**	**	35.51	26.81	37.65	165.52
Germany.....	76.92	78.85	58.85	26.23	14.93	570.00
New corporations.....	**	**	60.00	14.74	25.26	295.83
Old corporations.....	**	**	58.84	26.28	14.87	572.27
Japan.....	75.98	76.77	63.41	19.72	16.87	492.76
New corporations.....	**	**	35.40	55.87	8.74	1,044.64
Old corporations.....	**	**	67.49	14.45	18.06	453.79
Netherlands.....	63.64	65.91	45.87	43.26	10.86	820.56
New corporations.....	100.00	100.00	26.46	51.56	21.98	354.94
Old corporations.....	55.56	58.33	46.97	42.79	10.24	877.02
United Kingdom.....	77.14	71.43	27.30	52.57	20.13	396.75
New corporations.....	**	**	17.81	65.30	16.87	492.64
Old corporations.....	**	**	33.54	44.18	22.28	348.91
<b>Finance, insurance, and real estate:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>82.97</b>	<b>48.28</b>	<b>46.75</b>	<b>24.55</b>	<b>28.61</b>	<b>249.16</b>
New corporations.....	82.91	35.82	39.39	13.63	46.98	112.86
Old corporations.....	83.00	50.05	47.03	25.07	27.89	258.50
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>64.72</b>	<b>64.72</b>	<b>61.65</b>	<b>27.35</b>	<b>11.01</b>	<b>808.44</b>
New corporations.....	56.67	56.67	84.46	7.70	7.84	1,175.19
Old corporations.....	65.42	65.42	60.15	28.63	11.21	791.67
Selected countries:						
Canada.....	63.16	63.16	29.65	61.22	9.13	994.94
New corporations.....	**	**	60.79	32.05	7.15	1,298.15
Old corporations.....	**	**	29.40	61.45	9.15	992.90
France.....	71.43	67.86	45.33	46.59	8.07	1,138.57
New corporations.....	--	--	--	--	--	--
Old corporations.....	71.43	67.86	45.33	46.59	8.07	1,138.57
Germany.....	**	**	58.66	26.18	15.15	559.91
New corporations.....	--	--	--	--	--	--
Old corporations.....	**	**	58.66	26.18	15.15	559.91
Japan.....	53.61	55.67	80.07	11.79	8.14	1,128.36
New corporations.....	54.55	54.55	91.88	4.17	3.95	2,428.44
Old corporations.....	53.49	55.81	77.57	13.40	9.02	1,008.07
Netherlands.....	71.88	71.88	45.21	38.67	16.12	520.37
New corporations.....	100.00	100.00	83.46	9.10	7.44	1,244.02
Old corporations.....	68.97	68.97	41.84	41.27	16.88	492.26
United Kingdom.....	81.82	80.00	57.07	27.73	15.20	557.92
New corporations.....	**	**	38.36	53.31	8.26	1,109.52
Old corporations.....	**	**	57.25	27.48	15.26	555.11

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages -- Continued						
	Total receipts divided by total assets	Cost of goods sold divided by		Interest paid divided by total receipts	Total receipts less total deductions divided by		
		Business receipts	Inventories		Total assets	Net worth	Total receipts
	(38)	(39)	(40)	(41)	(42)	(43)	(44)
<b>All industries<sup>1</sup>:</b>							
<b>Domestic corporations not foreign controlled.....</b>	<b>40.42</b>	<b>63.60</b>	<b>618.54</b>	<b>5.76</b>	<b>2.54</b>	<b>8.26</b>	<b>6.30</b>
New corporations.....	39.38	62.60	696.37	4.90	2.46	5.86	6.26
Old corporations.....	40.46	63.64	615.68	5.79	2.55	8.40	6.30
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>57.62</b>	<b>72.82</b>	<b>714.79</b>	<b>5.41</b>	<b>1.14</b>	<b>5.23</b>	<b>1.98</b>
New corporations.....	58.44	72.71	642.24	5.80	0.74	5.51	1.27
Old corporations.....	57.56	72.83	720.29	5.38	1.17	5.22	2.03
Selected countries:							
Canada.....	52.79	69.53	834.02	5.04	1.30	5.92	2.45
New corporations.....	107.50	64.71	1,203.42	5.40	0.78	4.05	0.72
Old corporations.....	50.18	70.05	809.54	5.01	1.32	6.00	2.63
France.....	42.77	79.11	717.41	4.66	0.43	2.83	1.01
New corporations.....	64.90	79.53	197.24	1.71	0.71	-14.16	1.09
Old corporations.....	42.23	79.10	807.36	4.78	0.42	2.70	1.00
Germany.....	82.24	69.96	661.16	3.17	1.23	4.66	1.49
New corporations.....	160.38	75.50	486.73	1.59	1.17	6.75	0.73
Old corporations.....	81.72	69.89	664.61	3.20	1.23	4.66	1.50
Japan.....	73.48	83.00	789.33	4.86	0.81	5.07	1.10
New corporations.....	45.83	77.11	864.13	8.32	0.29	4.39	0.64
Old corporations.....	77.77	83.50	783.93	4.54	0.88	5.11	1.14
Netherlands.....	47.45	70.24	978.24	4.50	1.01	2.91	2.13
New corporations.....	25.48	58.24	528.57	14.53	1.49	9.78	5.85
Old corporations.....	48.52	70.50	993.38	4.24	0.99	2.77	2.03
United Kingdom.....	49.65	60.89	597.41	7.08	1.86	8.79	3.74
New corporations.....	84.01	62.47	562.12	3.89	3.66	14.39	4.36
Old corporations.....	48.13	60.75	600.64	7.33	1.78	8.49	3.70
<b>Manufacturing:</b>							
<b>Domestic corporations not foreign controlled.....</b>	<b>82.73</b>	<b>67.62</b>	<b>713.15</b>	<b>3.34</b>	<b>4.46</b>	<b>12.84</b>	<b>5.39</b>
New corporations.....	95.72	68.29	556.55	2.68	4.31	10.91	4.50
Old corporations.....	82.40	67.60	719.38	3.35	4.46	12.89	5.41
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>83.41</b>	<b>68.81</b>	<b>579.98</b>	<b>3.74</b>	<b>2.05</b>	<b>5.92</b>	<b>2.45</b>
New corporations.....	92.70	65.77	511.56	3.64	1.16	4.31	1.25
Old corporations.....	82.97	68.97	583.88	3.75	2.09	5.98	2.52
Selected countries:							
Canada.....	80.01	73.19	778.90	2.83	1.62	4.37	2.02
New corporations.....	69.63	37.79	506.76	9.91	0.73	3.42	1.05
Old corporations.....	81.21	76.41	798.18	2.12	1.72	4.43	2.12
France.....	82.38	69.04	490.89	3.39	1.14	3.38	1.38
New corporations.....	88.59	73.77	403.30	3.16	5.45	20.79	6.15
Old corporations.....	82.20	68.89	494.67	3.40	1.01	2.98	1.23
Germany.....	99.49	68.73	460.45	2.36	2.85	6.96	2.86
New corporations.....	149.00	73.27	486.89	0.95	1.53	9.35	1.03
Old corporations.....	98.74	68.63	459.90	2.39	2.87	6.95	2.90
Japan.....	133.22	80.60	659.25	1.83	3.70	10.90	2.78
New corporations.....	103.66	82.10	472.85	2.76	3.12	9.66	3.01
Old corporations.....	135.26	80.52	673.41	1.78	3.75	10.98	2.77
Netherlands.....	56.70	74.21	954.23	3.15	1.14	2.12	2.01
New corporations.....	110.90	68.53	494.23	1.73	3.83	11.82	3.45
Old corporations.....	56.42	74.27	962.77	3.16	1.13	2.09	2.00
United Kingdom.....	80.02	60.28	519.91	7.11	1.98	10.60	2.48
New corporations.....	99.10	60.36	545.75	3.11	1.54	4.05	1.56
Old corporations.....	79.03	60.28	518.21	7.37	2.01	11.32	2.54

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages -- Continued						
	Total receipts divided by total assets	Cost of goods sold divided by		Interest paid divided by total receipts	Total receipts less total deductions divided by		
		Business receipts	Inventories		Total assets	Net worth	Total receipts
	(38)	(39)	(40)	(41)	(42)	(43)	(44)
<b>Wholesale trade:</b>							
<b>Domestic corporations not foreign controlled.....</b>	<b>147.38</b>	<b>86.35</b>	<b>502.95</b>	<b>1.88</b>	<b>2.98</b>	<b>12.83</b>	<b>2.02</b>
New corporations.....	240.58	86.30	737.30	0.88	3.00	8.74	1.25
Old corporations.....	143.51	86.35	491.75	1.95	2.98	13.09	2.08
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>179.71</b>	<b>85.07</b>	<b>844.05</b>	<b>1.81</b>	<b>1.45</b>	<b>8.17</b>	<b>0.81</b>
New corporations.....	137.36	79.02	895.48	2.12	1.87	15.20	1.36
Old corporations.....	185.98	85.73	839.22	1.77	1.39	7.48	0.75
Selected countries:							
Canada.....	224.51	85.06	823.59	1.48	1.73	6.68	0.77
New corporations.....	491.60	91.63	2,497.44	0.50	5.95	36.11	1.21
Old corporations.....	190.03	82.80	656.97	1.81	1.18	4.37	0.62
France.....	197.39	85.17	976.31	1.03	2.61	7.26	1.32
New corporations.....	195.77	96.53	1,184.16	0.88	1.72	6.11	0.88
Old corporations.....	197.75	82.62	931.57	1.08	2.81	7.46	1.42
Germany.....	155.59	81.99	1,002.36	3.51	-2.71	-18.14	-1.74
New corporations.....	262.11	86.72	486.05	4.82	-2.11	-8.33	-0.80
Old corporations.....	155.07	81.95	1,011.91	3.50	-2.71	-18.22	-1.75
Japan.....	185.52	86.12	874.59	1.60	0.97	5.73	0.52
New corporations.....	134.39	76.86	950.17	2.42	0.57	6.48	0.42
Old corporations.....	192.98	87.05	868.42	1.52	1.02	5.67	0.53
Netherlands.....	142.41	81.31	738.47	2.41	2.12	19.49	1.49
New corporations.....	114.93	66.90	512.73	1.89	4.75	21.60	4.13
Old corporations.....	143.96	81.98	751.01	2.43	1.97	19.24	1.37
United Kingdom.....	131.98	76.81	660.11	2.74	6.79	33.73	5.14
New corporations.....	75.63	67.36	614.60	3.28	5.52	32.71	7.30
Old corporations.....	169.06	79.61	672.22	2.58	7.63	34.23	4.51
<b>Finance, insurance, and real estate:</b>							
<b>Domestic corporations not foreign controlled.....</b>	<b>13.21</b>	<b>62.79</b>	<b>394.27</b>	<b>15.45</b>	<b>1.61</b>	<b>5.61</b>	<b>12.15</b>
New corporations.....	12.83	71.64	1,538.89	11.41	2.10	4.48	16.39
Old corporations.....	13.23	62.42	380.81	15.60	1.59	5.69	11.99
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>13.76</b>	<b>51.79</b>	<b>2,922.08</b>	<b>22.30</b>	<b>0.43</b>	<b>3.94</b>	<b>3.15</b>
New corporations.....	8.69	62.27	1,067.01	45.69	0.13	1.65	1.49
Old corporations.....	14.09	51.56	3,065.62	21.36	0.45	4.04	3.22
Selected countries:							
Canada.....	17.08	50.78	1,213.32	15.42	0.75	8.16	4.36
New corporations.....	21.19	57.66	--	5.00	-1.72	-24.07	-8.13
Old corporations.....	17.05	50.68	1,194.19	15.53	0.76	8.36	4.49
France.....	13.75	100.24	--	11.05	0.18	2.26	1.33
New corporations.....	--	--	--	--	--	--	--
Old corporations.....	13.75	100.24	--	11.05	0.18	2.26	1.33
Germany.....	23.04	38.52	--	9.33	0.50	3.30	2.17
New corporations.....	--	--	--	--	--	--	--
Old corporations.....	23.04	38.52	--	9.33	0.50	3.30	2.17
Japan.....	8.51	30.17	316.81	51.06	0.11	1.30	1.25
New corporations.....	7.57	62.38	--	54.09	-0.03	-0.81	-0.42
Old corporations.....	8.71	25.34	231.19	50.50	0.14	1.50	1.55
Netherlands.....	17.39	44.30	16,802.70	10.86	0.75	4.64	4.30
New corporations.....	7.43	( <sup>2</sup> )	--	59.32	0.72	9.65	9.66
Old corporations.....	18.26	44.34	16,802.70	9.12	0.75	4.44	4.11
United Kingdom.....	16.24	48.11	2,141.73	12.99	1.30	8.52	7.98
New corporations.....	25.18	24.56	71.13	30.99	1.44	17.46	5.73
Old corporations.....	16.16	48.53	2,880.51	12.73	1.29	8.48	8.01

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages -- Continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
	(45)	(46)	(47)	(48)
<b>All industries<sup>1</sup>:</b>				
<b>Domestic corporations not foreign controlled.....</b>	<b>2.53</b>	<b>8.23</b>	<b>6.27</b>	<b>4.47</b>
New corporations.....	2.27	5.41	5.77	6.83
Old corporations.....	2.54	8.39	6.29	4.38
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>1.18</b>	<b>5.42</b>	<b>2.05</b>	<b>19.14</b>
New corporations.....	0.79	5.89	1.35	15.35
Old corporations.....	1.21	5.40	2.10	19.35
Selected countries:				
Canada.....	1.27	5.82	2.41	18.51
New corporations.....	0.76	3.99	0.71	10.62
Old corporations.....	1.30	5.90	2.59	18.80
France.....	0.50	3.31	1.18	31.15
New corporations.....	0.94	18.88	1.45	2.40
Old corporations.....	0.49	3.14	1.17	32.95
Germany.....	1.18	4.50	1.44	20.78
New corporations.....	1.17	6.75	0.73	( <sup>2</sup> )
Old corporations.....	1.18	4.49	1.45	21.05
Japan.....	0.84	5.29	1.15	25.73
New corporations.....	0.30	4.47	0.65	25.25
Old corporations.....	0.93	5.34	1.19	25.76
Netherlands.....	0.99	2.87	2.10	16.83
New corporations.....	1.53	10.01	5.99	21.20
Old corporations.....	0.97	2.72	2.00	16.58
United Kingdom.....	1.87	8.84	3.77	14.62
New corporations.....	3.91	15.35	4.65	11.19
Old corporations.....	1.78	8.49	3.70	14.90
<b>Manufacturing:</b>				
<b>Domestic corporations not foreign controlled.....</b>	<b>5.14</b>	<b>14.79</b>	<b>6.21</b>	<b>3.34</b>
New corporations.....	4.42	11.19	4.62	5.50
Old corporations.....	5.15	14.89	6.25	3.28
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>2.22</b>	<b>6.43</b>	<b>2.66</b>	<b>18.02</b>
New corporations.....	1.25	4.64	1.35	11.76
Old corporations.....	2.27	6.49	2.73	18.28
Selected countries:				
Canada.....	1.64	4.41	2.04	25.78
New corporations.....	0.73	3.42	1.05	7.14
Old corporations.....	1.74	4.48	2.14	26.82
France.....	1.43	4.25	1.74	30.84
New corporations.....	5.45	20.79	6.15	2.61
Old corporations.....	1.31	3.88	1.60	33.10
Germany.....	2.96	7.24	2.98	20.77
New corporations.....	1.53	9.35	1.03	( <sup>2</sup> )
Old corporations.....	2.98	7.23	3.02	21.16
Japan.....	3.78	11.11	2.83	34.01
New corporations.....	3.26	10.10	3.15	13.99
Old corporations.....	3.81	11.18	2.82	35.13
Netherlands.....	1.16	2.16	2.05	17.13
New corporations.....	3.83	11.82	3.45	65.63
Old corporations.....	1.15	2.13	2.03	16.25
United Kingdom.....	2.09	11.15	2.61	8.86
New corporations.....	1.54	4.05	1.56	8.00
Old corporations.....	2.11	11.94	2.68	8.89

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages -- Continued			
	Net income (less deficit) divided by			Net operating loss deduction divided by net income
	Total assets	Net worth	Total receipts	
(45)	(46)	(47)	(48)	
<b>Wholesale trade:</b>				
<b>Domestic corporations not foreign controlled.....</b>	<b>3.30</b>	<b>14.21</b>	<b>2.24</b>	<b>7.60</b>
New corporations.....	2.99	8.72	1.24	1.81
Old corporations.....	3.31	14.56	2.31	7.86
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>1.49</b>	<b>8.39</b>	<b>0.83</b>	<b>26.80</b>
New corporations.....	1.89	15.31	1.37	20.06
Old corporations.....	1.44	7.71	0.77	27.63
Selected countries:				
Canada.....	1.73	6.68	0.77	27.06
New corporations.....	5.95	36.11	1.21	14.29
Old corporations.....	1.18	4.37	0.62	30.11
France.....	2.64	7.34	1.34	21.82
New corporations.....	1.72	6.11	0.88	( <sup>2</sup> )
Old corporations.....	2.84	7.55	1.44	24.00
Germany.....	-2.65	-17.77	-1.70	38.05
New corporations.....	-2.11	-8.33	-0.80	( <sup>2</sup> )
Old corporations.....	-2.65	-17.84	-1.71	38.05
Japan.....	1.00	5.92	0.54	26.95
New corporations.....	0.57	6.48	0.42	71.72
Old corporations.....	1.06	5.88	0.55	24.95
Netherlands.....	2.12	19.49	1.49	20.39
New corporations.....	4.75	21.60	4.13	( <sup>2</sup> )
Old corporations.....	1.98	19.31	1.37	22.04
United Kingdom.....	6.98	34.66	5.29	25.41
New corporations.....	5.58	33.08	7.38	8.97
Old corporations.....	7.89	35.44	4.67	33.04
<b>Finance, insurance, and real estate:</b>				
<b>Domestic corporations not foreign controlled.....</b>	<b>1.36</b>	<b>4.77</b>	<b>10.32</b>	<b>4.06</b>
New corporations.....	1.74	3.71	13.59	2.11
Old corporations.....	1.35	4.84	10.20	4.17
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>0.39</b>	<b>3.52</b>	<b>2.82</b>	<b>15.26</b>
New corporations.....	0.11	1.43	1.29	4.71
Old corporations.....	0.41	3.62	2.88	15.71
Selected countries:				
Canada.....	0.69	7.57	4.05	6.21
New corporations.....	-1.72	-24.07	-8.13	( <sup>2</sup> )
Old corporations.....	0.71	7.76	4.17	6.21
France.....	0.18	2.18	1.28	35.89
New corporations.....	--	--	--	--
Old corporations.....	0.18	2.18	1.28	35.89
Germany.....	0.23	1.53	1.00	16.67
New corporations.....	--	--	--	--
Old corporations.....	0.23	1.53	1.00	16.67
Japan.....	0.12	1.45	1.39	10.40
New corporations.....	-0.04	-0.92	-0.48	4.05
Old corporations.....	0.15	1.67	1.73	11.50
Netherlands.....	0.68	4.23	3.92	6.94
New corporations.....	0.72	9.65	9.66	9.86
Old corporations.....	0.68	4.02	3.72	6.74
United Kingdom.....	1.19	7.82	7.32	16.81
New corporations.....	1.44	17.46	5.73	( <sup>2</sup> )
Old corporations.....	1.19	7.77	7.34	17.08

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

(Money amounts are in millions of dollars)

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages -- Continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
	(49)	(50)	(51)	(52)	(53)	(54)
<b>All industries<sup>1</sup>:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>2.22</b>	<b>7.21</b>	<b>5.49</b>	<b>0.60</b>	<b>1.95</b>	<b>1.49</b>
New corporations.....	1.74	4.15	4.43	0.54	1.28	1.37
Old corporations.....	2.24	7.39	5.53	0.60	1.99	1.49
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>1.39</b>	<b>6.39</b>	<b>2.42</b>	<b>0.40</b>	<b>1.85</b>	<b>0.70</b>
New corporations.....	1.20	8.93	2.05	0.40	2.98	0.68
Old corporations.....	1.41	6.29	2.44	0.40	1.81	0.70
Selected countries:						
Canada.....	1.29	5.90	2.45	0.44	1.99	0.82
New corporations.....	1.24	6.50	1.16	0.44	2.32	0.41
Old corporations.....	1.29	5.88	2.58	0.43	1.98	0.87
France.....	0.72	4.70	1.67	0.20	1.34	0.48
New corporations.....	2.61	-52.36	4.02	0.90	-18.03	1.38
Old corporations.....	0.67	4.26	1.59	0.19	1.19	0.44
Germany.....	1.57	5.98	1.91	0.54	2.06	0.66
New corporations.....	4.13	23.93	2.58	1.48	8.59	0.92
Old corporations.....	1.55	5.90	1.90	0.54	2.03	0.65
Japan.....	0.99	6.21	1.34	0.32	2.01	0.44
New corporations.....	0.43	6.46	0.94	0.21	3.20	0.47
Old corporations.....	1.07	6.20	1.38	0.34	1.94	0.43
Netherlands.....	1.05	3.01	2.20	0.37	1.07	0.78
New corporations.....	1.20	7.89	4.72	0.41	2.69	1.61
Old corporations.....	1.04	2.91	2.14	0.37	1.04	0.76
United Kingdom.....	2.04	9.63	4.10	0.65	3.06	1.30
New corporations.....	3.74	14.69	4.45	1.07	4.19	1.27
Old corporations.....	1.96	9.36	4.08	0.63	2.99	1.30
<b>Manufacturing:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>5.13</b>	<b>14.78</b>	<b>6.20</b>	<b>1.17</b>	<b>3.36</b>	<b>1.41</b>
New corporations.....	5.17	13.09	5.40	1.44	3.64	1.50
Old corporations.....	5.13	14.83	6.23	1.16	3.35	1.41
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>2.46</b>	<b>7.12</b>	<b>2.95</b>	<b>0.69</b>	<b>2.00</b>	<b>0.83</b>
New corporations.....	2.39	8.86	2.57	0.75	2.80	0.81
Old corporations.....	2.46	7.06	2.97	0.69	1.97	0.83
Selected countries:						
Canada.....	1.26	3.40	1.57	0.42	1.13	0.52
New corporations.....	1.03	4.80	1.48	0.36	1.67	0.51
Old corporations.....	1.29	3.31	1.58	0.42	1.09	0.52
France.....	2.20	6.53	2.67	0.59	1.76	0.72
New corporations.....	8.17	31.18	9.23	2.87	10.96	3.24
Old corporations.....	2.02	5.97	2.46	0.52	1.55	0.64
Germany.....	2.48	6.07	2.50	0.84	2.06	0.85
New corporations.....	4.59	28.06	3.08	1.65	10.07	1.11
Old corporations.....	2.45	5.95	2.49	0.83	2.01	0.84
Japan.....	3.22	9.49	2.42	1.10	3.23	0.82
New corporations.....	3.49	10.80	3.37	1.11	3.42	1.07
Old corporations.....	3.20	9.40	2.37	1.09	3.21	0.81
Netherlands.....	1.02	1.90	1.80	0.39	0.73	0.69
New corporations.....	1.62	5.00	1.46	1.03	3.18	0.93
Old corporations.....	1.02	1.89	1.80	0.39	0.72	0.69
United Kingdom.....	2.98	15.93	3.73	0.92	4.94	1.15
New corporations.....	1.87	4.91	1.89	0.73	1.92	0.74
Old corporations.....	3.04	17.16	3.84	0.93	5.27	1.18

Footnotes at end of table.

# Foreign-Controlled Domestic Corporations, 1994

**Table 2. -- "Large" Foreign-Controlled Domestic Corporations Compared to Other "Large" Domestic Corporations: Selected Items and Percentages, by Selected Industrial Groupings and Countries, and by Age of Corporations -- Continued**

[Money amounts are in millions of dollars]

Selected industrial groupings, type of corporations, age of corporations, and selected countries	Percentages -- Continued					
	Income subject to tax divided by			Total income tax after credits divided by		
	Total assets	Net worth	Total receipts	Total assets	Net worth	Total receipts
	(49)	(50)	(51)	(52)	(53)	(54)
<b>Wholesale trade:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>3.26</b>	<b>14.05</b>	<b>2.21</b>	<b>0.92</b>	<b>3.95</b>	<b>0.62</b>
New corporations.....	3.58	10.43	1.49	1.18	3.43	0.49
Old corporations.....	3.25	14.27	2.26	0.91	3.98	0.63
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>1.93</b>	<b>10.82</b>	<b>1.07</b>	<b>0.69</b>	<b>3.87</b>	<b>0.38</b>
New corporations.....	1.79	14.51	1.30	0.77	6.22	0.56
Old corporations.....	1.95	10.46	1.05	0.68	3.63	0.36
Selected countries:						
Canada.....	2.76	10.67	1.23	1.01	3.92	0.45
New corporations.....	5.34	32.41	1.09	1.98	12.04	0.40
Old corporations.....	2.42	8.96	1.28	0.89	3.28	0.47
France.....	2.41	6.70	1.22	0.86	2.39	0.44
New corporations.....	1.72	6.11	0.88	0.47	1.67	0.24
Old corporations.....	2.56	6.80	1.30	0.95	2.52	0.48
Germany.....	1.46	9.77	0.94	0.62	4.13	0.40
New corporations.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Old corporations.....	1.47	9.85	0.95	0.62	4.17	0.40
Japan.....	1.24	7.34	0.67	0.48	2.83	0.26
New corporations.....	0.16	1.79	0.12	0.36	4.17	0.27
Old corporations.....	1.40	7.73	0.72	0.49	2.74	0.26
Netherlands.....	2.39	22.03	1.68	0.98	9.01	0.69
New corporations.....	4.75	21.60	4.13	1.63	7.41	1.42
Old corporations.....	2.27	22.16	1.58	0.94	9.21	0.65
United Kingdom.....	5.32	26.44	4.03	1.65	8.21	1.25
New corporations.....	5.17	30.66	6.84	1.60	9.51	2.12
Old corporations.....	5.42	24.34	3.21	1.69	7.57	1.00
<b>Finance, insurance, and real estate:</b>						
<b>Domestic corporations not foreign controlled.....</b>	<b>0.82</b>	<b>2.88</b>	<b>6.23</b>	<b>0.24</b>	<b>0.84</b>	<b>1.81</b>
New corporations.....	0.64	1.37	5.02	0.22	0.48	1.74
Old corporations.....	0.83	2.98	6.27	0.24	0.86	1.81
<b>Foreign-controlled domestic corporations<sup>1</sup>.....</b>	<b>0.50</b>	<b>4.58</b>	<b>3.66</b>	<b>0.17</b>	<b>1.54</b>	<b>1.23</b>
New corporations.....	0.37	4.66	4.21	0.12	1.49	1.34
Old corporations.....	0.51	4.58	3.64	0.17	1.54	1.22
Selected countries:						
Canada.....	0.84	9.20	4.92	0.28	3.08	1.65
New corporations.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Old corporations.....	0.85	9.26	4.97	0.28	3.10	1.66
France.....	0.13	1.56	0.91	0.04	0.45	0.27
New corporations.....	--	--	--	--	--	--
Old corporations.....	0.13	1.56	0.91	0.04	0.45	0.27
Germany.....	0.21	1.37	0.90	0.08	0.51	0.33
New corporations.....	--	--	--	--	--	--
Old corporations.....	0.21	1.37	0.90	0.08	0.51	0.33
Japan.....	0.32	3.96	3.79	0.10	1.21	1.15
New corporations.....	0.30	7.50	3.92	0.09	2.21	1.16
Old corporations.....	0.33	3.63	3.77	0.10	1.11	1.15
Netherlands.....	0.84	5.19	4.81	0.29	1.81	1.68
New corporations.....	0.65	8.70	8.71	0.22	2.99	2.99
Old corporations.....	0.85	5.06	4.68	0.30	1.76	1.63
United Kingdom.....	0.97	6.41	6.00	0.35	2.31	2.16
New corporations.....	2.10	25.40	8.33	0.72	8.73	2.86
Old corporations.....	0.96	6.31	5.96	0.35	2.27	2.15

<sup>2</sup> Not shown to avoid disclosure of information about specific corporations. However, the data are included in the appropriate totals.

<sup>1</sup> Includes industrial groups and/or countries, as appropriate, not specifically listed.

<sup>2</sup> Excludes interest received on State and local Government obligations.

<sup>3</sup> For money amounts, less than \$500,000; related percentages were not calculated. For percentages, also includes less than 0.005 percent.

NOTES: This table presents separate data for the six largest countries, based on total receipts (column 12) for 1994, at the all-industries level. "Large" corporations are those with total assets of \$250,000,000 or more, and/or with business receipts of \$50,000,000 or more (total receipts were used in lieu of business receipts for the finance, insurance, and real estate division). Data from corporations that filed Forms 1120S are excluded from this table. "New" corporations were those with dates of incorporation between 1992 and 1995; "old" corporations were those with dates of incorporation prior to 1992.

# Foreign Sales Corporations, 1992

by Daniel S. Holik

**F**oreign Sales Corporations (FSC's) filed 3,073 income tax returns for Tax Year 1992. A FSC is a foreign corporation, created by "parent" shareholders (mostly corporations), to promote export of the parent's products and services [1]. Generally, the FSC mechanism exempts a portion of income derived from the export of U.S. manufactured merchandise and certain services from U.S. income taxation.

Most FSC returns for 1992 were filed for companies which exported manufactured products--FSC's reporting export of manufactured products accounted for 86 percent of all FSC returns filed (Table 1). Classified by the "gross receipts of FSC's and related suppliers," the largest exported manufactured product groups were machinery, other than electrical (\$29.8 billion), chemicals and allied products (\$29.3 billion), electrical machinery, equipment and supplies (\$21.1 billion), and transportation equipment (\$18.1 billion), while the largest nonmanufactured product or service group was grains and soybeans (\$4.4 billion). (Gross receipts of FSC's and their related suppliers included all receipts that FSC's and related suppliers earned from export transactions with foreign parties, prior to any deductions.)

## Economic Activity and Earnings

Overall measures of FSC's economic activity and earnings can be highlighted using Tax Year 1992 statistics. For 1992, the gross receipts of FSC's and related suppliers, a broad measure of economic activity, was \$152.3 billion. After subtraction of costs of goods sold, and allocations of receipts using pricing rules to FSC's and their related suppliers, FSC's generated \$15.6 billion of "total income." Of this amount, \$6.0 billion was subject to U.S. tax as "nonexempt income," while \$9.6 billion was exempt from regular U.S. income taxation (Figure A). Total deductions allocated to nonexempt income were \$3.2 billion. Following other adjustments, income subject to U.S. tax, the tax base, was \$2.3 billion, which generated a total U.S. income tax of \$0.8 billion.

Figure A also shows how net exempt income was calculated. In order to make this calculation, FSC's first had to select administrative or nonadministrative intercompany pricing methods (methods used to allocate receipts between the FSC and its related suppliers, discussed later in this article). A total of \$5.6 billion in deductions was allocated to the \$9.6 billion of exempt income, so that net

*This article was written by Daniel S. Holik, an economist with the Special Studies and Publications Branch, Returns Analysis Section, under the direction of Chris Carson, Chief.*

**Figure A**

## Foreign Sales Corporations: Calculation of Net Exempt Income, Tax Year 1992

[Money amounts are in millions of dollars]

Item	Total	Foreign trade income		Non-foreign trade income (less loss)
		Adminis- trative	Non- adminis- trative	
Total income.....	15,612	14,243	912	457
Nonexempt income.....	5,993	4,899	637	457
Exempt income.....	9,619	9,344	275	-
Deductions allocable to exempt income.....	5,563	5,394	169	-
Net exempt income.....	4,058	3,952	106	-

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

exempt income was \$4.1 billion. This was 26 percent of total income.

FSC's distributed \$5.3 billion to their parent shareholders, mostly U.S. corporations. In general, distributions made by FSC's to their parent corporations were deductible and therefore not subject to U.S. income tax [2]. These distributions reflected current and accumulated (i.e., from prior year) earnings and profits.

## Statutory Requirements

The FSC mechanism provides an exemption of certain income from U.S. taxation. FSC's are specifically designed to comply with General Agreement on Tariffs and Trade (GATT) standards. (The legislative history section of this article presents additional information about the development of the FSC entity by the U.S. Government in response to GATT findings.)

FSC's use a specific set of income, deduction, and exemption concepts. In addition, certain foreign economic process requirements are imposed on FSC's and related parties. Definitions of FSC-related income, deduction, and exemption concepts, as well as descriptions of foreign economic process and FSC entity requirements, are presented below.

## Income and Export Pricing Concepts

Gross receipts of FSC's and related suppliers, an overall measure of FSC's income and economic activity, includes all receipts that FSC's and related suppliers earn from export transactions. FSC "foreign trade gross receipts" and FSC "foreign trade income" are calculated by applying certain pricing rules (see below) to gross receipts or net income of FSC's and related suppliers. "Foreign trade income" is income from qualified transactions attributable to the sale or lease of "export property" outside the United States or to the performance of various types of "export

service" outside the United States [3].

When a FSC engages in a transaction with a related party, the FSC and the related party must allocate the receipts they receive from the transaction using one of four pricing methods: (1) the 1.83 percent of gross receipts method (generally, income of the FSC cannot exceed 1.83 percent of the foreign trade gross receipts of the FSC); (2) the 23 percent of combined taxable income method (generally, income of the FSC cannot exceed 23 percent of the combined taxable income of the FSC and the related supplier attributable to the foreign trade gross receipts from such sales); (3) the marginal costing method (generally, only direct production costs of a particular item, product, or product line are taken into account for purposes of computing the combined taxable income of the FSC and its related supplier); or (4) a method by which income of the FSC and its related supplier is allocated under Internal Revenue Code section 482.

Different pricing methods may be used by the FSC for different transactions. In addition, a FSC may elect to group transactions by product, or by product line. Pricing methods are generally divided into "administrative" and "nonadministrative" categories. The 1.83 percent of gross receipts method, the 23 percent of combined taxable income method, and the marginal costing method are referred to as "administrative" pricing methods, while the Internal Revenue Code section 482 method is referred to as a "nonadministrative" pricing method [4].

Table 2 presents data classified by the pricing method(s) used for intercompany transactions among FSC's and related parties. The method most often used was the 23 percent of combined taxable income method. Of the 2,898 FSC income tax returns showing the pricing method(s) used for intercompany transactions, 1,607 (or 55 percent) reported using only this method. Another 512 used only the 1.83 percent of gross receipts method (18 percent). Although only 110 FSC's (4 percent) reported using a combination of the three administrative pricing methods (the 1.83 percent of gross receipts, 23 percent of combined taxable income, and marginal costing methods), these companies included many of the larger FSC's, accounting for 41 percent of the gross receipts of FSC's and related suppliers.

### **Foreign Economic Process Requirements**

A portion of the "foreign trade income" of a FSC is exempt from U.S. taxation. A FSC (other than certain "small FSC's," which are discussed below) generates foreign trade income only from a "qualified" transaction--e.g., only if certain economic activities or processes associated with the transaction take place outside the

United States, in compliance with GATT standards. To test whether an export transaction is qualified, economic activities are divided into "sales participation" and "direct cost" categories. Export transaction activities can then be compared to the criteria established for each category.

A transaction is considered qualified under the sales participation test if the FSC participates outside the United States in one of the following sales activities involving the transaction: solicitation, negotiation, and the making of a contract [5]. Solicitation refers to communication to a customer, specifically addressing the customer's attention to the product. Negotiation refers to any communication to a customer aimed at an agreement on one or more of the terms of a transaction, including price, quantity, credit terms, and time or manner of delivery. The making of a contract refers to the performance by the FSC of any of the elements necessary to complete a sale, such as the making or accepting of an offer.

Direct costs related to a transaction fall into one of five categories: (1) advertising and sales promotion; (2) processing of customer orders and arrangements for delivery; (3) transportation; (4) determination of a final invoice and receipt of payment; and (5) assumption of credit risk [6]. Foreign direct costs are the portion of the total direct costs of any transaction attributable to activities performed outside the United States. The foreign direct cost test may be satisfied in one of two ways--foreign direct costs attributable to the transaction are 50 percent or more of the total direct costs attributable to the transaction; or foreign direct costs attributable to two of the five direct cost categories are 85 percent or more of the total direct costs attributable to the transaction.

### **FSC Tax Exemption**

The portion of FSC foreign trade income exempt from U.S. taxation depends upon the pricing method and the type of shareholder. For corporate-owned FSC's, 15/23 (or 65.217 percent) of the foreign trade income derived from transactions in which administrative pricing rules are used is exempt from U.S. income tax, while 30 percent of the foreign trade income derived from transactions in which the nonadministrative pricing rule (Internal Revenue Service section 482 method) is used is exempt. Special rules apply to the income of FSC's owned by agricultural cooperatives, income derived from exports of "military property," and nonforeign trade income earned by FSC's (such as interest or dividend income).

### **Country of Incorporation**

A FSC must be incorporated in specific foreign countries or U.S. possessions meeting requirements for the exchange

of certain tax information with the United States [7]. Since FSC's are required to perform their economic activities outside of the United States, and since other countries may impose additional requirements on FSC's or additional taxes on FSC earnings, choice of country of incorporation could be an important consideration. Table 3 presents data for FSC returns classified by the country of incorporation. The largest numbers of FSC's were incorporated in the U.S. Virgin Islands (66 percent of all FSC's), Barbados (12 percent), and Guam (7 percent).

### **FSC's as a Corporate Tax Entity**

Foreign management requirements for the FSC entity are imposed to ensure that the FSC has substance in the foreign country or U.S. possession in which it is incorporated. The required foreign management activities of a FSC include: (1) the maintenance of an office, a permanent set of books of account, and a principal bank account; (2) the disbursements of dividends, salaries, and legal and accounting fees; and (3) the holding of all board of directors' or shareholders' meetings.

Generally, a FSC is also required to: (1) have no more than 25 shareholders at any one time during the tax year; (2) have no preferred stock outstanding at any time during the tax year; (3) conform the FSC's tax year to the tax year of the principal shareholder; (4) maintain separate books and records; (5) maintain certain records at a location within the United States; (6) have at least one director who is not a resident of the United States; (7) not be a member, at any time during the tax year, of a controlled group of corporations which included an Interest Charge-Domestic International Sales Corporation (described below); (8) be a corporation created or organized under the laws of a qualifying foreign country or U.S. possession; and (9) have elected to be a FSC or "small FSC" [8]. Parent corporations (or other taxpayers) form a FSC by filing a Form 8279, *Election to be Treated as a FSC or as a Small FSC*. This election is considered to be in effect as long as the FSC meets all qualification requirements.

### **Legislative History**

The FSC tax exemption was created by the Deficit Reduction Act of 1984 (DRA '84). The FSC replaced the then-existing Domestic International Sales Corporation (DISC) [9]. From its inception, the DISC program had been controversial. Several foreign governments subscribing to the GATT used the forum provided by GATT to raise questions about whether the DISC program was an illegal export subsidy under GATT rules. In addition, these foreign governments complained that DISC's were

able to operate without substance as a corporation, and without uniform arm's-length pricing standards imposed on the DISC and its related parties.

To address complaints about the DISC and income tax practices of other foreign governments, expert panels were created under GATT auspices during the late 1970's and investigations conducted. In general, the panels' reports adopted in December 1981 held that the DISC and the income tax practices of several other foreign governments did, indeed, contradict GATT standards for export pricing.

The DISC legislation was amended several times during the 1970's, as GATT discussions and investigations ensued. While the U.S. Government did not officially acknowledge that the DISC mechanism was in violation of GATT standards, it recognized that the controversies did need to be addressed. Finally, in DRA '84, the DISC program was modified in accordance with the GATT findings adopted in 1981, and the FSC entity created as an alternative.

At the same time the FSC entity was created, DRA '84 also created a "small FSC," and replaced the DISC entity with the Interest-Charge Domestic International Sales Corporation (IC-DISC). In addition, DRA '84 also required the Treasury Department to submit regular reports to Congress on the operation of the new FSC, small FSC, and IC-DISC programs [10].

### **Tax Year 1987 Compared to 1992**

Figure B presents selected data for Tax Years 1987 (the last previous year for which data on FSC's are available) and 1992 [11]. Overall increases in the number of returns filed, total assets, gross receipts of FSC's and related suppliers, net exempt income, and distributions may indicate the popularity of the FSC program. There is some evidence that choices between administrative and nonadministrative pricing methods, and the relationships between total income, costs of goods sold, and deductions have changed during the 1987 through 1992 (Tax Year) period, but caveats to these comparisons are necessary. First, companies could elect different pricing methods from one year to the next. Second, a comparison of the 1987 and 1992 data may not show changes that could be evident if a longer time series were available. The Data Sources and Limitations section, below, provides additional information about the comparability of the data.

### **Data Sources and Limitations**

The statistics in this article are based on a sample of Form 1120-FSC returns with accounting periods ending between July 1992 and June 1993 and filed during Calendar Years 1992, 1993, or 1994. The data presented exclude "inactive"

# Foreign Sales Corporations, 1992

**Figure B**

**Foreign Sales Corporations: Selected Items for Tax Years 1987 and 1992**

[Money amounts are in millions of dollars]

Item	1987	1992
Number of returns.....	2,613	3,073
Total assets.....	5,563	17,999
Commissions and accounts receivable.....	4,580	11,754
Total current and long-term liabilities.....	3,116	4,574
Gross receipts of FSC's and related suppliers.....	84,280	152,253
Cost of goods sold.....	12,265	7,353
Total income:		
Administrative income.....	17,629	14,243
Nonadministrative income.....	2,658	912
Nonforeign trade income (less loss).....	207	457
Foreign trade deductions:		
Administrative:		
Total.....	3,648	8,218
Foreign direct costs.....	1,788	3,217
Nonadministrative:		
Total.....	338	561
Foreign direct costs.....	108	80
Nonforeign trade deductions.....	190	429
Net income (less deficit).....	1,294	2,303
Taxable income.....	1,292	2,304
Income tax:		
Total.....	507	781
Regular.....	505	779
Net exempt income:		
Administrative.....	2,006	3,952
Nonadministrative.....	105	106
Distributions.....	2,418	5,305

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

FSC returns; a FSC was considered to be inactive if no current receipts, net income or deficit, deductions, or distributions were reported on the return. Thus, a FSC that had no current income or deductions reported was treated as an active corporation if it made a distribution to its parent during the tax year.

The sample totaled 917 returns, weighted to reflect an estimated population of approximately 3,600 active and inactive FSC returns. Certain returns were unavailable for the statistics. Because the data are based on a sample, they are subject to sampling error. However, coefficients of variation (CV's) for these data were not computed. With regard to nonsampling error, some of the data were inconsistently reported. Where possible, inconsistencies in the data were resolved to conform with provisions of the Internal Revenue Code.

It should be noted that the 917 returns included in the sample for 1992 could include certain companies not

included for 1987, due in part to changes in corporate shareholders or mergers and transactions among shareholders. In addition, certain companies included in the sample for 1987 could not be included for 1992, since parent corporations could have elected not to use the FSC mechanism for 1992, even though a FSC return should have been filed.

The product and services classification system used in the 1992 FSC study was generally based upon Internal Revenue Service instructions provided to the taxpayer for completion of Schedule P, *Transfer Price or Commission*. Products and services reported by a taxpayer on each specific return were reviewed for consistency with product information provided in supporting schedules and other taxpayer attachments and with the principal business activities described on the return. For example, the return was reviewed if a taxpayer reported engineering services on Schedule P without reporting any "engineering services income" on Schedule B, *Taxable Income or (Loss)*. In addition, products and services reported by taxpayers on specific returns were reviewed for consistency with the major product and services group classification. Since a FSC is intended to serve solely as an export mechanism for U.S. taxpayers, certain business activities, such as manufacturing, are not applicable to a FSC. Consequently, FSC returns reporting manufacturing as the principal business activity were reviewed and reconciled with product and other information. As an example, a FSC return reporting the manufacture of farm machinery and equipment as the principal business activity would have been reviewed to ascertain if a more appropriate principal business activity was the wholesaling of farm machinery and equipment.

Each return used for the statistics had product and industry codes reported or assigned during statistical processing. These codes were used as classifiers of the returns. The product and industry codes represented the principal business activity (i.e., the activity which accounted for the largest portion of gross receipts of FSC's and related suppliers) of the FSC filing the return. However, a given FSC return may have exported goods and services for a consolidated corporate parent which conducted different business activities. To the extent that some consolidated (and nonconsolidated) parent corporations were engaged in many types of business activities, the data in this article are not entirely related to the product or industrial activity under which they are shown.

**Explanation of Selected Terms**

*Cost of Goods Sold.*--Cost of goods sold commonly consists of the manufacturing costs incurred by the FSC or its related suppliers, as mentioned below. Included are

## Foreign Sales Corporations, 1992

costs of goods purchased for resale, direct labor, and certain overhead expenses. Generally, FSC's act either as principals or as commission agents for export transactions. FSC's acting as principals for transactions are referred to as "buy-sell" FSC's, while those acting as commission agents for transactions are referred to as "commission" FSC's. Only buy-sell FSC's report a cost of goods sold. For commission FSC's, the cost of goods sold is reported by the commission FSC's related supplier and generally factored into the commission calculation.

*Export Property.*--The FSC's export property was inventory and property held for sale or lease which: (1) had been manufactured, produced, grown, or extracted in the United States by a "person" other than a FSC; (2) was held primarily for sale, lease, or rental in the ordinary course of business for direct use, consumption, or disposition outside the United States; and (3) had, at the time of sale, lease, or rental by the FSC, not more than 50 percent of its fair market value attributable to imported articles.

*Foreign Direct Costs (Administrative).*--These were foreign direct costs related to foreign trade income from transactions in which administrative intercompany pricing rules were applied. Foreign direct costs are attributable to activities performed outside of the United States and are related to the sale or other disposition of export property. As specified by Internal Revenue Code section 924(e), foreign direct costs include advertising and sales promotion, certain processing and arranging costs, certain transportation costs, certain determination and transmittal costs, and costs related to the assumption of credit risk.

*Foreign Direct Costs (Nonadministrative).*--These were foreign direct costs related to foreign trade income from transactions in which the nonadministrative intercompany pricing rule (Internal Revenue Code section 482 method) was applied. See administrative foreign direct costs entry, above, for additional information.

*Foreign Trade Deductions (Administrative).*--Included were deductions related to foreign trade income (exempt and nonexempt) from transactions in which the administrative pricing rules were used. These deductions include, but are not limited to, administrative foreign direct costs (see above).

*Foreign Trade Deductions (Nonadministrative).*--Included were deductions related to foreign trade income (exempt and nonexempt) from transactions in which the nonadministrative pricing rules were used. These deductions include, but are not limited to, nonadministrative foreign direct costs.

*Foreign Trade Gross Receipts.*--Foreign trade gross receipts represent: (1) the sale, exchange, or other disposition of export property (see above); (2) the lease or rental

of export property for use by the lessee outside the United States; (3) services which are related and subsidiary to activities described in (1) or (2); (4) engineering or architectural services for construction projects located (or proposed for location) outside the United States; and (5) the performance of managerial services for an unrelated FSC or DISC. These receipts are earned by, or allocated to, the FSC as a result of applying intercompany pricing rules (see below). Excluded are passive income (see nonforeign trade income, below). In general, foreign trade gross receipts of a "buy-sell" FSC consist of receipts derived from qualified export transactions prior to the subtraction of a cost of goods sold. In general, the foreign trade gross receipts of the related supplier are deemed the foreign trade gross receipts of a "commission" FSC.

*Gross Receipts of FSC's and Related Suppliers.*--Gross receipts of FSC's and related suppliers is used as a computational base for calculation of foreign trade gross receipts (see above). These receipts are comprised of all gross receipts (prior to any deductions) earned by the FSC and related parties from: (1) the resale of export property or services supplied by related suppliers; or (2) a FSC acting in its capacity as a commission agent for related suppliers in the disposition of export property or services. Because certain FSC's (especially those acting as commission agents), may not have title to property being exported, gross receipts attributed to FSC's and their related suppliers is a more complete measure of export activities.

*Intercompany Pricing Rules.*--These rules are used to allocate receipts (and derive income) between the FSC and its related suppliers.

*Administrative.*--Administrative pricing rules include: (1) the 1.83 percent of gross receipts method; (2) the 23 percent of combined taxable income method; and (3) the marginal costing method. If one of these three administrative pricing rules was not applied, then the nonadministrative Internal Revenue Code section 482 method had to be used.

*Nonadministrative.*--The Internal Revenue Code section 482 method had to be used.

*Net Exempt Income (Administrative).*--Included were exempt foreign trade income from transactions for which the administrative pricing rules were applied, net of deductions related to that exempt foreign trade income.

*Net Exempt Income (Nonadministrative).*--Included were exempt foreign trade income from transactions for which the nonadministrative pricing rule (Internal Revenue Code section 482 method) applied, net of deductions related to that exempt foreign trade income.

*Net Income.*--Total nonexempt income net of all appropriate deductions except the "net operating loss" and

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dividends-received deductions, including: (1) net income attributable to nonexempt foreign trade income from transactions for which the administrative pricing rules applied; (2) net income attributable to nonexempt foreign trade income from transactions for which the nonadministrative pricing rule applied, reduced by any nontaxable income (i.e., income that is not "effectively connected" with a U.S. trade or business); and (3) net income attributable to nonforeign trade income.

*Nonforeign Trade Deductions.*--These were deductions related to nonforeign trade income, described below.

*Taxable Income.*--Total net income, reduced by the "net operating loss" and dividends received deductions as well as FSC income exempt from U.S. income tax.

*Total Income: Foreign Trade Income.*--This was income from qualified transactions attributable to the sale or lease of "export property" outside the United States or to the performance of various types of "export service" outside the United States.

*Administrative.*--Included were foreign trade gross receipts (or the commission portion of gross receipts) earned by FSC's from transactions for which the administrative pricing rules were applied.

*Nonadministrative.*--Included were foreign trade gross receipts (or the commission portion of gross receipts) earned by FSC's from transactions for which the nonadministrative pricing rule applied.

*Total Income: Nonforeign Trade Income.*--This was income earned by FSC's that was generally not related to qualified exports of U.S. manufactured products or services, such as interest, dividends, or royalties, earned by FSC's and income earned by "small FSC's" (see Footnote [8]) in excess of the \$5 million exemption from tax of small FSC foreign trade income.

### Notes and References

[1] A "foreign" corporation is incorporated abroad, while a "domestic" corporation is incorporated in the United States. Almost all FSC's are owned by domestic corporations; however, owners of a FSC are generally referred to as "shareholders," since a FSC may also be owned by an individual, a partnership, or a trust or estate. (FSC's are no longer included in the Statistics of Income data for all corporations because they are not engaged in trade or business in the United States.)

[2] In general, distributions made by FSC's to parent corporations were not subject to U.S. taxation. These distributions were eligible for a 100-percent divi-

dends received deduction, provided they were derived from earnings and profits attributable to foreign trade income (see the Explanation of Selected Terms section of this article).

[3] See the entries for "Cost of Goods Sold" and "Export Property" in the Explanation of Selected Terms section of this article for additional information.

[4] Generally, "administrative" pricing rules allow the FSC to calculate foreign trade gross receipts and allocate those receipts between the FSC and its related supplier, using Internal Revenue Service designated (e.g., "administered") methods. If administrative pricing rules are not applicable to a transaction, or if a taxpayer does not choose to use them, the FSC has to calculate foreign trade gross receipts using "nonadministrative" rules provided by Internal Revenue Code section 482 and associated Treasury regulations.

[5] Extensive definitions of solicitation, negotiation, and the making of a contract are provided in Internal Revenue Code section 924 and associated Treasury regulations.

[6] See Internal Revenue Code section 924(e) and associated Treasury regulations for additional information regarding direct costs.

[7] A qualifying foreign country had to meet the exchange of information requirements of Internal Revenue Code section 927(e)(3)(A) or (B). For Tax Year 1992, the following countries were qualified: Australia, Austria, Barbados, Belgium, Bermuda, Canada, Costa Rica, Cyprus, Denmark, Dominica, Dominican Republic, Egypt, Finland, France, Germany, Grenada, Honduras, Iceland, Ireland, Jamaica, South Korea, Malta, Marshall Islands, Mexico, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Philippines, St. Lucia, Sweden, and Trinidad and Tobago. In addition, all U.S. possessions other than Puerto Rico (i.e., American Samoa, the Commonwealth of Northern Mariana Islands, Guam, and the U.S. Virgin Islands) were qualified for Tax Year 1992.

[8] A "small FSC" is designed to be used by small exporters that may not be able to support the costs of a foreign office or foreign economic activities. A small FSC is exempt from the foreign management and foreign economic process requirements regarding

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its eligibility to treat a portion of its income as "foreign trade gross receipts." However, any foreign trade gross receipts in excess of \$5 million were not taken into account in determining foreign trade income exempt from U.S. taxation.

- [9] For additional information about the Domestic International Sales Corporation (DISC) and Interest-Charge Domestic International Sales Corporation (IC-DISC) entities, see Holik, Daniel S., "Interest-Charge Domestic International Sales Corporations,

1991," *Statistics of Income Bulletin*, Summer 1995, Volume 15, Number 1.

- [10] See, for example, *The Operation and Effect of the Foreign Sales Corporation Legislation, January 1, 1985 to June 30, 1988*, U.S. Department of the Treasury, January 1993.
- [11] For additional information about FSC's for Tax Year 1987, see "Foreign Sales Corporation Statistics for 1987," *Statistics of Income Bulletin*, Spring 1992, Volume 11, Number 4.

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

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

Major product or service	Number of returns	Total assets	Com-missions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
							Adminis-trative foreign trade income	Non-adminis-trative foreign trade income	Non-foreign trade income (less loss)	Administrative		Nonadministrative	
										Total	Foreign direct costs	Total	Foreign direct costs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<b>All products and services.....</b>	<b>3,073</b>	<b>17,999,301</b>	<b>11,754,053</b>	<b>4,574,201</b>	<b>152,252,957</b>	<b>7,352,795</b>	<b>14,242,911</b>	<b>911,697</b>	<b>457,089</b>	<b>8,218,044</b>	<b>3,217,498</b>	<b>560,575</b>	<b>79,571</b>
<b>Nonmanufactured products and services.....</b>	<b>365</b>	<b>1,040,197</b>	<b>915,901</b>	<b>699,979</b>	<b>15,747,088</b>	<b>1,561,519</b>	<b>1,397,446</b>	<b>81,370</b>	<b>2,280</b>	<b>757,581</b>	<b>211,425</b>	<b>48,823</b>	<b>39,956</b>
Grains and soybeans.....	27	22,861	12,118	17,264	4,399,760	182,619	188,151	52,630	29	43,300	7,531	40,001	39,946
Cotton.....	9	32,762	32,754	29	1,716,534	-	121,793	-	-	89,068	89,014	-	-
Crops, except cotton, grains, and soybeans.....	31	694	624	282	167,032	-	8,825	-	-	337	121	-	-
Livestock and livestock products.....	38	46,130	23,506	25,599	830,595	337,226	39,398	-	449	29,496	24,805	-	-
Fishery products and services.....	6	23,269	18,086	170	1,001,061	-	27,432	-	-	1,440	1,314	-	-
Metal mining, except iron ore.....	16	30,511	30,023	7,406	691,268	-	49,085	-	-	2,601	2,503	-	-
Coal mining products and services.....	12	50,688	35,200	11,996	1,283,642	956,965	51,511	5,825	5	17,020	4,160	1,263	10
Computer software.....	48	549,334	524,758	399,946	2,141,951	-	540,293	-	1,437	378,936	39,092	-	-
Motion picture distribution.....	13	138,361	130,739	99,422	895,404	7,333	168,652	16,373	107	95,503	22,261	1,527	-
Engineering and architectural services.....	24	19,673	18,717	4,782	394,269	69,549	29,979	-	152	8,656	4,438	-	-
Leasing services, other than aircraft.....	66	20,828	755	4,538	69,988	-	7,613	745	32	4,727	45	225	-
All other nonmanufactured products and services.....	75	105,087	88,623	28,546	2,155,582	7,828	164,716	5,796	68	86,497	16,141	5,807	-
<b>Manufactured products.....</b>	<b>2,633</b>	<b>16,927,440</b>	<b>10,835,949</b>	<b>3,971,896</b>	<b>136,296,987</b>	<b>5,778,869</b>	<b>12,836,356</b>	<b>830,327</b>	<b>454,790</b>	<b>7,457,547</b>	<b>3,006,053</b>	<b>511,752</b>	<b>39,615</b>
Ordnance and accessories.....	7	21,042	20,924	8,849	649,539	13,300	11,750	-	-	3,087	3,074	-	-
Food and kindred products.....	149	566,462	507,751	269,406	5,702,020	983,595	482,580	114,682	58,001	287,317	158,661	46,726	23,130
Meat products.....	14	235,440	191,662	148,709	2,225,031	596,310	146,814	112	11	83,147	71,101	6	-
Dairy products.....	4	116	-	113	-	-	-	-	-	-	-	-	-
Canned and preserved fruits, vegetables, and seafoods.....	19	2,762	2,618	158	111,073	64,621	4,337	-	1	1,393	907	-	-
Bakery products.....	27	7,024	7,011	507	89,614	-	7,011	-	-	-	-	-	-
Beverages.....	4	50,250	50,244	23,775	311,076	82,215	71,061	-	-	55,124	19,845	-	-
All other food preparations and kindred products.....	81	270,870	256,217	96,144	2,965,225	240,450	253,357	114,570	57,989	147,653	66,808	46,721	23,130
Tobacco products.....	12	173,462	150,307	32,745	7,424,028	-	885,281	-	202	495,399	312,499	-	-
Textile mill products.....	22	76,024	48,999	46,037	398,683	31,159	30,567	28,870	74	16,973	864	23,494	6,328
Apparel and other finished goods.....	3	4,859	3,078	1,125	54,714	-	5,434	-	-	3,161	2,650	-	-
Lumber and wood products, except furniture.....	103	355,582	344,147	87,793	2,613,145	1,388,785	362,325	2,991	152,916	192,515	139,098	732	-
Logging camps and logging contractors.....	7	25,141	25,015	594	17,853	-	7,916	-	1,266	71	56	-	-
Millwork, veneer, plywood, and prefabricated structural wood products.....	21	48,046	47,516	24,787	459,424	11,301	79,698	-	-	58,205	21,913	-	-
Miscellaneous wood products.....	76	282,395	271,616	62,412	2,135,868	1,377,484	274,711	2,991	151,650	134,239	117,129	732	-

Footnotes at end of table.

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

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>All products and services.....</b>	<b>429,134</b>	<b>2,214,820</b>	<b>245,503</b>	<b>28,368</b>	<b>2,302,739</b>	<b>2,304,473</b>	<b>1,734</b>	<b>2,303,968</b>	<b>781,072</b>	<b>779,048</b>	<b>3,951,989</b>	<b>106,198</b>	<b>5,304,817</b>
<b>Nonmanufactured products and services.....</b>	<b>1,291</b>	<b>210,649</b>	<b>22,782</b>	<b>989</b>	<b>225,562</b>	<b>225,670</b>	<b>108</b>	<b>225,570</b>	<b>76,173</b>	<b>76,010</b>	<b>429,630</b>	<b>9,778</b>	<b>515,348</b>
Grains and soybeans.....	205	49,809	8,840	176	49,633	49,634	(1)	49,629	16,831	16,772	95,042	3,789	113,366
Cotton.....	--	--	--	--	--	--	--	--	--	--	32,725	--	15,515
Crops, except cotton, grains, and soybeans.....	--	2,702	--	--	2,702	2,702	--	2,702	919	919	5,786	--	7,639
Livestock and livestock products.....	--	3,444	--	449	3,893	3,893	--	3,893	968	968	6,458	--	6,499
Fishery products and services.....	--	9,041	--	--	9,041	9,041	--	9,041	3,074	3,074	16,951	--	59,071
Metal mining, except iron ore.....	--	16,168	--	--	16,168	16,176	8	16,170	5,510	5,498	30,329	--	24,909
Coal mining products and services.....	5	11,997	3,194	1	15,191	15,191	--	15,191	5,176	5,165	22,494	1,369	7,823
Computer software.....	1,056	56,125	--	381	56,505	56,506	1	56,494	19,373	19,341	105,232	--	103,481
Motion picture distribution.....	--	25,443	10,392	107	35,943	35,979	36	35,979	12,239	12,199	47,774	4,454	94,597
Engineering and architectural services.....	--	7,426	--	152	7,578	7,581	3	7,581	2,427	2,427	13,903	--	12,053
Leasing services, other than aircraft.....	25	1,004	364	7	1,357	1,411	54	1,411	474	474	1,924	166	2,636
All other nonmanufactured products and services.....	--	27,490	8	68	27,550	27,556	6	27,478	9,183	9,172	51,013	--	67,759
<b>Manufactured products.....</b>	<b>427,825</b>	<b>2,002,016</b>	<b>222,720</b>	<b>27,378</b>	<b>2,075,020</b>	<b>2,076,630</b>	<b>1,610</b>	<b>2,076,225</b>	<b>704,167</b>	<b>702,308</b>	<b>3,518,286</b>	<b>96,421</b>	<b>4,789,399</b>
Ordnance and accessories.....	--	9,622	--	--	9,622	9,623	2	9,623	3,283	3,272	5,653	--	12,423
Food and kindred products.....	55,487	59,743	47,569	2,515	63,931	64,064	132	64,055	21,190	21,138	135,521	20,387	113,304
Meat products.....	--	22,145	74	11	22,231	22,231	(1)	22,230	7,571	7,548	41,523	32	18,512
Dairy products.....	--	--	--	--	--	--	--	--	--	--	--	--	788
Canned and preserved fruits, vegetables, and seafoods.....	--	1,023	--	1	1,024	1,024	--	1,024	243	236	1,921	--	2,205
Bakery products.....	--	2,438	--	--	2,438	2,438	--	2,438	507	507	4,572	--	--
Beverages.....	--	5,543	--	--	5,543	5,543	--	5,543	1,885	1,885	10,394	--	--
All other food preparations and kindred products.....	55,487	28,592	47,495	2,503	32,695	32,826	132	32,820	10,985	10,962	77,112	20,355	91,799
Tobacco products.....	55	135,612	--	148	135,760	135,760	--	135,649	46,263	46,162	254,269	--	282,595
Textile mill products.....	--	4,728	3,655	74	8,458	8,458	--	8,458	2,884	2,882	8,865	1,720	10,295
Apparel and other finished goods.....	--	791	--	--	791	791	--	791	274	273	1,482	--	179
Lumber and wood products, except furniture.....	151,552	59,065	1,582	1,364	62,011	62,159	148	62,159	21,297	21,159	111,022	678	107,390
Logging camps and logging contractors.....	--	2,728	--	1,266	3,994	3,994	--	3,994	1,358	1,358	5,116	--	1,760
Milwork, veneer, plywood, and prefabricated structural wood products.....	--	7,476	--	--	7,476	7,476	--	7,476	2,575	2,570	14,017	--	31,758
Miscellaneous wood products.....	151,552	48,860	1,582	99	50,541	50,688	148	50,688	17,364	17,231	91,889	678	73,872

Footnotes at end of table.

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

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

Major product or service	Number of returns	Total assets	Com-missions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
							Adminis-trative foreign trade income	Non-adminis-trative foreign trade income	Non-foreign trade income (less loss)	Administrative		Nonadministrative	
										Total	Foreign direct costs	Total	Foreign direct costs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<b>Manufactured products—continued</b>													
Furniture and fixtures.....	18	18,140	17,953	9,092	668,185	--	71,028	--	3	39,116	4,159	--	--
Paper and allied products.....	47	329,573	307,607	194,286	5,231,904	315,147	584,542	--	1,045	443,308	380,028	--	--
Pulp mills.....	10	184,717	184,347	120,381	2,994,309	32,647	308,598	--	--	240,868	219,247	--	--
Converted paper and paperboard products, except containers and boxes.....	7	37,254	26,416	4,207	1,079,730	2	63,386	--	725	23,784	14,423	--	--
Paperboard containers and boxes.....	21	11,262	1,891	2,135	62,415	9,981	7,139	--	319	6,947	--	--	--
Paper, paperboard, building paper, and building board mills.....	9	96,340	94,954	67,563	1,095,450	272,518	205,419	--	--	171,709	146,358	--	--
Printing, publishing, and allied products.....	29	78,655	63,660	23,326	434,123	134,598	80,578	17,768	461	45,563	27,890	9,796	6,179
Periodicals, publishing, and printing.....	9	47,971	39,020	17,216	119,457	88,873	13,909	14,710	194	2,444	1,835	7,044	6,170
Books.....	10	10,209	9,854	1,445	245,338	--	59,456	--	49	38,282	22,262	--	--
All other printing and publishing products.....	10	20,475	14,786	4,665	69,328	45,725	7,214	3,058	218	4,836	3,793	2,752	8
Chemicals and allied products.....	233	1,613,836	1,525,331	607,427	29,284,937	326,336	2,466,574	7,982	11,482	1,453,923	854,900	5,859	3,209
Industrial inorganic and organic chemicals.....	26	212,225	207,415	113,754	2,668,936	--	608,447	24	21	469,382	313,819	--	--
Plastics materials, synthetic resins, rubber, and fibers, and other man-made fibers, except glass.....	69	109,611	77,248	48,359	2,284,620	89,088	194,270	--	--	77,489	31,075	--	--
Drugs.....	23	295,951	291,350	38,299	4,622,788	3,342	367,321	--	9,454	122,377	71,382	--	--
Soap, detergents, and cleaning preparations.....	9	35,926	34,858	11,090	1,033,728	--	68,291	--	--	37,501	19,901	--	--
Paints, varnishes, lacquers, enamels, and allied products.....	11	38,078	25,561	5,806	159,595	82,049	14,792	--	--	6,771	4,498	--	--
Agricultural chemicals.....	7	24,197	24,043	23,233	671,675	10	46,277	--	--	23,555	14,757	--	--
Miscellaneous chemical products.....	89	897,848	864,855	366,888	17,843,596	151,847	1,167,176	7,958	2,007	716,848	399,468	5,859	3,209
Petroleum refining and related products.....	30	4,567	1,320	815	113,132	--	5,512	--	--	937	799	--	--
Rubber and miscellaneous plastics products.....	31	34,301	21,534	14,226	1,261,649	21,972	66,134	--	210	33,388	11,016	--	--
Tires and inner tubes.....	8	14,196	10,597	12,526	901,253	21,972	46,737	--	2	27,738	8,202	--	--
Fabricated rubber products not elsewhere classified.....	10	11,773	2,677	1,568	126,780	--	7,223	--	208	2,744	765	--	--
Miscellaneous plastics products.....	13	8,332	8,260	133	233,616	--	12,175	--	--	2,905	2,048	--	--
Leather and leather products.....	25	42,558	41,763	26,144	251,648	--	35,652	--	--	15,300	2,247	--	--
Footwear, except rubber.....	9	27,962	27,925	12,962	121,865	--	11,508	--	--	1,347	1,067	--	--
All other leather goods.....	16	14,597	13,839	13,182	129,783	--	24,144	--	--	13,954	1,180	--	--
Stone, clay, glass, and concrete products.....	43	44,432	37,422	17,875	288,204	18,506	41,139	1,577	103	25,977	1,012	1,577	49

Footnotes at end of table.

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

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>Manufactured products—continued</b>													
Furniture and fixtures.....	--	11,100	--	3	11,103	11,103	--	11,103	3,771	3,771	20,812	--	31,345
Paper and allied products.....	7	49,118	--	1,038	50,156	50,164	8	50,160	17,314	16,983	92,120	--	142,929
Pulp mills.....	--	23,558	--	--	23,559	23,559	--	23,559	8,038	8,010	44,171	--	40,815
Converted paper and paperboard products, except containers and boxes.....	--	13,775	--	725	14,501	14,501	--	14,501	4,941	4,930	25,827	--	69,546
Paperboard containers and boxes.....	--	58	--	319	378	378	--	378	57	57	134	--	863
Paper, paperboard, building paper, and building board mills.....	7	11,725	--	7	11,719	11,727	8	11,723	4,279	3,986	21,988	--	31,706
Printing, publishing, and allied products.....	10	12,180	5,580	451	14,752	14,752	--	14,751	4,987	4,981	22,836	2,392	30,560
Periodicals, publishing, and printing.....	10	3,988	5,366	184	6,294	6,294	--	6,294	2,108	2,105	7,477	2,300	9,206
Books.....	--	7,365	--	49	7,413	7,413	--	7,413	2,524	2,520	13,809	--	20,191
All other printing and publishing products.....	--	827	214	218	1,045	1,045	--	1,045	355	355	1,551	92	1,162
Chemicals and allied products.....	9,435	352,113	1,487	2,047	355,647	355,669	23	355,656	121,074	120,754	660,746	637	884,433
Industrial inorganic and organic chemicals.....	--	48,371	17	21	48,408	48,408	--	48,408	16,415	16,398	90,694	7	118,018
Plastics materials, synthetic resins, rubber, and fibers, and other man-made fibers, except glass.....	--	40,620	--	--	40,620	40,620	--	40,620	13,843	13,807	76,161	--	21,955
Drugs.....	9,417	85,199	--	37	85,236	85,252	17	85,252	29,060	28,986	159,768	--	224,624
Soap, detergents, and cleaning preparations.....	--	10,408	--	--	10,408	10,408	--	10,408	3,547	3,540	20,382	--	17,993
Paints, varnishes, lacquers, enamels, and allied products.....	--	2,790	--	--	2,790	2,790	--	2,790	951	949	5,231	--	1,638
Agricultural chemicals.....	6	7,953	--	6	7,947	7,953	6	7,953	2,729	2,704	14,819	--	32,887
Miscellaneous chemical products.....	12	156,772	1,470	1,995	160,237	160,237	--	160,224	54,528	54,370	293,691	630	467,317
Petroleum refining and related products.....	--	1,591	--	--	1,591	1,591	--	1,591	539	536	2,984	--	4,311
Rubber and miscellaneous plastics products.....	--	11,415	--	210	11,625	11,625	--	11,618	3,984	3,950	21,356	--	22,090
Tires and inner tubes.....	--	6,633	--	2	6,635	6,635	--	6,628	2,261	2,253	12,390	--	11,722
Fabricated rubber products not elsewhere classified.....	--	1,558	--	208	1,766	1,766	--	1,766	600	600	2,921	--	4,278
Miscellaneous plastics products.....	--	3,224	--	--	3,224	3,224	--	3,224	1,123	1,096	6,045	--	6,090
Leather and leather products.....	--	6,965	--	--	6,965	6,965	--	6,965	2,335	2,331	13,387	--	18,437
Footwear, except rubber.....	--	3,463	--	--	3,463	3,463	--	3,463	1,144	1,141	6,699	--	9,481
All other leather goods.....	--	3,502	--	--	3,502	3,502	--	3,502	1,191	1,191	6,688	--	8,957
Stone, clay, glass, and concrete products.....	6	5,274	--	97	5,371	5,371	--	5,371	1,660	1,673	9,888	--	4,016

Footnotes at end of table.

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

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
							Administrative foreign trade income	Non-administrative foreign trade income	Non-foreign trade income (less loss)	Administrative		Nonadministrative	
										Total	Foreign direct costs	Total	Foreign direct costs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<b>Manufactured products—continued</b>													
Primary metal products.....	75	68,756	63,347	51,198	1,609,622	24,777	173,983	--	23,908	142,144	46,469	--	--
Iron and steel foundries.....	3	7,856	7,844	6,875	647,997	--	12,041	--	--	5,733	2,057	--	--
Nonferrous foundries.....	7	6,571	6,193	1,831	110,213	--	6,780	--	--	2,446	1,669	--	--
Miscellaneous primary metal products.....	65	54,329	49,310	42,492	851,412	24,777	155,162	--	23,908	133,964	42,743	--	--
Fabricated metal products, other than ordnance, machinery, and transportation products.....	156	235,968	167,283	78,176	2,433,395	227,625	220,106	46,023	477	119,718	36,393	16,809	278
Cutlery, hand tools, and general hardware.....	12	60,690	51,728	21,790	784,740	73,509	72,158	38,766	312	41,121	11,232	10,352	264
Heating apparatus and plumbing fixtures.....	68	51,212	37,378	20,954	511,793	56,185	55,954	7,257	13	36,113	8,853	6,457	14
Metal stampings.....	27	16,858	4,735	294	228,286	--	14,038	--	26	866	190	--	--
Miscellaneous fabricated metal products.....	50	107,209	73,442	35,138	908,574	97,932	77,956	--	153	41,618	16,118	--	--
Machinery, other than electrical.....	493	2,981,297	2,532,675	1,228,134	29,758,319	1,528,068	2,455,209	9,512	170,036	1,195,179	388,171	7,388	43
Engines and turbines.....	4	1,843,431	1,495,777	730,809	11,577,290	1,267,859	805,431	--	12,898	209,926	63,702	--	--
Farm machinery and equipment.....	10	22,841	22,406	7,462	648,342	--	49,898	--	--	34,635	33,718	--	--
Construction, mining, and materials handling machinery and equipment.....	22	141,471	131,840	99,117	1,218,479	15,432	128,776	4,923	386	84,781	17,196	4,940	--
Metalworking machinery and equipment.....	42	20,337	19,988	256	84,429	20,555	13,929	--	--	10,847	--	--	--
Special industry machinery, except metalworking machinery.....	60	150,326	112,359	58,430	1,423,850	31,152	227,751	2,318	232	154,700	20,762	1,169	--
General industrial machinery and equipment.....	13	83,601	73,343	27,792	589,379	28,894	49,200	--	112	32,500	17,102	--	--
Office, computing, and accounting machines.....	121	288,702	278,356	99,401	3,822,415	48,462	583,294	1,023	146,203	373,349	110,949	1,061	43
Miscellaneous machinery, except electrical.....	221	430,587	398,606	204,867	10,394,135	115,714	596,929	1,248	10,205	294,440	124,743	219	--
Electrical machinery, equipment and supplies.....	539	1,350,528	1,175,127	621,451	21,120,754	281,024	2,856,772	19,250	20,272	1,850,103	321,018	14,721	2
Electric transmission and distribution equipment.....	4	29,403	29,358	24,788	129,677	--	29,703	--	--	24,130	20,965	--	--
Electrical industrial apparatus.....	29	28,017	27,968	19,242	731,320	--	29,406	--	--	9,348	1,554	--	--
Household appliances.....	25	51,368	44,505	41,565	856,320	48,710	187,871	--	21	103,173	26,629	--	--
Electronics components and accessories.....	250	770,187	663,922	304,012	13,796,759	78,195	1,713,954	9,937	8,393	1,039,840	115,760	4,828	--
Radio and television receiving sets, and communications equipment.....	77	176,016	168,808	72,456	3,214,460	39,123	588,244	--	40	483,494	134,293	--	--
Miscellaneous electrical machinery and supplies.....	154	295,537	240,566	159,388	2,392,217	114,996	307,595	9,313	11,818	190,119	21,817	9,893	2

Footnotes at end of table.

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

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
<b>Manufactured products—continued</b>													
Primary metal products.....	22,711	11,094	--	1,197	12,291	12,298	7	12,296	4,125	4,122	20,777	--	31,126
Iron and steel foundries.....	--	2,194	--	--	2,194	2,194	--	2,192	748	745	4,114	--	7,076
Nonferrous foundries.....	--	1,507	--	--	1,507	1,514	7	1,514	504	503	2,839	--	2,050
Miscellaneous primary metal products.....	22,711	7,393	--	1,197	8,590	8,590	--	8,590	2,874	2,873	13,824	--	22,001
Fabricated metal products, other than ordnance, machinery, and transportation products.....	414	34,921	20,450	475	55,433	55,563	130	55,470	18,681	18,642	65,630	8,764	99,390
Cutlery, hand tools, and general hardware.....	28	10,796	19,890	284	30,969	30,969	--	30,969	10,551	10,530	20,242	8,524	46,371
Heating apparatus and plumbing fixtures.....	386	6,901	560	13	7,061	7,192	130	7,098	2,328	2,322	12,940	240	13,699
Metal stampings.....	--	4,422	--	26	4,448	4,448	--	4,448	1,452	1,452	8,750	--	11,948
Miscellaneous fabricated metal products.....	--	12,802	--	153	12,955	12,955	--	12,955	4,350	4,339	23,699	--	27,373
Machinery, other than electrical.....	155,534	480,291	1,464	14,502	496,256	496,307	51	496,154	168,102	167,878	821,820	678	903,339
Engines and turbines.....	--	236,216	--	12,898	249,114	249,114	--	249,114	84,794	84,699	388,370	--	391,928
Farm machinery and equipment.....	--	5,309	--	--	5,309	5,310	1	5,310	1,812	1,805	9,956	--	20,859
Construction, mining, and materials handling machinery and equipment.....	121	15,303	12	265	15,566	15,568	13	15,568	5,298	5,281	28,692	--	36,257
Metalworking machinery and equipment.....	--	1,072	--	--	1,072	1,072	--	1,072	235	235	2,010	--	661
Special industry machinery, except metalworking machinery.....	3	25,409	782	229	26,420	26,426	6	26,426	8,900	8,902	47,647	369	48,181
General industrial machinery and equipment.....	--	5,809	--	112	5,921	5,921	--	5,921	2,020	2,013	10,891	--	2,844
Office, computing, and accounting machines.....	145,335	73,025	27	868	73,867	73,872	5	73,790	25,072	25,030	136,930	--	160,490
Miscellaneous machinery, except electrical.....	10,075	118,147	721	130	118,998	119,023	26	118,953	39,971	39,913	197,323	309	242,118
Electrical machinery, equipment and supplies.....	20,003	397,279	3,068	269	400,617	401,682	1,066	401,682	136,643	136,272	657,516	1,752	809,254
Electric transmission and distribution equipment.....	--	1,938	--	--	1,938	1,938	--	1,938	661	659	3,634	--	4,450
Electrical industrial apparatus.....	--	6,977	--	--	6,977	6,977	--	6,977	2,373	2,372	13,081	--	14,733
Household appliances.....	--	29,460	--	21	29,481	29,481	--	29,481	10,035	10,012	55,237	--	65,415
Electronics components and accessories.....	8,818	248,462	3,475	425	251,512	251,953	441	251,953	85,724	85,474	440,570	1,635	544,996
Radio and television receiving sets, and communications equipment.....	--	63,548	--	40	63,588	63,588	--	63,588	21,690	21,627	68,315	--	90,137
Miscellaneous electrical machinery and supplies.....	11,185	46,894	406	633	47,121	47,745	624	47,745	16,160	16,128	76,678	117	89,525

Footnotes at end of table.

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

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

Major product or service	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
							Administrative foreign trade income	Non-administrative foreign trade income	Non-foreign trade income (less loss)	Administrative		Nonadministrative	
										Total	Foreign direct costs	Total	Foreign direct costs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<b>Manufactured products—continued</b>													
Transportation equipment.....	226	8,414,844	3,349,121	370,464	18,124,851	69,935	1,030,955	564,956	2,599	529,427	149,650	370,160	398
Motor vehicles and motor vehicle equipment.....	31	723,854	710,145	125,034	8,012,373	18,657	360,498	4,275	1,390	186,825	51,630	2,100	--
Aircraft and parts.....	85	431,888	315,981	166,961	8,585,799	50,180	578,078	187	586	296,735	91,858	165	--
Leased aircraft.....	101	7,161,910	2,270,359	31,682	659,322	--	16,371	560,493	605	214	42	367,895	398
All other transportation equipment.....	8	97,191	52,636	46,787	867,357	1,098	76,007	--	18	45,653	6,121	--	--
Professional, scientific, and controlling instruments.....	278	420,055	367,922	231,743	7,850,095	322,735	838,209	8,193	8,177	486,270	141,308	7,648	--
Engineering, laboratory, and scientific and research instruments and associated equipment.....	50	69,880	64,435	24,868	930,848	--	85,335	--	74	51,929	17,158	--	--
Instruments for measuring, controlling, and indicating physical characteristics.....	30	45,363	39,150	25,469	508,261	--	130,533	4,621	251	104,546	1,661	4,621	--
Optical instruments and lenses.....	47	17,654	8,266	2,976	279,031	--	45,137	--	--	25,710	6,949	--	--
Surgical, medical, and dental instruments and supplies.....	134	260,549	237,189	166,561	2,505,331	290,352	296,025	3,572	19	181,678	51,956	3,027	--
All other professional, scientific, and controlling instruments.....	17	26,608	18,881	11,869	3,626,624	32,382	281,179	--	7,833	122,408	63,585	--	--
Miscellaneous manufactured products.....	113	92,498	88,678	51,581	1,014,041	91,305	132,026	8,523	4,824	78,742	24,146	6,842	--
Jewelry, silverware, and plated ware.....	8	1,661	1,656	80	31,595	--	1,740	--	--	15	--	--	--
Toys, amusement, sporting and athletic goods.....	65	44,632	42,776	27,074	379,666	59,656	54,376	--	310	39,138	2,001	--	--
Pens, pencils, and other office and artists' materials.....	9	30,017	29,797	15,671	281,656	--	31,631	--	--	16,758	13,026	--	--
Miscellaneous manufactured products.....	31	16,188	14,449	8,756	321,124	31,650	44,279	8,523	4,514	22,831	9,120	6,842	--
<b>Product or service not allocable.....</b>	<b>75</b>	<b>31,664</b>	<b>2,203</b>	<b>2,326</b>	<b>218,882</b>	<b>12,406</b>	<b>9,109</b>	<b>--</b>	<b>19</b>	<b>2,916</b>	<b>21</b>	<b>--</b>	<b>--</b>

Footnotes at end of table.

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

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

Major product or service	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>Manufactured products—continued</b>													
Transportation equipment.....	1,085	218,102	136,307	1,504	228,585	228,615	30	228,610	77,786	77,580	327,168	58,745	891,096
Motor vehicles and motor vehicle equipment.....	1,083	60,683	1,517	307	61,978	61,978	—	61,973	21,117	21,062	113,267	658	79,553
Aircraft and parts.....	—	138,751	15	586	139,352	139,367	15	139,367	47,394	47,249	183,525	6	371,508
Leased aircraft.....	13	5,620	134,775	593	14,189	14,203	15	14,203	4,835	4,833	10,580	58,081	424,706
All other transportation equipment.....	—	13,048	—	18	13,066	13,066	—	13,066	4,441	4,436	19,796	—	15,329
Professional, scientific, and controlling instruments.....	7,701	122,480	381	476	123,337	123,351	13	123,344	41,317	41,301	229,684	163	335,160
Engineering, laboratory, and scientific and research instruments and associated equipment.....	4	11,620	—	70	11,690	11,690	—	11,690	3,964	3,957	21,789	—	34,094
Instruments for measuring, controlling, and indicating physical characteristics.....	—	8,908	—	251	9,159	9,160	1	9,160	2,926	2,921	17,080	—	14,264
Optical instruments and lenses.....	—	6,756	—	—	6,756	6,756	—	6,756	2,156	2,149	12,671	—	15,496
Surgical, medical, and dental instruments and supplies.....	—	39,773	381	19	40,174	40,186	13	40,180	13,362	13,427	74,597	163	131,482
All other professional, scientific, and controlling instruments.....	7,697	55,422	—	136	55,558	55,558	—	55,558	18,910	18,847	103,546	—	139,824
Miscellaneous manufactured products.....	3,816	18,534	1,177	1,008	20,719	20,719	—	20,719	6,658	6,648	34,750	504	55,686
Jewelry, silverware, and plated ware.....	—	600	—	—	600	600	—	600	111	111	1,125	—	791
Toys, amusement, sporting and athletic goods.....	265	5,300	—	45	5,345	5,345	—	5,345	1,537	1,537	9,938	—	7,025
Pens, pencils, and other office and artists' materials.....	—	5,173	—	—	5,173	5,173	—	5,173	1,760	1,759	9,700	—	31,666
Miscellaneous manufactured products.....	3,550	7,460	1,177	963	9,601	9,601	—	9,601	3,249	3,241	13,988	504	16,203
<b>Product or service not allocable.....</b>	<b>17</b>	<b>2,156</b>	<b>—</b>	<b>1</b>	<b>2,157</b>	<b>2,173</b>	<b>16</b>	<b>2,173</b>	<b>732</b>	<b>730</b>	<b>4,072</b>	<b>—</b>	<b>110</b>

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

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

**Table 2.—Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Intercompany Pricing Method**

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

Intercompany pricing method	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
							Administrative foreign trade income	Non-administrative foreign trade income	Non-foreign trade income (less loss)	Administrative		Nonadministrative	
										Total	Foreign direct costs	Total	Foreign direct costs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
All returns.....	3,073	17,999,301	11,754,053	4,574,201	152,252,957	7,352,795	14,242,911	911,697	457,089	8,218,044	3,217,498	560,575	79,571
Returns showing intercompany pricing method, total.....	2,898	17,731,531	11,539,260	4,368,400	151,530,738	7,076,912	14,097,848	882,828	456,947	8,079,209	3,184,538	537,077	73,243
1.83 percent of gross receipts method only.....	512	561,135	460,756	357,360	11,285,762	2,067,307	799,681	—	31,163	623,177	236,760	—	—
23 percent of combined taxable income method only.....	1,607	3,252,566	2,865,515	1,487,270	41,312,460	1,202,039	4,461,374	—	48,290	2,586,557	820,208	—	—
Marginal costing method only.....	23	80,959	80,035	65,249	452,385	—	139,353	—	35	113,482	11,185	—	—
Section 482 method only.....	282	7,477,907	2,488,907	197,225	1,450,585	439,337	—	817,000	350,050	—	—	487,519	30,038
1.83 and 23 percent methods.....	290	1,120,652	1,016,461	433,294	25,368,460	518,723	2,654,866	—	233	1,570,738	502,497	—	—
1.83 and section 482 methods.....	8	9,120	6,112	6,006	23,474	19,054	4,234	187	—	3,942	—	165	—
23 percent and marginal costing methods.....	51	340,763	338,638	140,709	4,166,496	120,920	716,046	—	59	522,463	215,679	—	—
23 percent and section 482 methods.....	8	143,733	90,408	113,659	275,527	259,890	4,316	11,249	1,451	3,750	298	7,721	3,209
1.83, 23 percent, and marginal costing methods.....	110	4,702,515	4,152,754	1,552,856	62,851,313	2,449,642	5,050,677	—	25,271	2,547,472	1,380,004	—	—
All four methods.....	4	31,829	31,663	9,890	379,227	—	127,805	1,762	374	102,291	17,722	1,671	50
Returns showing other combinations of pricing methods.....	3	10,352	8,011	4,882	3,965,049	—	139,496	52,630	21	5,377	185	40,001	39,946
Returns not showing intercompany pricing method.....	175	267,771	214,793	205,800	722,219	275,885	145,064	28,870	142	138,793	32,960	23,499	6,328

Footnotes at end of tables.

**Table 2--Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Intercompany Pricing Method--Continued**

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

Intercompany pricing method	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
All returns.....	429,134	2,214,820	245,503	28,368	2,302,739	2,304,473	1,734	2,303,968	781,072	779,048	3,951,989	106,198	5,304,817
Returns showing intercompany pricing method, total.....	428,859	2,165,986	233,010	28,479	2,250,365	2,251,950	1,585	2,251,465	763,252	761,199	3,860,213	100,689	5,195,279
1.83 percent of gross receipts method only.....	29,773	49,948	--	1,390	51,338	51,527	189	51,440	16,696	16,716	126,667	--	154,269
23 percent of combined taxable income method only.....	41,440	670,412	--	6,850	677,285	677,879	594	677,848	228,707	227,945	1,233,568	--	1,499,479
Marginal costing method only.....	4	9,161	--	30	9,192	9,192	--	9,192	3,133	3,127	16,872	--	18,701
Section 482 method only.....	346,419	--	230,468	3,631	57,377	58,049	672	57,831	19,372	19,254	--	99,592	470,580
1.83 and 23 percent methods.....	65	433,928	--	581	434,096	434,226	130	434,221	147,387	146,984	707,036	--	1,126,233
1.83 and section 482 methods.....	--	101	15	--	116	116	--	116	17	17	190	6	--
23 percent and marginal costing methods.....	3	67,336	--	56	67,393	67,393	--	67,393	22,958	22,923	126,249	--	128,022
23 percent and section 482 methods.....	1,062	194	2,464	389	3,047	3,047	--	3,047	1,022	1,022	371	1,064	--
1.83, 23 percent, and marginal costing methods.....	10,084	926,031	--	15,187	941,218	941,218	--	941,074	320,786	320,042	1,632,621	--	1,773,519
All four methods.....	9	8,875	63	365	9,303	9,303	--	9,303	3,174	3,169	16,639	27	24,416
Returns showing other combinations of pricing methods.....	205	46,650	8,840	-184	46,467	46,467	--	46,467	15,854	15,798	87,469	3,789	107,312
Returns not showing intercompany pricing method.....	70	2,183	3,652	72	5,907	6,056	149	6,036	1,966	2,051	4,307	1,720	2,226

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

**Table 3.—Assets, Receipts, Deductions, Net Income, Exempt Income, Distributions, and Taxes of All Active FSC Returns, by Country of Incorporation**

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

Country of incorporation	Number of returns	Total assets	Commissions and accounts receivable	Total current and long-term liabilities	Gross receipts of FSC's and related suppliers	Cost of goods sold	Total income			Foreign trade deductions			
							Administrative foreign trade income	Non-administrative foreign trade income	Non-foreign trade income (less loss)	Administrative		Nonadministrative	
										Total	Foreign direct costs	Total	Foreign direct costs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
<b>Total, all countries.....</b>	<b>3,073</b>	<b>17,999,301</b>	<b>11,754,063</b>	<b>4,574,201</b>	<b>152,252,957</b>	<b>7,352,795</b>	<b>14,242,911</b>	<b>911,697</b>	<b>457,089</b>	<b>8,218,044</b>	<b>3,217,498</b>	<b>560,575</b>	<b>79,571</b>
Barbados.....	367	2,210,844	1,183,104	654,355	17,840,668	1,388,266	2,511,882	108,555	504	1,648,007	263,199	62,460	58
Bermuda.....	62	4,192,304	391,661	38,309	1,419,845	-	64,776	274,076	356	15,500	12,788	171,656	329
Guam.....	224	1,534,974	1,288,221	530,128	21,869,899	3,343,541	1,665,831	71,371	228,693	761,615	483,654	49,257	40,070
Jamaica.....	148	400,059	372,730	177,632	3,922,307	204,033	527,310	5	516	323,384	68,682	4	2
Netherlands.....	35	791,697	775,550	182,033	10,327,574	1,965	762,312	-	203	409,801	185,223	-	-
Northern Marianas Islands.....	27	19,977	6,192	7,194	60,404	51,251	-	9,153	60	-	-	9,800	-
United States Virgin Islands.....	2,021	8,811,917	7,700,910	2,962,144	95,666,177	2,316,823	8,594,604	448,538	226,745	4,972,497	2,167,580	267,398	39,112
All other, including country not stated.....	189	37,529	35,685	22,406	1,146,084	46,916	116,196	-	10	87,239	36,372	-	-

Country of incorporation	Non-foreign trade deductions	Net income (less deficit) prior to adjustments			Net income (less deficit)	Net income	Deficit	Taxable income	Income tax		Net exempt income		Distributions
		Administrative	Non-administrative	Non-foreign trade					Total	Regular	Administrative	Non-administrative	
<b>Total, all countries.....</b>	<b>429,134</b>	<b>2,214,820</b>	<b>245,503</b>	<b>28,368</b>	<b>2,302,739</b>	<b>2,304,473</b>	<b>1,734</b>	<b>2,303,968</b>	<b>781,072</b>	<b>779,048</b>	<b>3,951,989</b>	<b>106,198</b>	<b>5,304,817</b>
Barbados.....	25	312,351	32,266	480	312,943	312,956	13	312,932	105,986	105,773	563,572	13,852	739,033
Bermuda.....	13	17,139	71,650	343	19,424	19,439	15	19,439	6,624	6,603	32,179	30,787	239,154
Guam.....	217,313	306,898	15,480	11,379	321,459	321,721	262	321,715	109,897	109,205	608,961	6,634	840,548
Jamaica.....	1	70,911	( <sup>1</sup> )	515	71,427	71,430	3	71,429	24,050	24,018	133,301	( <sup>1</sup> )	160,649
Netherlands.....	89	123,828	-	115	123,942	123,979	36	123,979	42,225	42,174	229,965	-	397,775
Northern Marianas Islands.....	-	-	-453	60	-393	227	619	227	34	34	-	97	-
United States Virgin Islands.....	211,693	1,373,424	126,559	15,465	1,443,658	1,444,427	769	1,443,953	489,396	488,382	2,365,091	54,829	2,912,996
All other, including country not stated.....	-	10,268	-	10	10,278	10,295	17	10,295	2,861	2,858	18,920	-	14,662

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

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

# Selected Historical and Other Data

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**Notice:** The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

# Selected Historical and Other Data

**Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1994**

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

Item	1975	1980	1985	1990	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>All returns</b> .....	<b>82,229,332</b>	<b>93,902,469</b>	<b>101,660,287</b>	<b>113,717,138</b>	<b>113,604,503</b>	<b>114,601,819</b>	<b>115,943,131</b>
Form 1040 returns <sup>1</sup> .....	54,527,726	57,122,592	67,006,425	69,270,236	65,870,679	66,358,259	66,390,936
Form 1040A returns <sup>1</sup> .....	27,701,606	36,779,877	18,124,702	25,917,288	28,768,327	27,850,427	26,051,305
Form 1040EZ returns <sup>1</sup> .....	N/A	N/A	16,529,160	18,529,614	18,965,496	20,393,132	20,507,577
Form 1040PC returns <sup>1</sup> .....	N/A	N/A	N/A	N/A	2,377,108	2,277,831	2,993,313
Electrically-filed returns <sup>1</sup> .....	N/A	N/A	N/A	8,755,040	12,504,804	14,090,838	11,902,577
<b>Adjusted gross income (AGI) <sup>2</sup></b> .....	<b>947,784,873</b>	<b>1,613,731,497</b>	<b>2,305,951,483</b>	<b>3,405,427,348</b>	<b>3,629,129,550</b>	<b>3,723,339,880</b>	<b>3,907,517,953</b>
Salaries and wages:							
Number of returns.....	73,520,046	83,802,109	87,198,001	96,729,912	96,263,895	98,003,356	99,356,244
Amount.....	795,399,462	1,349,842,802	1,928,200,978	2,599,401,271	2,805,703,266	2,892,120,390	3,026,777,706
Taxable interest received:							
Number of returns.....	40,378,240	49,019,575	64,526,434	70,369,662	67,280,674	65,233,312	65,340,012
Amount.....	43,433,554	102,009,444	182,109,194	227,083,888	162,343,280	131,140,527	126,169,276
Tax-exempt interest: <sup>3</sup>							
Number of returns.....	n.a.	n.a.	n.a.	3,916,925	4,453,458	4,691,129	5,061,511
Amount.....	n.a.	n.a.	n.a.	40,228,405	45,728,471	46,459,032	48,296,834
Dividends in AGI: <sup>4</sup>							
Number of returns.....	8,853,491	10,738,982	15,527,579	22,904,441	23,715,100	24,690,816	25,235,082
Amount.....	21,892,126	38,761,253	55,046,351	80,168,536	77,925,720	79,728,631	82,410,237
Business or profession net income:							
Number of returns.....	5,434,857	6,305,794	8,640,701	11,221,925	11,727,047	11,864,976	12,181,691
Amount.....	44,861,623	66,995,010	98,775,563	161,657,252	173,501,912	176,342,644	187,208,680
Business or profession net loss:							
Number of returns.....	1,807,685	2,575,325	3,259,640	3,415,666	3,593,419	3,768,073	3,762,436
Amount..... <sup>5</sup>	5,440,145	11,865,856	20,002,986	20,227,059	19,499,758	20,637,964	21,005,091
Net capital gain in AGI: <sup>6</sup>							
Number of returns.....	5,798,724	6,973,930	9,991,808	9,217,141	12,054,502	14,201,679	13,205,708
Amount.....	16,034,430	32,723,298	72,183,321	123,783,047	126,677,169	152,257,494	152,730,036
Net capital loss in AGI:							
Number of returns.....	2,513,399	1,955,544	2,667,409	5,070,741	4,436,100	4,206,780	5,616,998
Amount.....	1,727,272	3,063,698	3,905,541	9,551,854	8,447,633	8,085,593	10,441,684
Pensions and annuities in AGI: <sup>7</sup>							
Number of returns.....	5,088,937	7,373,704	13,133,295	17,014,091	17,676,445	17,441,114	17,893,606
Amount.....	20,886,871	43,339,736	95,096,003	159,294,448	186,491,698	194,014,034	205,422,984
Unemployment compensation in AGI: <sup>8</sup>							
Number of returns.....	N/A	1,798,210	4,771,546	8,014,136	10,309,533	9,655,286	8,530,794
Amount.....	N/A	2,028,456	6,355,539	15,453,147	31,393,169	27,586,208	20,285,055
Social security benefits in AGI: <sup>9</sup>							
Number of returns.....	N/A	N/A	2,956,073	5,082,575	5,535,811	5,688,191	5,891,912
Amount..... <sup>10</sup>	N/A	N/A	9,594,182	19,686,539	23,139,399	24,649,668	38,639,292
Rent net income: <sup>10</sup>							
Number of returns.....	3,737,264	3,653,996	3,541,964	3,933,823	4,019,574	4,279,102	4,361,197
Amount.....	8,053,918	13,664,671	16,340,908	25,886,388	29,423,161	31,596,448	34,116,730
Rent net loss: <sup>10</sup>							
Number of returns.....	2,834,547	3,809,821	5,390,750	5,163,186	4,927,819	4,760,586	4,796,684
Amount.....	4,621,220	13,464,274	36,163,023	33,450,215	29,799,973	28,327,060	28,065,984
Royalty net income: <sup>11</sup>							
Number of returns.....	547,192	707,018	960,701	1,170,627	1,169,563	1,119,621	1,100,482
Amount.....	1,867,085	4,213,345	7,243,748	4,534,436	5,032,510	4,945,498	4,999,729
Royalty net loss: <sup>11</sup>							
Number of returns.....	24,809	37,297	77,189	49,133	37,850	56,272	59,671
Amount.....	97,700	308,361	385,360	125,855	96,511	105,695	122,376
Partnership and S Corporation net income: <sup>12</sup>							
Number of returns.....	2,500,000	3,200,000	2,477,459	3,210,384	3,240,270	3,385,545	3,491,220
Amount.....	12,811,091	10,099,346	48,477,552	112,029,507	128,704,285	133,437,568	154,276,614
Partnership and S Corporation net loss: <sup>13</sup>							
Number of returns.....	<sup>14</sup>	<sup>14</sup>	3,010,212	2,767,074	2,117,743	2,128,339	2,098,342
Amount.....	<sup>14</sup>	<sup>14</sup>	51,004,143	45,007,276	41,052,774	40,569,503	39,890,769
Estate or trust net income:							
Number of returns.....	676,691	865,381	1,075,119	444,953	424,883	428,226	463,256
Amount.....	2,740,733	4,974,127	10,328,599	4,633,163	4,664,394	5,091,374	6,091,634
Estate or trust net loss:							
Number of returns.....	56,990	40,916	73,534	74,127	57,847	55,537	44,453
Amount.....	186,410	414,096	652,621	467,976	701,176	526,949	598,399

# Selected Historical and Other Data

**Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1994—Continued**

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

Item	1975	1980	1985	1990	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Adjusted gross income (AGI)—continued</b>							
<b>Farm net income:</b>							
Number of returns.....	1,340,485	1,123,085	891,562	996,360	895,900	899,302	757,742
Amount.....	10,112,147	9,938,950	6,493,117	11,395,305	10,042,249	9,474,244	8,396,624
<b>Farm net loss:</b>							
Number of returns.....	1,414,556	1,485,345	1,729,299	1,324,793	1,392,318	1,373,105	1,484,582
Amount..... <sup>15</sup>	6,548,822	11,731,416	18,498,600	11,829,067	12,578,256	13,140,691	15,774,725
<b>Total statutory adjustments:</b>							
Number of returns <sup>16</sup> .....	9,024,255	13,148,919	37,763,418	16,648,032	17,170,925	17,179,519	17,859,335
Amount..... <sup>16</sup>	15,101,999	28,614,061	95,082,299	33,974,231	35,464,254	36,624,273	39,103,321
<b>Individual Retirement Arrangements: <sup>17</sup></b>							
Number of returns.....	1,211,794	2,564,421	16,205,846	5,223,737	4,477,720	4,385,422	4,319,153
Amount.....	1,436,443	3,430,894	38,211,574	9,858,219	8,696,060	8,527,400	8,388,771
<b>Self-employed retirement plans:</b>							
Number of returns.....	595,892	568,936	675,822	824,327	919,187	947,949	995,844
Amount.....	1,603,788	2,007,666	5,181,993	6,777,645	7,592,136	8,160,190	8,194,688
<b>Deduction for self-employment tax:</b>							
Number of returns.....	N/A	N/A	N/A	11,006,093	12,206,670	12,486,990	12,734,753
Amount.....	N/A	N/A	N/A	9,921,387	11,540,330	11,867,147	13,104,801
<b>Self-employed health insurance:<sup>18</sup></b>							
Number of returns.....	N/A	N/A	N/A	2,754,040	2,825,883	2,944,725	1,483,167
Amount.....	N/A	N/A	N/A	1,627,356	1,367,088	2,101,234	1,183,635
<b>Exemptions:<sup>19</sup></b>							
Number of exemptions, total.....	212,202,596	227,925,098	244,180,202	227,549,246	230,547,002	232,920,023	232,716,395
Number, age 65 or over.....	9,937,208	11,847,168	16,748,810	N/A	N/A	N/A	N/A
Amount..... <sup>19</sup>	159,140,845	227,569,280	253,720,447	465,985,366	523,042,222	540,540,132	562,559,033
<b>Total deductions:<sup>20</sup></b>							
Number of returns.....	81,585,541	88,491,251	96,848,626	112,795,712	112,612,850	113,662,380	114,964,937
Amount..... <sup>20</sup>	233,181,778	364,000,155	554,733,523	789,941,575	848,479,238	872,538,153	890,760,457
<b>Standard deductions:<sup>21</sup></b>							
Number of returns, total.....	55,511,480	59,540,969	57,000,442	80,620,774	80,072,236	80,840,916	81,947,182
Amount.....	100,921,181	145,972,016	144,994,379	331,456,520	366,533,607	382,134,445	397,106,389
<b>Returns with additional standard deductions for age 65 or over or blindness:</b>							
Number of returns.....	N/A	N/A	N/A	10,954,167	10,643,118	10,547,983	10,621,983
Amount.....	N/A	N/A	N/A	10,615,715	11,310,862	11,229,050	12,079,287
<b>Itemized deductions:<sup>22</sup></b>							
Number of returns.....	26,074,061	28,950,282	39,848,184	32,174,938	32,540,614	32,821,464	33,017,754
Amount..... <sup>22</sup>	122,260,601	218,028,139	405,023,525	458,485,055	481,945,631	490,403,708	493,654,068
<b>Medical and dental expense:<sup>23</sup></b>							
Number of returns.....	19,483,273	19,458,318	10,777,296	5,090,958	5,507,781	5,489,587	5,229,251
Amount.....	11,422,312	14,972,082	22,926,214	21,456,587	25,747,466	26,509,957	26,378,356
<b>Taxes paid:<sup>24</sup></b>							
Number of returns.....	25,929,082	28,749,278	39,548,023	31,594,114	31,958,848	32,263,880	32,569,312
Amount.....	44,141,289	69,404,275	128,084,618	140,011,461	160,452,525	169,850,372	175,847,631
<b>Interest paid:<sup>25</sup></b>							
Number of returns.....	23,385,461	26,676,836	36,286,822	29,394,600	27,347,034	27,497,691	27,872,840
Amount.....	38,885,282	91,187,006	180,094,578	208,354,360	208,655,776	200,189,793	197,240,013
<b>Contributions:</b>							
Number of returns.....	24,642,672	26,601,428	36,162,178	29,230,265	29,603,408	29,799,001	29,848,727
Amount.....	15,393,331	25,809,608	47,962,848	57,242,757	63,843,281	68,354,293	70,544,542
<b>Taxable income:<sup>26</sup></b>							
Number of returns.....	65,852,802	88,104,696	96,124,046	93,148,332	90,717,400	90,831,069	92,793,239
Amount.....	595,492,866	1,279,985,360	1,820,740,833	2,263,661,230	2,395,695,907	2,453,542,706	2,597,980,066
<b>Income tax before credits:<sup>27</sup></b>							
Number of returns.....	65,854,734	76,135,819	85,994,216	93,089,368	90,633,192	90,754,509	92,701,755
Amount.....	132,452,044	256,294,315	332,165,333	453,127,579	482,630,873	508,893,963	541,571,335
<b>Tax credits:</b>							
<b>Number of returns:<sup>28, 29</sup></b>							
Number of returns.....	65,854,734	19,674,483	20,995,285	12,483,535	12,733,252	13,221,602	15,042,052
<b>Total:<sup>28, 29</sup></b>							
Number of returns.....	8,069,846	7,215,839	10,248,044	6,831,187	7,749,139	8,158,947	8,927,088
<b>Child care credit:</b>							
Number of returns.....	n.a.	4,230,757	8,417,522	6,143,590	5,980,219	6,090,070	6,011,648
Amount.....	n.a.	956,439	3,127,702	2,549,004	2,527,188	2,559,319	2,525,652
<b>Credit for the elderly and disabled:</b>							
Number of returns.....	784,808	561,918	462,548	339,818	240,144	223,053	222,358
Amount.....	128,968	134,993	108,642	61,898	51,120	49,019	46,601

# Selected Historical and Other Data

**Table 1.—Individual Income Tax Returns: Selected Income and Tax Items for Specified Tax Years, 1975-1994—Continued**

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

Item	1975	1980	1985	1990	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>Total tax credits—continued</b>							
Foreign tax credit:							
Number of returns.....	233,510	393,074	453,863	772,143	1,068,776	1,292,596	1,545,691
Amount.....	381,985	1,341,675	782,561	1,682,307	2,047,275	2,217,865	2,308,948
Investment credit: <sup>30</sup>							
Number of returns.....	n.a.	n.a.	( <sup>30</sup> )				
Amount.....	1,593,150	3,288,415	( <sup>30</sup> )				
General business credit: <sup>30</sup>							
Number of returns.....	N/A	N/A	4,614,307	262,573	252,151	255,132	301,244
Amount.....	N/A	N/A	4,791,132	616,288	574,633	578,304	690,038
<b>Income tax after credits:</b>							
Number of returns.....	61,483,928	73,840,395	82,762,130	89,844,225	86,708,399	86,420,482	87,601,531
Amount.....	124,382,197	249,078,475	321,917,289	446,296,392	474,881,734	500,735,016	532,644,247
<b>Total income tax: <sup>31</sup></b>							
Number of returns.....	61,490,737	73,906,244	82,846,420	89,862,434	86,731,946	86,435,367	87,619,446
Amount.....	124,526,297	250,341,440	325,710,254	447,126,703	476,238,785	502,787,806	534,856,339
Minimum tax: <sup>32</sup>							
Number of returns.....	20,188	94,599	N/A	N/A	N/A	N/A	N/A
Amount.....	144,099	412,638	N/A	N/A	N/A	N/A	N/A
Alternative minimum tax: <sup>32</sup>							
Number of returns.....	N/A	122,670	427,688	132,103	287,183	334,615	368,964
Amount.....	N/A	850,326	3,791,672	830,313	1,357,063	2,052,790	2,212,094
<b>Earned income credit: <sup>33</sup></b>							
Number of returns.....	6,214,533	6,953,621	6,499,568	12,541,651	14,096,575	15,117,389	19,017,357
Amount.....	1,249,959	1,985,996	2,087,658	7,542,231	13,027,917	15,536,762	21,105,158
Used to offset income tax before credits:							
Number of returns.....	2,650,241	3,154,428	2,688,925	5,702,209	5,974,099	6,130,847	7,756,112
Amount.....	252,141	451,366	379,571	1,616,812	2,058,859	2,300,455	2,785,594
Used to offset other taxes:							
Number of returns.....	688,432	720,863	774,579	1,354,955	1,588,023	1,869,901	2,790,584
Amount.....	111,069	164,461	209,212	659,341	1,010,266	1,208,309	1,721,964
Excess earned income credit (refundable):							
Number of returns.....	4,334,159	4,996,637	4,743,200	8,698,475	10,934,238	12,172,698	14,653,664
Amount.....	886,750	1,370,169	1,498,875	5,266,077	9,958,792	12,027,998	16,597,600
<b>Overpayments, total: <sup>34</sup></b>							
Number of returns.....	63,825,188	69,868,451	77,424,003	83,507,580	80,991,052	82,403,149	85,089,436
Amount.....	29,363,945	49,458,344	76,220,146	88,479,352	92,047,931	98,875,046	112,924,413
Overpayment refunds:							
Number of returns.....	62,660,424	68,232,903	74,914,665	80,514,484	77,840,969	79,275,446	82,136,645
Amount.....	27,252,870	46,680,072	68,933,993	78,103,385	78,879,540	84,776,869	98,539,553
<b>Tax due at time of filing: <sup>35</sup></b>							
Number of returns.....	15,842,400	21,755,516	21,210,194	26,986,948	29,035,574	28,637,871	27,639,693
Amount.....	14,208,747	32,843,576	39,091,228	56,561,150	50,411,381	50,330,900	60,507,961

See notes at end of this section.

# Selected Historical and Other Data

**Table 2.--Individual Income and Tax Data by State and Size of Adjusted Gross Income, Tax Year 1995**

[Money amounts are in thousands of dollars]

State and item	All returns	Size of adjusted gross income						
		Under \$15,000 <sup>1</sup>	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$75,000	\$75,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>UNITED STATES<sup>2</sup></b>								
Number of returns.....	118,783,943	43,460,673	29,459,252	21,626,721	13,735,100	5,251,844	3,968,823	1,281,530
Number with paid preparer's signature.....	59,198,080	18,932,035	14,224,654	11,556,109	7,751,196	3,027,850	2,609,639	1,096,597
Number of exemptions.....	257,737,035	64,839,024	64,373,769	55,094,725	40,672,547	16,280,917	12,419,905	4,056,148
Adjusted gross income (less deficit).....	4,182,770,178	255,865,596	640,576,602	844,776,880	832,975,629	448,958,864	519,629,843	639,986,765
Salaries and wages:								
Number of returns.....	101,001,283	34,132,593	25,266,813	19,586,409	12,602,410	4,808,841	3,521,998	1,082,219
Amount.....	3,181,105,926	243,610,686	512,112,851	701,936,364	687,075,589	361,312,486	372,070,994	302,986,956
Interest income:								
Number of returns.....	66,551,439	15,634,184	14,431,430	14,935,565	11,651,325	4,848,856	3,792,991	1,257,088
Amount.....	155,642,373	21,570,761	24,211,128	22,843,984	21,374,924	12,266,730	17,734,254	35,640,591
Dividends:								
Number of returns.....	26,234,029	5,271,064	4,495,585	5,174,007	5,027,222	2,632,140	2,581,517	1,052,494
Amount.....	96,467,992	8,119,844	9,544,633	11,249,393	12,686,460	8,730,545	15,274,706	30,862,411
Net capital gain (less loss):								
Number of returns.....	15,398,973	2,873,754	2,511,971	2,831,471	2,770,376	1,576,812	1,883,959	950,630
Amount.....	163,846,325	7,223,427	4,490,254	7,157,787	10,617,738	9,280,495	22,157,041	102,919,583
Taxable pensions and annuities:								
Number of returns.....	18,465,095	4,671,329	5,138,923	3,807,172	2,734,509	1,078,595	810,680	223,887
Amount.....	221,023,736	27,040,514	53,464,115	50,205,002	43,498,473	20,641,328	18,944,159	7,230,146
Unemployment compensation:								
Number of returns.....	7,981,529	2,547,187	2,434,378	1,717,802	910,014	242,529	116,099	13,520
Amount.....	19,027,760	5,115,925	5,997,646	4,385,200	2,405,945	698,145	372,951	51,948
Number of sole proprietorship returns.....	16,426,765	4,636,795	3,423,534	3,394,587	2,486,924	1,067,078	1,026,422	391,425
Number of farm returns (Schedule F) <sup>3</sup> .....	1,869,880	542,860	438,727	416,531	270,659	92,077	74,713	34,313
Total itemized deductions:								
Number of returns.....	34,504,922	1,940,598	4,725,588	8,913,838	9,516,388	4,524,388	3,682,530	1,201,592
Amount.....	541,072,446	25,813,774	48,701,104	97,495,826	125,561,617	76,446,331	87,903,732	79,150,061
Medical and dental expense:								
Number of returns.....	5,606,462	1,128,725	1,760,000	1,575,258	799,192	218,956	110,891	13,440
Amount.....	32,601,105	9,457,830	9,485,814	6,657,605	3,774,137	1,432,765	1,361,359	431,595
Taxes paid deduction:								
Number of returns.....	33,958,708	1,737,994	4,573,832	8,809,479	9,463,712	4,507,562	3,669,106	1,197,023
Amount.....	190,947,194	4,440,540	10,381,295	27,413,290	41,910,049	27,814,707	35,803,662	43,183,650
Interest paid deduction:								
Number of returns.....	28,870,928	1,172,852	3,513,906	7,552,320	8,445,740	4,016,676	3,172,469	996,965
Amount.....	219,263,856	8,753,560	19,122,705	43,165,836	55,629,714	32,386,257	35,235,931	24,969,854
Contributions:								
Number of returns.....	30,550,389	1,159,070	3,825,609	7,798,334	8,779,528	4,304,206	3,526,562	1,157,080
Amount.....	74,824,415	1,271,816	5,119,492	11,427,401	15,526,556	9,837,832	12,107,036	19,534,282
Taxable income:								
Number of returns.....	94,834,902	20,862,933	28,232,695	21,532,053	13,715,969	5,246,607	3,964,669	1,279,976
Amount.....	2,808,000,768	63,917,790	323,470,998	545,462,792	584,324,900	329,248,564	401,912,137	559,663,586
Total tax liability:								
Number of returns.....	97,582,462	23,444,533	28,383,623	21,540,066	13,719,043	5,248,063	3,966,264	1,280,870
Amount.....	620,971,983	13,494,714	52,384,548	92,231,772	106,411,586	69,721,681	99,696,037	187,031,646
Earned income credit:								
Number of returns.....	19,653,815	13,191,900	6,461,915	--	--	--	--	--
Amount.....	26,036,328	19,333,251	6,703,077	--	--	--	--	--
Excess earned income credit (refundable): <sup>4</sup>								
Number of returns.....	15,374,246	11,801,671	3,572,575	--	--	--	--	--
Amount.....	20,825,606	17,383,696	3,441,910	--	--	--	--	--
Overpayment:								
Number of returns.....	82,899,610	32,926,724	21,947,275	14,645,897	8,536,454	2,733,602	1,757,852	351,806
Amount.....	105,273,347	30,637,802	22,515,859	18,742,772	15,403,786	6,476,553	6,741,484	4,755,091
Tax due at time of filing:								
Number of returns.....	29,456,584	6,772,936	6,703,821	6,393,189	4,749,988	2,276,362	1,868,372	691,916
Amount.....	71,216,982	3,145,720	5,486,835	8,298,607	9,411,109	6,823,461	11,615,025	26,436,226

See notes at end of this section.

The U.S. total page of Table 2, published on page 139 of the Spring 1997 issue of the *Bulletin*, is reproduced to correct the total amounts of "salaries and wages" and "taxable income" for "all returns" (column 1). Also, "excess earned income credit (returnable)" should read "excess earned income credit (refundable)," not only on the U.S. total page, but on each succeeding page by State. These succeeding pages are not reproduced, however. The accompanying note to Table 2 (on page 221 of the Spring 1997 issue) should say that the data represent aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1996 (not 1995).

# Selected Historical and Other Data

**Table 3.—Number of Individual Returns, Income, Exemptions and Deductions, Tax, and Average Tax by Size of Adjusted Gross Income, Tax Years 1992-1994**

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

Size of adjusted gross income	Number of returns			Adjusted gross income		
	1992	1993	1994	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total .....</b>	<b>113,604,503</b>	<b>114,601,819</b>	<b>115,943,131</b>	<b>3,629,129,550</b>	<b>3,723,339,880</b>	<b>3,907,517,953</b>
No adjusted gross income <sup>1</sup> .....	951,744	920,431	953,210	-51,422,468	-52,237,725	-53,628,508
\$1 under \$1,000 .....	2,563,007	2,630,024	2,389,110	1,545,812	1,567,089	1,442,560
\$1,000 under \$3,000 .....	6,568,092	6,472,017	6,388,853	13,012,521	12,823,698	12,776,314
\$3,000 under \$5,000 .....	5,889,687	5,748,112	5,854,096	23,515,915	22,900,772	23,503,359
\$5,000 under \$7,000 .....	5,962,134	5,825,575	5,576,762	35,835,937	34,974,936	33,499,020
\$7,000 under \$9,000 .....	5,908,675	5,963,864	5,840,048	47,240,900	47,553,285	46,764,605
\$9,000 under \$11,000 .....	5,693,569	5,701,001	5,496,391	56,810,810	56,889,964	54,850,139
\$11,000 under \$13,000 .....	5,582,747	5,496,355	5,401,419	66,943,733	65,858,170	64,771,243
\$13,000 under \$15,000 .....	4,967,703	5,210,087	5,385,388	69,477,071	72,724,962	75,193,503
\$15,000 under \$17,000 .....	4,871,439	4,859,885	4,954,583	77,887,474	77,669,303	79,147,120
\$17,000 under \$19,000 .....	4,506,152	4,506,292	4,317,644	80,973,334	77,466,232	77,655,230
\$19,000 under \$22,000 .....	6,214,933	6,252,720	6,280,653	127,304,158	127,917,208	128,737,882
\$22,000 under \$25,000 .....	5,450,958	5,426,552	5,521,359	128,013,327	127,397,223	129,516,136
\$25,000 under \$30,000 .....	7,590,154	7,783,772	8,121,017	208,225,889	212,848,223	222,451,662
\$30,000 under \$40,000 .....	12,324,990	12,358,342	12,013,760	428,478,262	429,243,404	418,107,079
\$40,000 under \$50,000 .....	9,008,646	9,072,138	9,024,089	403,103,550	405,366,468	403,802,112
\$50,000 under \$75,000 .....	11,796,348	12,248,446	13,126,603	712,270,449	741,486,274	794,686,591
\$75,000 under \$100,000 .....	3,988,202	4,224,878	4,783,915	340,631,134	359,850,336	409,003,391
\$100,000 under \$200,000 .....	2,810,579	3,107,998	3,404,731	368,372,099	408,039,318	446,517,100
\$200,000 under \$500,000 .....	746,344	786,038	890,280	218,604,180	228,008,384	256,192,757
\$500,000 under \$1,000,000 .....	141,159	140,803	149,283	95,365,741	94,353,593	100,695,445
\$1,000,000 or more .....	67,243	66,485	69,935	176,939,720	170,638,763	181,833,213

Size of adjusted gross income	Personal exemptions, total deductions			Taxable income <sup>2</sup>		
	1992	1993	1994	1992	1993	1994
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total .....</b>	<b>1,371,521,460</b>	<b>1,413,078,285</b>	<b>1,453,319,490</b>	<b>2,395,695,907</b>	<b>2,453,542,706</b>	<b>2,597,980,066</b>
No adjusted gross income <sup>1</sup> .....	3,999,366	4,006,501	4,184,803	--	--	--
\$1 under \$1,000 .....	8,904,423	9,181,257	9,232,324	90,769	86,864	95,200
\$1,000 under \$3,000 .....	30,761,070	31,509,356	30,676,733	916,764	693,865	747,257
\$3,000 under \$5,000 .....	38,064,015	38,047,283	38,104,825	1,321,361	1,304,528	1,299,475
\$5,000 under \$7,000 .....	44,055,592	44,319,746	42,976,449	3,614,665	2,939,347	2,861,284
\$7,000 under \$9,000 .....	49,163,680	51,733,481	49,536,555	7,814,798	7,187,508	7,058,226
\$9,000 under \$11,000 .....	50,291,284	51,673,762	50,818,389	12,876,325	12,500,988	11,310,175
\$11,000 under \$13,000 .....	51,431,993	51,191,787	51,837,252	19,106,902	18,371,337	17,274,646
\$13,000 under \$15,000 .....	46,792,842	50,661,295	53,609,336	24,702,714	24,372,769	24,174,389
\$15,000 under \$17,000 .....	47,339,544	50,063,054	50,531,764	32,159,891	29,583,635	30,390,451
\$17,000 under \$19,000 .....	45,232,138	43,865,217	45,012,398	36,829,811	34,250,619	33,652,982
\$19,000 under \$22,000 .....	63,713,412	64,243,331	65,724,220	64,475,972	64,440,469	63,882,782
\$22,000 under \$25,000 .....	57,754,117	57,349,878	59,954,010	70,888,046	70,403,670	69,988,773
\$25,000 under \$30,000 .....	85,417,846	88,871,791	92,495,295	123,555,002	124,474,977	130,408,565
\$30,000 under \$40,000 .....	154,965,365	156,989,585	153,711,768	274,011,013	272,828,793	265,103,003
\$40,000 under \$50,000 .....	134,017,791	136,060,942	134,950,979	269,211,742	269,806,936	269,128,233
\$50,000 under \$75,000 .....	217,346,064	225,115,126	239,681,662	495,922,686	516,912,048	555,521,635
\$75,000 under \$100,000 .....	93,395,458	97,364,447	109,122,393	247,431,448	262,755,147	300,328,743
\$100,000 under \$200,000 .....	87,803,554	94,790,047	100,497,394	280,674,802	313,409,048	346,313,438
\$200,000 under \$500,000 .....	32,664,818	34,725,564	38,305,656	186,065,353	193,398,214	218,024,338
\$500,000 under \$1,000,000 .....	11,107,642	11,482,808	11,865,407	84,322,055	82,915,033	88,893,179
\$1,000,000 or more .....	17,299,443	19,832,032	20,489,874	159,703,788	150,906,911	161,523,291

# Selected Historical and Other Data

**Table 3.--Number of Individual Returns, Income, Exemptions and Deductions, Tax, and Average Tax by Size of Adjusted Gross Income, Tax Years 1992-1994--Continued**

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

Size of adjusted gross income	Total income tax <sup>3</sup>			Percentage of returns showing no total income tax <sup>3</sup>		
	1992	1993	1994	1992	1993	1994
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total</b> .....	<b>476,238,785</b>	<b>502,787,806</b>	<b>534,856,339</b>	<b>23.7</b>	<b>24.6</b>	<b>24.4</b>
No adjusted gross income <sup>1</sup> .....	76,028	67,898	101,853	99.2	99.5	99.0
\$1 under \$1,000.....	14,421	19,270	14,399	78.3	81.0	77.6
\$1,000 under \$3,000.....	147,896	113,898	141,933	74.8	76.6	75.4
\$3,000 under \$5,000 .....	214,065	226,441	208,304	72.5	73.9	70.6
\$5,000 under \$7,000 .....	552,261	446,403	440,115	57.5	64.0	70.2
\$7,000 under \$9,000 .....	1,166,151	1,136,969	1,019,141	40.9	42.8	41.3
\$9,000 under \$11,000.....	1,879,954	1,849,754	1,668,741	43.6	44.9	43.7
\$11,000 under \$13,000 .....	2,656,280	2,601,250	2,427,874	37.9	37.3	39.5
\$13,000 under \$15,000 .....	3,303,921	3,231,805	3,234,993	30.7	33.1	33.6
\$15,000 under \$17,000.....	4,203,490	3,795,510	4,022,702	26.8	32.0	32.5
\$17,000 under \$19,000 .....	4,877,504	4,400,687	4,299,096	15.4	21.0	25.3
\$19,000 under \$22,000 .....	9,065,162	8,940,293	8,697,552	6.1	7.4	11.7
\$22,000 under \$25,000 .....	10,471,162	10,367,168	10,059,942	2.0	2.0	3.6
\$25,000 under \$30,000 .....	18,482,005	18,548,862	19,391,351	1.8	1.6	1.5
\$30,000 under \$40,000 .....	43,730,622	43,255,579	41,860,006	0.7	0.6	0.7
\$40,000 under \$50,000 .....	43,621,782	43,495,959	43,614,441	0.3	0.4	0.4
\$50,000 under \$75,000 .....	88,455,492	91,053,007	96,849,251	0.2	0.3	0.2
\$75,000 under \$100,000.....	51,552,937	54,080,534	61,544,453	0.1	0.1	0.2
\$100,000 under \$200,000.....	67,445,248	75,285,238	82,664,506	0.1	0.1	0.1
\$200,000 under \$500,000 .....	52,053,401	58,279,965	65,582,405	0.1	0.1	0.1
\$500,000 under \$1,000,000.....	24,779,821	28,345,337	30,375,816	0.1	0.1	0.1
\$1,000,000 or more .....	47,489,182	53,245,979	56,637,463	0.1	0.1	0.1

Size of adjusted gross income	Return showing total income tax					
	Average tax (whole dollars) <sup>3</sup>			Tax as percentage of AGI <sup>3</sup>		
	1992	1993	1994	1992	1993	1994
(19)	(20)	(21)	(22)	(23)	(24)	
<b>Total</b> .....	<b>5,491</b>	<b>5,817</b>	<b>6,104</b>	<b>13.7</b>	<b>14.1</b>	<b>14.3</b>
No adjusted gross income <sup>1</sup> .....	10,170	13,561	10,987	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )
\$1 under \$1,000.....	26	39	27	3.2	4.6	3.3
\$1,000 under \$3,000.....	89	75	90	4.7	4.0	4.7
\$3,000 under \$5,000 .....	132	151	121	3.2	3.7	2.9
\$5,000 under \$7,000 .....	218	213	265	3.5	3.4	4.3
\$7,000 under \$9,000 .....	334	333	297	4.2	4.2	3.7
\$9,000 under \$11,000 .....	587	589	539	5.9	5.9	5.4
\$11,000 under \$13,000 .....	766	755	742	6.4	6.3	6.2
\$13,000 under \$15,000 .....	960	927	904	6.9	6.6	6.5
\$15,000 under \$17,000.....	1,180	1,148	1,202	7.4	7.2	7.5
\$17,000 under \$19,000.....	1,280	1,293	1,332	7.1	7.2	7.4
\$19,000 under \$22,000 .....	1,553	1,543	1,568	7.6	7.5	7.6
\$22,000 under \$25,000.....	1,959	1,950	1,891	8.3	8.3	8.1
\$25,000 under \$30,000 .....	2,479	2,422	2,424	9.0	8.9	8.8
\$30,000 under \$40,000 .....	3,573	3,521	3,508	10.3	10.1	10.1
\$40,000 under \$50,000 .....	4,857	4,813	4,851	10.9	10.8	10.8
\$50,000 under \$75,000 .....	7,517	7,454	7,391	12.4	12.3	12.2
\$75,000 under \$100,000.....	12,936	12,812	12,890	15.1	15.0	15.1
\$100,000 under \$200,000 .....	24,022	24,257	24,315	18.3	18.5	18.5
\$200,000 under \$500,000 .....	69,814	74,223	73,739	23.8	25.6	25.6
\$500,000 under \$1,000,000.....	175,695	201,499	203,711	26.0	30.1	30.2
\$1,000,000 or more .....	706,716	801,583	810,728	26.9	31.2	31.2

See notes at end of this section.

## Selected Historical and Other Data

**Table 4.--Reconciliation of Adjusted Gross Income (AGI) and Personal Income Used in the National Income and Product Accounts (NIPA), for Specified Years, 1975-1994**

[All figures are estimates--money amounts are in billions of dollars]

Income and adjustment items	1975 <sup>r</sup>	1980 <sup>r</sup>	1985 <sup>r</sup>	1990 <sup>r</sup>	1992 <sup>r</sup>	1993 <sup>r</sup>	1994 <sup>p</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>1. Personal income (per NIPA)</b> .....	<b>1,319.0</b>	<b>2,293.0</b>	<b>3,449.8</b>	<b>4,804.2</b>	<b>5,277.2</b>	<b>5,495.6</b>	<b>5,762.0</b>
<b>2. Portion of personal income not included in AGI</b> .....	<b>352.2</b>	<b>617.1</b>	<b>1,097.8</b>	<b>1,494.9</b>	<b>1,732.4</b>	<b>1,811.6</b>	<b>1,924.0</b>
Transfer payments (except taxable military pay and taxable Government pensions) .....	171.6	282.1	408.1	561.2	692.8	738.0	772.6
Other labor income (except fees) .....	65.0	138.0	199.8	296.1	346.5	376.0	397.2
Imputed income <sup>1</sup> .....	40.8	63.1	89.1	152.1	182.3	204.6	212.8
Investment income received by nonprofit institutions or retained by fiduciaries.....	11.5	20.0	37.9	52.3	50.7	48.5	50.0
Investment income retained by life insurance carriers and noninsured pension funds <sup>2</sup> .....	23.5	58.7	122.9	189.7	200.2	205.5	211.5
Net differences in accounting treatment (NIPA vs. IRS) <sup>3</sup> .....	15.3	11.5	85.5	93.2	83.7	51.2	73.4
Other excluded or tax exempt income .....	24.4	43.6	154.4	150.3	176.2	187.8	206.5
<b>3. Portion of AGI not included in personal income</b> .....	<b>84.9</b>	<b>156.2</b>	<b>299.7</b>	<b>512.0</b>	<b>571.9</b>	<b>607.7</b>	<b>657.8</b>
Personal contributions for social insurance .....	50.4	88.6	149.0	223.9	248.4	259.6	278.1
Net capital gain less loss from sales of property.....	13.9	27.1	60.9	107.6	109.1	124.8	115.2
Taxable private pensions .....	13.1	31.8	87.1	130.1	147.4	153.6	163.3
S Corporation income or loss (allocated to shareholders).....	2.1	0.7	6.3	36.4	47.9	50.7	62.8
Other taxable income less loss.....	5.4	8.1	-3.6	14.1	19.2	18.9	38.4
<b>4. Total net adjustment for conceptual differences (line 2 minus line 3)</b> .....	<b>267.3</b>	<b>460.9</b>	<b>798.1</b>	<b>982.9</b>	<b>1,160.5</b>	<b>1,203.9</b>	<b>1,266.2</b>
<b>5. Estimated total AGI (per NIPA) (line 1 minus line 4)</b> .....	<b>1,051.7</b>	<b>1,832.1</b>	<b>2,651.7</b>	<b>3,821.3</b>	<b>4,116.7</b>	<b>4,291.7</b>	<b>4,495.8</b>
<b>6. Adjusted gross income (AGI) (SOI)</b> .....	<b>947.8</b>	<b>1,613.7</b>	<b>2,306.0</b>	<b>3,405.4</b>	<b>3,629.1</b>	<b>3,723.3</b>	<b>3,909.3</b>
<b>7. Estimated difference in AGI (NIPA vs. SOI) (line 5 minus line 6)</b> <sup>4</sup> .....	<b>103.9</b>	<b>218.4</b>	<b>345.7</b>	<b>415.8</b>	<b>487.6</b>	<b>568.4</b>	<b>586.5</b>

See notes at end of this section.

## Selected Historical and Other Data

**Table 5.--Personal Income and Total Adjusted Gross Income Based on Individual Income Tax Returns per National Income and Product Accounts (NIPA), Tax Years 1947-1996**

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) <sup>r,1</sup>	Total adjusted gross income (AGI) (per NIPA) <sup>1,2</sup>	Difference	
			Amount <sup>r,2</sup>	Percentage of personal income <sup>r,2</sup>
	(1)	(2)	(3)	(4)
1947.....	191.8	170.0	21.8	11.4
1948.....	210.7	183.2	27.5	13.1
1949.....	207.8	180.9	26.9	12.9
1950.....	229.7	201.9	27.8	12.1
1951.....	258.6	228.7	29.9	11.6
1952.....	276.0	241.1	34.9	12.6
1953.....	292.9	255.5	37.4	12.8
1954.....	295.7	256.8	38.9	13.2
1955.....	317.3	278.5	38.8	12.2
1956.....	340.5	299.4	41.1	12.1
1957.....	359.6	312.8	46.8	13.0
1958.....	370.3	316.5	53.8	14.5
1959.....	394.4	342.4	52.0	13.2
1960.....	412.5	354.7	57.8	14.0
1961.....	430.0	369.1	60.9	14.2
1962.....	457.0	391.0	66.0	14.4
1963.....	480.0	412.4	67.6	14.1
1964.....	514.5	445.7	68.8	13.4
1965.....	556.7	483.6	73.1	13.1
1966.....	605.7	525.4	80.3	13.3
1967.....	650.7	559.8	90.9	14.0
1968.....	714.5	613.2	101.3	14.2
1969.....	779.3	668.5	110.8	14.2
1970.....	837.1	704.9	132.2	15.8
1971.....	900.2	751.0	149.2	16.6
1972.....	988.8	831.3	157.5	15.9
1973.....	1,107.5	933.4	174.1	15.7
1974.....	1,215.9	1,011.3	204.6	16.8
1975.....	1,319.0	1,054.0	265.0	20.1
1976.....	1,459.4	1,174.8	284.6	19.5
1977.....	1,616.1	1,303.4	312.7	19.3
1978.....	1,825.9	1,476.2	349.7	19.2
1979.....	2,055.8	1,665.5	390.3	19.0
1980.....	2,293.0	1,836.0	457.0	19.9
1981.....	2,568.5	2,026.0	548.5	21.4
1982.....	2,727.2	2,103.7	623.5	22.9
1983.....	2,800.8	2,238.9	561.9	20.1
1984.....	3,215.3	2,492.3	723.0	22.5
1985.....	3,449.8	2,655.2	794.6	23.0
1986.....	3,658.4	2,882.1	776.3	21.2
1987.....	3,888.7	3,159.5	729.2	18.8
1988.....	4,184.6	3,433.7	750.9	17.9
1989.....	4,501.0	3,669.4	831.6	18.5
1990.....	4,804.2	3,824.9	979.3	20.4
1991.....	4,981.6	3,878.4	1,103.2	22.1
1992.....	5,277.2	4,121.5	1,155.7	21.9
1993.....	5,495.6	4,295.9	1,199.7	21.8
1994.....	5,762.0	4,498.7	1,263.3	21.9
1995.....	6,112.4	n.a.	n.a.	n.a.
p1996.....	6,449.5	n.a.	n.a.	n.a.

See notes at end of this section.

## Selected Historical and Other Data

**Table 6.--Total Adjusted Gross Income Estimated from National Income and Product Accounts (NIPA) and Adjusted Gross Income Reported on Individual Income Tax Returns per SOI, Tax Years 1947-1994**

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Adjusted gross income (AGI)		Difference	
	Total (per NIPA) <sup>1,2</sup>	Reported on tax returns (per SOI) <sup>2</sup>	Amount <sup>2</sup>	Percentage of total (per NIPA) <sup>2</sup>
	(1)	(2)	(3)	(4)
1947.....	170.0	149.7	20.3	11.9
1948.....	183.2	163.5	19.6	10.7
1949.....	180.9	160.6	20.4	11.3
1950.....	201.9	179.1	22.7	11.2
1951.....	228.7	202.3	26.4	11.5
1952.....	241.1	215.3	25.8	10.7
1953.....	255.5	228.7	26.8	10.5
1954.....	256.8	229.2	27.5	10.7
1955.....	278.5	248.5	30.0	10.8
1956.....	299.4	267.7	31.7	10.6
1957.....	312.8	280.3	32.4	10.4
1958.....	316.5	281.2	35.3	11.2
1959.....	342.4	305.1	37.3	10.9
1960.....	354.7	315.5	39.2	11.5
1961.....	369.1	329.9	39.2	10.6
1962.....	391.0	348.7	42.3	10.8
1963.....	412.4	368.8	43.6	10.6
1964.....	445.7	396.7	49.0	11.0
1965.....	483.6	429.2	54.4	11.3
1966.....	525.4	468.5	56.9	10.8
1967.....	559.8	504.8	55.0	9.8
1968.....	613.2	554.4	58.8	9.6
1969.....	668.5	603.5	65.0	9.7
1970.....	704.9	631.7	73.2	10.4
1971.....	751.0	673.6	77.4	10.3
1972.....	831.3	746.0	85.3	10.3
1973.....	933.4	827.1	106.3	11.4
1974.....	1,011.3	905.5	105.8	10.5
1975.....	1,054.0	947.8	106.2	10.1
1976.....	1,174.8	1,053.9	120.9	10.3
1977.....	1,303.4	1,158.5	144.9	11.1
1978.....	1,476.2	1,302.4	173.8	11.8
1979.....	1,665.5	1,465.4	200.1	12.0
1980.....	1,836.0	1,613.7	222.3	12.1
1981.....	2,026.0	1,772.6	253.4	12.5
1982.....	2,103.7	1,852.1	251.6	12.0
1983.....	2,238.9	1,942.6	296.3	13.2
1984.....	2,492.3	2,139.9	352.4	14.1
1985.....	2,655.2	2,306.0	349.2	13.2
1986.....	2,882.1	2,481.7	400.4	13.9
1987.....	3,159.5	2,773.8	385.7	12.2
1988.....	3,433.7	3,083.0	350.7	10.2
1989.....	3,669.4	3,256.4	413.0	11.3
1990.....	3,824.9	3,405.4	419.5	11.0
1991.....	3,878.4	3,464.5	413.9	10.7
1992.....	4,121.5	3,629.1	492.4	12.0
1993.....	4,295.9	3,723.3	572.6	13.3
1994.....	4,498.7	3,907.5	591.2	13.1

See notes at end of this section.

# Selected Historical and Other Data

**Table 7.--Standard, Itemized, and Total Deductions Reported on Individual Income Tax Returns, Tax Years 1944-1994**

[All figures are estimates based on samples--number of returns is in millions; money amounts are in billions of dollars]

Tax year	Total number of returns	Total deductions		Standard deduction		Itemized deductions	
		Amount <sup>1</sup>	As a percentage of adjusted gross income (AGI) <sup>2</sup>	Number of returns <sup>3</sup>	Amount <sup>4</sup>	Number of returns <sup>3</sup>	Amount <sup>4</sup>
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1944.....	47.1	12.8	11.0	38.7	8.0	8.4	4.8
1945.....	49.9	13.6	11.3	41.5	8.1	8.5	5.5
1946.....	52.8	15.2	11.3	44.1	8.9	8.8	6.3
1947.....	55.1	17.6	11.8	44.7	9.8	10.4	7.8
1948.....	52.1	19.4	11.9	43.2	11.5	8.8	7.9
1949.....	51.8	19.9	12.4	42.1	11.1	9.7	8.8
1950.....	53.1	21.9	12.2	42.7	12.0	10.3	9.9
1951.....	55.4	25.2	12.5	43.9	13.3	11.6	11.9
1952.....	56.5	27.3	12.7	43.7	13.7	12.8	13.6
1953.....	57.8	29.8	13.0	43.4	14.2	14.4	15.6
1954.....	56.7	30.7	13.4	41.0	13.3	15.7	17.4
1955.....	58.3	33.6	13.5	40.9 <sup>f</sup>	13.6	16.9	20.0
1956.....	59.2	36.4	13.6	40.3 <sup>f</sup>	13.8	18.5	22.6
1957.....	59.8	39.5	14.1	39.3 <sup>f</sup>	13.8	20.2	25.7
1958.....	59.1	40.7	14.5	37.9 <sup>f</sup>	13.2	20.8	27.5
1959.....	60.3	45.4	14.9	37.3 <sup>f</sup>	13.4	22.5	32.0
1960.....	61.0	48.4	15.3	36.5 <sup>f</sup>	13.1	24.1	35.3
1961.....	61.5	51.3	15.6	35.8 <sup>f</sup>	12.9	25.3	38.4
1962.....	62.7	54.8	15.7	35.8 <sup>f</sup>	13.1	26.5	41.7
1963.....	63.9	59.2	16.1	35.4 <sup>f</sup>	13.1	28.2	46.1
1964.....	65.4	67.0	16.9	38.0 <sup>f</sup>	20.2	26.9	46.8
1965.....	67.6	71.4	16.6	39.3 <sup>f</sup>	20.6	27.9	50.7
1966.....	70.2	76.4	16.3	41.2 <sup>f</sup>	21.8	28.6	54.6
1967.....	71.7	81.7	16.2	41.5 <sup>f</sup>	22.1	29.8	59.6
1968.....	73.7	91.3	16.5	41.3 <sup>f</sup>	22.1	32.0	69.2
1969.....	75.8	101.8	16.9	40.5 <sup>f</sup>	21.6	34.9	80.2
1970.....	74.3	120.5	19.1	38.4 <sup>f</sup>	32.4	35.4	88.2
1971.....	74.6	139.9	20.8	43.5 <sup>f</sup>	48.1	30.7	91.9
1972.....	77.6	166.4	22.3	50.2 <sup>f</sup>	69.8	27.0	96.7
1973.....	80.7	180.6	21.8	52.2 <sup>f</sup>	73.6	28.0	107.0
1974.....	83.3	195.5	21.6	53.2 <sup>f</sup>	76.1	29.6	119.4
1975.....	82.2	233.2	24.6	55.5 <sup>f</sup>	100.9	26.1	122.3
1976.....	84.7	247.6	23.5	58.2 <sup>f</sup>	113.8	26.0	133.9
1977.....	86.6	276.2	23.8	58.8 <sup>f</sup>	137.7	22.9	138.5
1978.....	89.8	304.3	23.4	59.5 <sup>f</sup>	139.8	25.8	164.4
1979.....	92.7	333.0	22.7	60.7 <sup>f</sup>	148.8	26.5	184.2
1980.....	93.9	364.0 <sup>f</sup>	22.6	59.5 <sup>f</sup>	146.0	29.0	218.0
1981.....	95.4	401.2	22.6	58.7 <sup>f</sup>	144.7	31.6	256.4
1982.....	95.3	425.2	23.0	56.9 <sup>f</sup>	140.2	33.4	284.5
1983.....	96.3	448.7	23.1	56.2 <sup>f</sup>	138.5	35.2	309.6
1984.....	99.4	499.6	23.3	56.7 <sup>f</sup>	139.5	38.2	358.9
1985.....	101.7	554.7	24.1	57.0 <sup>f</sup>	145.0	39.8	405.0
1986.....	103.0 <sup>f</sup>	611.3	24.6	56.5 <sup>f</sup>	151.0	40.7	447.1
1987.....	107.0	607.2	21.9	69.1 <sup>f</sup>	215.2	35.6	392.0
1988.....	109.7	686.0	22.3	76.5	289.6	31.9	395.2
1989.....	112.1	740.4	22.7	79.3	309.4	32.0	431.0
1990.....	113.7	789.9	23.2	80.6	331.5	32.2	458.5
1991.....	114.7	818.8	23.6	81.3	351.1	32.5	467.7
1992.....	113.6	848.5	23.4	80.1	366.5	32.5	481.9
1993.....	114.6	872.5	23.4	80.8	382.1	32.8	490.4
1994.....	115.9	890.8	22.6	81.9	397.1	33.0	493.7

See notes at end of this section.

# Selected Historical and Other Data

**Table 8.--Personal Income per National Income and Product Accounts (NIPA), and Taxable Income and Individual Income Tax per SOI, Tax Years 1947-1996**

[All figures are estimates--money amounts are in billions of dollars]

Tax year	Personal income (per NIPA) <sup>1</sup>	Taxable income (per SOI) <sup>2</sup>		Total income tax (per SOI) <sup>3</sup>		
		Amount	As a percentage of personal income <sup>4</sup>	Total	As a percentage of--	
					Personal income <sup>1</sup>	Taxable income <sup>2</sup>
(1)	(2)	(3)	(4)	(5)	(6)	
1947.....	191.8	75.4	39.3	18.1	9.4	24.0
1948.....	210.7	74.8	35.5	15.4	7.3	20.6
1949.....	207.8	71.7	34.5	14.5	7.0	20.2
1950.....	229.7	84.3	36.7	18.4	8.0	21.8
1951.....	258.6	99.2	38.4	24.2	9.4	24.4
1952.....	276.0	107.2	38.8	27.8	10.1	25.9
1953.....	292.9	114.3	39.0	29.4	10.1	25.7
1954.....	295.7	115.3	39.0	26.7	9.0	23.2
1955.....	317.3	128.0	40.3	29.6	9.3	23.1
1956.....	340.5	141.5	41.6	32.7	9.6	23.1
1957.....	359.6	149.4	41.5	34.4	9.6	23.0
1958.....	370.3	149.3	40.3	34.3	9.3	23.0
1959.....	394.4	166.5	42.2	38.6	9.8	23.2
1960.....	412.5	171.6	41.6	39.5	9.6	23.0
1961.....	430.0	181.8	42.3	42.2	9.8	23.2
1962.....	457.0	195.3	42.7	44.9	9.8	23.0
1963.....	480.0	209.1	43.6	48.2	10.0	23.1
1964.....	514.5	229.9	44.7	47.2	9.2	20.5
1965.....	556.7	255.1	45.8	49.6	8.9	19.4
1966.....	605.7	286.3	47.3	56.1	9.3	19.6
1967.....	650.7	315.1	48.4	63.0	9.7	20.0
1968.....	714.5	352.8	49.4	76.7	10.7	21.7
1969.....	779.3	388.8	49.9	86.6	11.1	22.3
1970.....	837.1	401.2	47.9	83.9	10.0	20.9
1971.....	900.2	414.0	46.0	85.4	9.5	20.6
1972.....	988.8	447.6	45.3	93.6	9.5	20.9
1973.....	1,107.5	511.9	46.2	108.1	9.8	21.1
1974.....	1,215.9	573.6	47.2	123.6	10.2	21.5
1975.....	1,319.0	595.5	45.1	124.5	9.4	20.9
1976.....	1,459.4	674.9	46.2	141.8	9.7	21.0
1977.....	1,616.1	733.8	45.4	159.8	9.9	21.8
1978.....	1,825.9	846.4	46.4	188.2	10.3	22.2
1979.....	2,055.8	926.6	45.1	214.5	10.4	23.2
1980.....	2,293.0	1,045.2	45.6	250.3	10.9	23.0
1981.....	2,568.5	1,170.1	45.6	284.1	11.1	24.3
1982.....	2,727.2	1,231.9	45.2	277.6	10.2	22.5
1983.....	2,800.8	1,300.2	46.4	274.2	9.8	21.1
1984.....	3,215.3	1,447.0	45.0	301.9	9.4	20.9
1985.....	3,449.8	1,550.5	44.9	325.7	9.4	21.0
1986.....	3,658.4	1,665.6	45.5	367.3	10.0	22.1
1987.....	3,888.7	1,850.6	47.6	369.2	9.5	20.0
1988.....	4,184.6	2,070.0	49.5	412.9	9.9	19.9
1989.....	4,501.0	2,173.3	48.3	432.9	9.6	19.9
1990.....	4,804.2	2,263.7	47.1	447.1	9.3	19.8
1991.....	4,981.6	2,284.1	45.9	448.4	9.0	19.6
1992.....	5,277.2	2,395.7	45.4	476.2	9.0	19.9
1993.....	5,495.6	2,453.5	44.6	502.8	9.1	20.5
1994.....	5,762.0	2,598.0	45.1	534.9	9.3	20.6
1995.....	6,112.4	n.a.	n.a.	n.a.	n.a.	n.a.
p1996.....	6,449.5	n.a.	n.a.	n.a.	n.a.	n.a.

See notes at end of this section.

# Selected Historical and Other Data

**Table 9.--Number of Individual Income Tax Returns by Type of Tax Settlement, Tax Years 1944-1994**

[All figures are estimates based on samples--number of returns is in millions]

Tax year	Total number of returns	Returns with--		
		Tax due at time of filing	Overpayments <sup>1</sup>	No overpayments or tax due at time of filing
	(1)	(2)	(3)	(4)
1944.....	47.1	22.6	22.9	1.6
1945.....	49.9	14.5	33.5	1.9
1946.....	52.8	13.6	34.4	4.8
1947.....	55.1	15.3	33.0	6.7
1948.....	52.1	8.1	38.4	5.6
1949.....	51.8	13.8	30.2	7.9
1950.....	53.1	14.3	32.0	6.8
1951.....	55.4	18.6	31.0	5.8
1952.....	56.5	19.3	32.1	5.1
1953.....	57.8	19.0	32.7	6.2
1954.....	56.7	16.6	35.2	5.0
1955.....	58.3	18.7	35.4	4.2
1956.....	59.2	19.4	36.1	3.7
1957.....	59.8	18.6	37.6	3.6
1958.....	59.1	18.1	37.4	3.6
1959.....	60.3	19.1	38.4	2.8
1960.....	61.0	18.1	39.4	3.5
1961.....	61.5	18.6	40.0	2.9
1962.....	62.7	18.7	40.9	3.1
1963.....	63.9	19.3	41.4	3.3
1964.....	65.4	22.5	39.3	3.5
1965.....	67.6	20.0	44.3	3.2
1966.....	70.2	17.8	49.4	3.0
1967.....	71.7	17.5	51.2	3.0
1968.....	73.7	20.3	50.6	2.8
1969.....	75.8	17.9	54.9	3.0
1970.....	74.3	16.5	55.3	2.5
1971.....	74.6	17.0	55.3	2.4
1972.....	77.6	11.9	63.3	2.3
1973.....	80.7	14.2	64.2	2.2
1974.....	83.3	15.4	65.8	2.1
1975.....	82.2	15.8	63.8	2.6
1976.....	84.7	16.9	65.0	2.8
1977.....	86.6	17.8	66.0	2.8
1978.....	89.8	21.6	65.5	2.7
1979.....	92.7	18.8	71.4	2.4
1980.....	93.9	21.8	69.9	2.3
1981.....	95.4	23.0	70.0	2.4
1982.....	95.3	20.3	72.4	2.6
1983.....	96.3	18.5	75.0	2.9
1984.....	99.4	21.2	75.6	2.7
1985.....	101.7	21.2	77.4	3.0
1986.....	103.0	21.5	78.1	3.5
1987.....	107.0	23.8	79.8	3.4
1988.....	109.7	27.2	79.1	3.4
1989.....	112.1	28.0	80.9	3.2
1990.....	113.7	27.0	83.5	3.2
1991.....	114.7	25.6	85.6	3.5
1992.....	113.6	29.0	81.0	3.6
1993.....	114.6	28.6	82.4	3.6
1994.....	115.9	27.6	85.1	3.2

See notes at end of this section.

# Selected Historical and Other Data

**Table 10.-- Nonfarm Sole Proprietorship Returns: Selected Income Statement Items for Specified Income Years, 1980-1994**

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

Item	1980	1985	1990	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns with nonfarm business net income or deficit, total.....</b>	<b>8,931,712</b>	<b>11,928,573</b>	<b>14,782,738</b>	<b>15,495,419</b>	<b>15,848,119</b>	<b>16,153,871</b>
Number with nonfarm business net income.....	n.a.	8,640,701	11,221,925	11,720,148	11,872,224	12,186,610
<b>Number of nonfarm businesses.....</b>	<b>9,730,019</b>	<b>n.a.</b>	<b>16,596,384</b>	<b>17,292,286</b>	<b>17,714,121</b>	<b>18,108,776</b>
<b>Business receipts, total.....</b>	<b>411,205,713</b>	<b>540,045,430</b>	<b>730,606,020</b>	<b>737,082,032</b>	<b>757,215,452</b>	<b>790,630,020</b>
Income from sales and operations.....	407,169,299	528,675,271	719,007,636	725,666,334	746,306,213	778,493,996
<b>Total deductions <sup>2</sup>.....</b>	<b>356,258,495</b>	<b>461,272,852</b>	<b>589,249,583</b>	<b>583,146,571</b>	<b>600,765,115</b>	<b>623,833,149</b>
Cost of sales and operations.....	209,889,809	232,294,132	291,010,060	274,219,623	289,577,573	301,004,349
Inventory, beginning-of-year.....	n.a.	21,435,438	29,024,992	28,860,062	30,585,415	31,280,679
Inventory, end-of-year.....	21,996,236	24,969,895	30,421,844	29,898,172	31,795,025	33,602,094
Purchases.....	168,301,517	n.a.	210,225,158	204,316,835	210,260,432	216,364,863
Cost of labor.....	10,922,221	14,504,201	22,679,507	18,838,120	20,685,004	23,497,436
Materials and supplies.....	12,909,222	n.a.	30,195,388	28,825,291	32,701,327	34,304,359
Advertising.....	n.a.	n.a.	6,574,743	7,344,070	7,599,257	7,987,458
Car and truck expenses.....	13,378,289	17,044,421	21,765,531	23,919,600	26,714,114	30,844,739
Commissions.....	3,333,345	n.a.	8,816,233	10,456,775	8,706,883	9,029,108
Depletion.....	n.a.	n.a.	816,131	628,917	568,446	551,570
Depreciation.....	13,952,703	26,291,389	23,734,507	23,273,917	24,964,396	26,157,756
Pension and profit sharing plans.....	141,463	311,323	586,394	527,945	636,097	604,673
Employee benefit programs.....	n.a.	n.a.	1,056,604	1,186,031	1,252,242	1,291,800
Insurance.....	6,003,126	n.a.	13,357,568	13,259,715	13,172,614	13,288,806
Interest paid, total.....	7,190,257	11,913,982	13,311,670	10,406,164	9,430,614	9,169,648
Mortgage interest.....	n.a.	n.a.	6,256,506	4,626,346	4,181,330	3,842,810
Other interest.....	n.a.	n.a.	7,055,164	5,779,818	5,249,285	5,326,838
Legal and professional services.....	2,633,596	n.a.	5,880,163	5,698,841	5,649,951	6,208,512
Meals and entertainment expenses before limitation.....	n.a.	n.a.	5,329,281	5,715,169	5,748,559	6,179,180
Meals and entertainment deduction.....	n.a.	n.a.	4,262,870	4,571,529	4,598,258	3,193,551
Office expenses.....	n.a.	n.a.	6,896,758	7,395,168	7,642,163	8,001,703
Rent paid, total.....	9,636,290	15,258,690	23,391,608	25,148,446	25,008,071	26,769,493
On machinery.....	n.a.	n.a.	3,754,492	4,551,560	4,733,446	5,656,767
On other business property.....	n.a.	n.a.	19,637,116	20,596,886	20,274,625	21,112,726
Repairs.....	5,031,573	n.a.	8,940,657	9,705,814	9,847,207	10,385,279
Net salaries and wages (not deducted elsewhere).....	26,560,821	38,265,691	46,998,029	52,316,452	52,045,887	53,649,098
Supplies.....	n.a.	n.a.	n.a.	n.a.	15,401,709	16,506,864
Taxes paid.....	7,672,459	n.a.	10,341,654	12,618,367	13,062,473	13,600,223
Travel.....	n.a.	n.a.	5,605,961	5,860,143	5,865,812	6,084,095
Utilities (including telephone).....	4,790,337	n.a.	13,538,612	14,546,685	16,068,808	16,917,728
Bad debts.....	n.a.	600,613	1,038,756	1,065,802	960,701	1,066,595
Business use of home.....	n.a.	n.a.	n.a.	2,966,899	3,042,538	3,134,560
<b>Net income (less deficit) <sup>2</sup>.....</b>	<b>54,947,219</b>	<b>78,772,578</b>	<b>141,430,193</b>	<b>153,960,246</b>	<b>156,458,803</b>	<b>166,798,668</b>
Net income <sup>2</sup> .....	68,010,051	98,775,563	161,657,252	173,472,549	176,983,281	187,845,139
Deficit <sup>2</sup> .....	13,062,832	20,002,986	20,227,059	19,512,304	20,524,477	21,046,471

See notes at end of this section.

# Selected Historical and Other Data

**Table 11.--Partnership Returns: Selected Balance Sheet and Income Statement Items for Specified Income Years, 1980-1994**

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

Item	1980	1985	1990	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total number of active partnerships</b> .....	<b>1,379,654</b>	<b>1,713,603</b>	<b>1,553,529</b>	<b>1,484,752</b>	<b>1,467,567</b>	<b>1,493,963</b>
Number with net income.....	774,173	875,846	853,676	856,015	869,817	889,559
Number with balance sheets .....	1,194,236	1,227,498	1,081,224	975,330	976,967	987,504
<b>Number of partners</b> .....	<b>8,419,899</b>	<b>13,244,824</b>	<b>17,094,966</b>	<b>15,734,691</b>	<b>15,626,848</b>	<b>14,989,505</b>
<b>Total assets</b> <sup>1</sup> .....	<b>597,503,923</b>	<b>1,269,434,302</b>	<b>1,735,285,033</b>	<b>1,907,344,453</b>	<b>2,118,268,141</b>	<b>2,295,212,222</b>
Depreciable assets (net) .....	239,139,823	695,878,822	681,409,780	700,933,529	698,121,914	712,515,886
Inventories, end of year.....	33,218,272	27,279,234	56,507,062	61,865,690	71,278,725	76,305,276
Land.....	70,241,248	152,179,314	214,757,035	212,808,128	206,500,951	208,059,762
<b>Total liabilities</b> <sup>1</sup> .....	<b>488,734,023</b>	<b>1,069,221,649</b>	<b>1,415,247,893</b>	<b>1,508,212,931</b>	<b>1,619,630,794</b>	<b>1,661,941,165</b>
Accounts payable.....	33,899,048	40,871,755	66,747,965	79,336,897	79,764,998	81,057,259
Short-term debt <sup>2</sup> .....	48,001,839	102,760,363	88,092,149	114,638,421	131,148,176	125,644,085
Long-term debt <sup>3</sup> .....	178,044,406	381,960,685	497,560,607	486,374,218	488,793,170	508,307,609
Nonrecourse loans.....	118,910,380	327,558,208	470,139,911	475,615,076	477,709,746	463,311,873
<b>Partners' capital accounts</b> <sup>1</sup> .....	<b>108,769,900</b>	<b>200,212,653</b>	<b>320,037,140</b>	<b>399,131,522</b>	<b>498,637,347</b>	<b>633,271,057</b>
<b>Total receipts</b> ..... <sup>4</sup>	<b>291,998,115</b>	<b>367,117,316</b>	<b>566,212,218</b>	<b>596,782,859</b>	<b>656,111,439</b>	<b>762,234,674</b>
Business receipts..... <sup>5</sup>	271,108,832	302,733,374	483,417,504	514,827,003	560,999,120	656,158,602
Interest received..... <sup>6</sup>	10,869,323	20,558,966	20,799,631	15,570,376	16,327,321	19,450,589
<b>Total deductions</b> ..... <sup>4</sup>	<b>283,749,460</b>	<b>376,000,991</b>	<b>549,602,678</b>	<b>553,866,209</b>	<b>589,459,150</b>	<b>680,051,598</b>
Cost of sales and operations .....	113,885,668	146,315,315	242,448,195	248,626,073	272,502,902	335,144,653
Purchases.....	70,439,607	91,925,923	140,521,621	150,034,393	163,167,689	210,803,531
Cost of labor.....	7,015,547	8,845,106	13,924,993	14,826,792	16,208,644	18,528,257
Salaries and wages.....	22,336,337	33,884,204	56,025,118	61,761,245	65,374,814	70,069,247
Taxes paid .....	9,553,145	7,745,756	9,339,396	10,307,970	10,877,982	11,545,647
Interest paid.....	28,362,385	28,674,933	29,617,935	25,091,279	27,006,200	36,432,301
Depreciation <sup>7</sup> .....	21,576,189	53,650,790	60,204,443	60,024,456	59,730,416	58,777,591
<b>Net income (less deficit)</b> .....	<b>8,248,655</b>	<b>-8,883,674</b>	<b>16,609,540</b>	<b>42,916,649</b>	<b>66,652,288</b>	<b>82,183,076</b>
Net income .....	45,061,756	77,044,693	116,317,801	121,834,358	137,440,684	150,927,744
Deficit .....	36,813,100	85,928,367	99,708,261	78,917,710	70,788,396	68,744,668

See notes at end of this section.

# Selected Historical and Other Data

**Table 12.--Number of Business Income Tax Returns by Size of Business for Specified Income Years, 1980-1994**

[All figures are estimates based on samples--number of businesses is in thousands]

Size of business	1980	1985	1990	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)	(6)
<b>CORPORATIONS</b>						
<b>Total</b> .....	<b>2,710.5</b>	<b>3,277.2</b>	<b>3,716.7</b>	<b>3,869.0</b>	<b>3,964.6</b>	<b>n.a.</b>
<b>Receipt size<sup>1</sup></b>						
Under \$25,000 <sup>2</sup> .....	557.0	710.8	878.7	935.7	967.6	1,028.9
\$25,000 under \$50,000.....	207.7	236.6	252.0	256.5	256.4	275.3
\$50,000 under \$100,000.....	322.7	330.2	358.9	375.8	396.7	427.3
\$100,000 under \$250,000.....	558.4	620.5	661.7	682.9	674.8	744.9
\$250,000 under \$500,000.....	367.3	489.2	500.0	532.9	542.8	611.1
\$500,000 under \$1,000,000.....	279.8	352.4	416.0	422.8	439.3	488.6
\$1,000,000 or more.....	417.7	537.6	649.4	662.3	687.0	766.3
<b>Asset size</b>						
Under \$100,000 <sup>3</sup> .....	1,514.6	1,833.5	2,111.5	2,231.2	2,288.0	2,535.1
\$100,000 under \$1,000,000.....	968.9	1,152.5	1,246.3	1,272.9	1,298.8	1,406.1
\$1,000,000 under \$10,000,000.....	191.8	245.4	303.8	309.0	319.2	339.6
\$10,000,000 under \$25,000,000.....	16.6	20.9	25.2	24.5	25.9	27.6
\$25,000,000 under \$50,000,000.....	7.8	10.4	11.0	11.2	11.3	11.9
\$50,000,000 under \$100,000,000.....	4.8	6.2	7.4	7.7	8.0	8.2
\$100,000,000 under \$250,000,000.....	3.2	4.4	5.8	6.2	6.6	6.9
\$250,000,000 or more.....	2.9	4.1	5.6	6.3	6.8	7.1
<b>PARTNERSHIPS</b>						
<b>Total</b> .....	<b>1,379.7</b>	<b>1,713.6</b>	<b>1,553.5</b>	<b>1,484.8</b>	<b>1,467.6</b>	<b>1,494.0</b>
<b>Receipt size<sup>1</sup></b>						
Under \$25,000 <sup>2</sup> .....	638.0	840.1	962.6	920.6	886.9	899.1
\$25,000 under \$50,000.....	181.8	195.5	126.0	113.0	121.2	120.8
\$50,000 under \$100,000.....	183.6	199.5	133.4	126.0	129.3	131.0
\$100,000 under \$250,000.....	155.2	190.1	139.9	144.7	144.0	147.2
\$250,000 under \$500,000.....	135.6	165.5	82.5	75.3	78.3	80.3
\$500,000 under \$1,000,000.....	48.1	66.9	52.1	49.6	49.0	53.6
\$1,000,000 or more.....	37.4	56.0	57.1	55.6	59.0	61.9
<b>Asset size</b>						
Under \$25,000 <sup>3</sup> .....	541.9	794.1	737.9	690.8	683.6	702.8
\$25,000 under \$50,000.....	156.3	132.7	99.3	88.1	76.9	74.4
\$50,000 under \$100,000.....	180.2	165.8	99.5	104.4	102.8	101.8
\$100,000 under \$250,000.....	219.1	210.9	194.1	164.0	171.8	170.7
\$250,000 under \$500,000.....	117.9	142.8	128.6	125.8	126.8	127.1
\$500,000 under \$1,000,000.....	72.1	100.0	105.2	120.5	111.4	112.3
\$1,000,000 or more.....	92.2	167.2	188.9	191.2	194.2	205.0
<b>NONFARM SOLE PROPRIETORSHIPS</b>						
<b>Total</b> .....	<b>9,730.0</b>	<b>11,928.6</b>	<b>14,782.7</b>	<b>15,495.4</b>	<b>15,848.1</b>	<b>16,153.9</b>
<b>Receipt size<sup>4</sup></b>						
Under \$2,500 <sup>2</sup> .....	2,783.1	3,067.5	3,750.1	4,648.3 <sup>r</sup>	4,214.0 <sup>r</sup>	4,205.2
\$2,500 under \$5,000.....	1,158.6	1,444.6	1,714.5	1,741.3	1,796.7	1,819.1
\$5,000 under \$10,000.....	1,262.9	1,633.6	2,011.7	2,005.4	2,136.6	2,175.7
\$10,000 under \$25,000.....	1,711.8	2,104.6	2,719.8	2,869.3	2,873.5	2,963.1
\$25,000 under \$50,000.....	1,079.1	1,393.9	1,660.2	1,817.0	1,838.3	1,867.7
\$50,000 under \$100,000.....	835.6	1,094.1	1,282.1	1,269.0	1,329.6	1,408.6
\$100,000 under \$200,000.....	795.8	1,060.2	857.2	869.2	900.6	906.2
\$200,000 under \$500,000.....	73.9	89.3	587.0	584.4	553.8	596.4
\$500,000 under \$1,000,000.....	29.2	40.7	142.7	133.1	138.6	140.6
\$1,000,000 or more.....			57.3	58.4	66.4	71.3

See notes at end of this section.

# Selected Historical and Other Data

**Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1980-1995**

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

Item	1980	1985 <sup>1</sup>	1990 <sup>1</sup>	1993 <sup>1</sup>	1994 <sup>1</sup>	1995p
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Number of returns, total</b> <sup>1</sup>	<b>2,710,538</b>	<b>3,277,219</b>	<b>3,716,650</b>	<b>3,964,629</b>	<b>4,342,368</b>	<b>4,513,008</b>
Number with net income <sup>1</sup>	1,596,632	1,820,120	1,910,670	2,144,534	2,392,357	2,479,668
Consolidated returns <sup>1,2,3</sup>	57,890	79,598	71,769	64,080	66,907	65,235
S Corporation returns <sup>1,3,4</sup>	545,389	724,749	1,575,092	1,901,505	2,023,754	2,165,792
DISC returns <sup>1,3,5</sup>	8,665	1,383	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
FSC returns <sup>1,3,6</sup>	N/A	2,341	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
<b>Total assets</b>	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>18,190,057,609</b>	<b>21,815,869,373</b>	<b>23,446,206,586</b>	<b>25,816,701,023</b>
Cash	528,914,747	683,204,264	771,086,440	812,077,106	853,076,121	973,868,515
Notes and accounts receivable	1,984,601,790	3,317,635,191	4,198,016,230	4,532,360,299	4,767,673,175	5,292,141,204
Less: Allowance for bad debts	50,057,307	61,580,335	110,059,993	117,104,017	115,154,287	120,847,527
Inventories <sup>7</sup>	534,806,547	714,722,928	893,586,141	947,287,758	1,125,766,128	1,047,302,362
Investments in Government obligations <sup>8</sup>	265,542,521	916,550,098	921,193,216	1,290,041,298	1,308,919,376	1,358,434,396
Tax-exempt securities <sup>8</sup>	206,517,216	( <sup>8</sup> )	380,320,504	701,101,044	711,589,861	806,531,203
Other current assets	310,177,160	629,136,396	1,164,582,476	1,537,521,042	1,662,091,483	1,799,610,376
Loans to stockholders	29,873,250	56,761,232	94,866,044	83,900,670	85,343,725	91,734,025
Mortgage and real estate loans	894,323,489	1,258,672,577	1,537,899,636	1,626,813,106	1,660,947,165	1,683,446,555
Other investments <sup>7</sup>	1,213,986,210	2,413,551,474	4,136,891,162	5,700,750,483	6,265,265,758	7,325,530,077
Depreciable assets	2,107,027,914	3,174,193,649	4,317,781,452	4,968,959,443	5,284,097,003	5,582,166,220
Less: Accumulated depreciation	767,841,763	1,232,072,530	1,848,022,862	2,265,345,826	2,438,539,251	2,606,206,609
Depletable assets	71,901,490	112,339,389	129,370,543	136,837,315	147,617,550	154,050,393
Less: Accumulated depletion	19,569,556	37,203,920	55,075,300	64,129,960	70,805,195	71,540,131
Land	92,931,935	141,448,357	209,579,296	230,380,089	239,430,463	240,889,361
Intangible assets (amortizable)	45,480,694	145,290,625	491,252,807	559,011,523	630,439,740	748,152,098
Less: Accumulated amortization	18,393,037	42,505,240	95,754,475	138,208,765	150,436,426	164,236,245
Other assets	187,015,106	582,949,738	1,052,544,294	1,273,616,767	1,478,884,199	1,675,674,733
<b>Total liabilities</b>	<b>7,617,238,403</b>	<b>12,773,093,888</b>	<b>18,190,057,609</b>	<b>21,815,869,373</b>	<b>23,446,206,586</b>	<b>25,816,701,023</b>
Accounts payable <sup>9</sup>	542,172,368	891,571,443	1,094,001,051	1,465,685,698	1,606,156,180	1,752,031,311
Mortgages, notes, and bonds payable in less than 1 year	504,802,288	1,001,337,795	1,802,732,358	1,569,039,749	1,830,544,493	2,051,560,849
Other current liabilities <sup>9</sup>	2,706,796,360	4,234,983,432	5,197,682,027	5,994,457,055	6,172,752,686	6,741,472,995
Loans from stockholders	85,718,510	174,317,253	268,559,197	303,017,642	294,315,214	311,715,501
Mortgages, notes, and bonds payable in 1 year or more	986,663,932	1,699,272,481	2,665,098,250	2,871,045,770	3,099,902,033	3,316,367,019
Other liabilities	846,696,691	1,467,912,913	2,423,067,175	3,148,683,849	3,411,295,097	3,624,729,636
Capital stock	417,153,783	920,182,882	1,584,840,863	2,042,497,435	2,132,453,838	2,124,743,816
Paid-in or capital surplus	532,039,407	1,420,996,805	2,814,210,083	4,223,297,163	4,789,687,457	5,399,115,806
Retained earnings, appropriated	41,461,644	54,074,364	60,978,729	106,288,339	81,281,367	104,009,609
Retained earnings, unappropriated	1,027,902,049	1,311,512,589	1,349,027,584	1,555,335,037	1,617,192,154	2,079,884,866
Less: Cost of treasury stock	74,168,627	403,068,064	1,070,139,706	1,463,478,361	1,589,373,930	1,688,930,381
<b>Total receipts</b> <sup>10</sup>	<b>6,361,284,012</b>	<b>8,398,278,426</b>	<b>11,409,520,074</b>	<b>12,269,721,710</b>	<b>13,360,007,157</b>	<b>14,600,883,477</b>
Business receipts <sup>11,12</sup>	5,731,616,337	7,369,538,953	9,860,441,633	10,865,542,520	11,883,614,939	12,878,441,071
Interest on State and local Government obligations	12,620,876	20,164,514	35,164,734	43,319,556	44,424,838	44,177,001
Other interest <sup>13</sup>	354,243,674	617,622,425	942,237,940	764,546,106	837,214,525	976,362,471
Dividends received from domestic corporations <sup>10,12,13</sup>	18,654,800	16,967,379	13,413,839	13,570,604	13,233,145	24,245,656
Dividends received from foreign corporations <sup>10</sup>	14,563,353	20,770,361	33,261,669	25,907,770	30,322,365	35,694,060
Rents <sup>10</sup>	41,371,141	89,700,937	100,642,848	85,478,375	81,809,466	86,974,635
Royalties <sup>10</sup>	12,450,250	15,237,421	32,142,258	44,076,734	50,044,128	56,914,400
Net short-term capital gain reduced by net long-term capital loss	2,013,510	7,032,062	4,110,745	26,064,516	10,997,054	38,613,701
Net long-term capital gain reduced by net short-term capital loss	24,910,957	53,771,685	50,935,859	53,303,500	47,895,615	58,746,346
Net gain, noncapital assets <sup>11,13</sup>	20,117,615	33,537,842	32,275,111	32,763,625	35,212,818	42,231,429
Other receipts	128,721,498	153,934,848	304,893,438	315,148,404	325,238,265	358,482,708

# Selected Historical and Other Data

**Table 13.--Corporation Income Tax Returns: Balance Sheet, Income Statement and Tax Items for Specified Income Years, 1980-1995--Continued**

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

Item	1980	1985 <sup>1</sup>	1990 <sup>1</sup>	1993 <sup>1</sup>	1994 <sup>1</sup>	1995p
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Total deductions</b> <sup>10</sup>	<b>6,125,365,155</b>	<b>8,158,144,126</b>	<b>11,032,574,630</b>	<b>11,764,744,057</b>	<b>12,774,888,028</b>	<b>13,890,551,385</b>
Cost of sales and operations <sup>10</sup>	4,204,905,905	4,894,254,081	6,610,769,883	7,052,236,546	7,624,876,881	8,319,637,633
Compensation of officers	108,973,751	170,737,540	205,403,164	226,147,454	281,813,040	307,624,417
Repairs	42,407,967	81,495,784	95,887,821	104,140,185	112,355,063	118,410,691
Bad debts	18,769,771	43,333,588	83,690,549	80,671,397	67,852,016	66,057,813
Rent paid on business property	71,990,832	134,661,335	184,771,540	200,741,346	220,021,860	231,137,907
Taxes paid	163,003,622	200,977,161	250,928,813	289,513,615	313,695,311	325,537,023
Interest paid	344,612,542	568,645,475	825,372,164	546,236,159	611,155,531	738,329,817
Contributions or gifts	2,358,554	4,471,736	4,752,406	6,305,178	7,102,825	7,350,397
Amortization	1,374,658	6,133,737	31,503,958	38,494,898	40,583,270	43,784,802
Depreciation	157,345,828	304,380,703	332,781,754	363,545,335	401,630,411	435,210,102
Depletion	8,871,993	7,779,731	9,646,712	8,471,334	9,423,790	10,028,685
Advertising	52,266,004	91,922,667	126,417,097	140,143,456	151,457,062	161,455,747
Pension, profit-sharing, stock bonus and annuity plans	51,529,310	49,588,712	42,233,693	61,073,784	76,875,678	82,486,214
Employee benefit programs <sup>14</sup>	40,179,104	71,601,577	113,320,117	160,120,219	160,454,207	164,849,187
Net loss, noncapital assets <sup>10,11</sup>	5,903,104	7,893,175	22,330,746	26,272,309	31,642,356	28,132,784
Other deductions <sup>14</sup>	850,872,216	1,520,267,133	2,092,764,214	2,460,630,844	1,539,582,613	2,850,518,169
<b>Total receipts less total deductions</b> <sup>10,15</sup>	<b>235,918,858</b>	<b>240,134,300</b>	<b>376,945,444</b>	<b>504,977,653</b>	<b>585,119,129</b>	<b>710,332,092</b>
Constructive taxable income from related foreign corporations <sup>10,15,16</sup>	15,708,560	20,299,335	36,776,886	36,501,077	36,583,240	42,543,331
<b>Net income (less deficit)</b> <sup>10,15,16</sup>	<b>239,006,542</b>	<b>240,119,020</b>	<b>370,632,632</b>	<b>498,159,174</b>	<b>577,277,530</b>	<b>708,698,422</b>
Net income <sup>10,15,16</sup>	296,787,201	363,867,384	552,526,789	658,666,005	739,502,875	875,740,021
Deficit <sup>10,15,16</sup>	57,780,659	123,748,365	181,894,157	160,506,831	162,225,345	167,041,599
<b>Income subject to tax</b> <sup>17</sup>	<b>246,598,486</b>	<b>266,060,609</b>	<b>366,352,857</b>	<b>436,797,939</b>	<b>493,996,239</b>	<b>560,112,991</b>
<b>Income tax, total</b> <sup>18</sup>	<b>105,142,436</b>	<b>111,340,839</b>	<b>128,185,666</b>	<b>154,447,416</b>	<b>172,776,719</b>	<b>197,026,720</b>
Regular and alternative tax <sup>19</sup>	103,831,172	109,106,358	119,434,430	149,026,690	167,547,891	191,831,293
Recapture of prior-year investment credit	867,571	1,497,597	126,600	22,864	54,537	12,630
Recapture of prior-year work incentive (WIN) credit	4,873	N/A	N/A	N/A	N/A	N/A
Minimum tax and alternative minimum tax <sup>20</sup>	438,820	725,878	8,104,269	4,863,090	4,459,253	4,298,348
Environmental tax	N/A	N/A	520,167	566,361	620,502	705,131
<b>Tax Credits:</b> <sup>21</sup>						
<b>Total</b>	<b>42,193,216</b>	<b>47,992,635</b>	<b>31,782,567</b>	<b>34,510,096</b>	<b>37,187,089</b>	<b>42,327,099</b>
Foreign tax credit	24,879,737	24,263,487	24,989,922	22,895,789	25,401,339	30,053,867
U.S. possessions tax credit	1,572,734	2,450,583	3,194,481	4,722,588	3,792,925	3,448,835
Investment credit <sup>22</sup>	15,102,812	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Work incentive (WIN) credit	36,483	N/A	N/A	N/A	N/A	N/A
Jobs credit <sup>22</sup>	601,444	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Nonconventional source fuel credit	2	43,267	81,790	690,593	592,083	722,279
Alcohol fuel credit <sup>22</sup>	4	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Research activities credit	N/A	1,627,997	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )	( <sup>21</sup> )
Employees stock ownership credit <sup>22</sup>	N/A	( <sup>21</sup> )	N/A	N/A	N/A	N/A
Orphan drug credit	N/A	204	15,637	20,486	21,166	
General business credit	N/A	19,607,097	2,833,701	3,078,073	4,109,836	3,359,081
Prior year minimum tax credit	N/A	N/A	667,036	3,102,567	3,339,643	4,742,916
<b>Total Income tax (after credits)</b> <sup>23</sup>	<b>62,949,220</b>	<b>63,348,204</b>	<b>96,403,099</b>	<b>119,937,320</b>	<b>135,436,652</b>	<b>154,699,621</b>

See notes at end of this section.

# Selected Historical and Other Data

**Table 14.--Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1980-1995**

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

Industrial division and item	1980	1985'	1990'	1993'	1994'	1995p
	(1)	(2)	(3)	(4)	(5)	(6)
<b>ALL INDUSTRIAL DIVISIONS <sup>1</sup></b>						
Number of returns, total <sup>2</sup> .....	2,710,538	3,277,219	3,716,650	3,964,629	4,344,427	4,513,008
Number with net income <sup>2</sup> .....	1,596,832	1,820,120	1,910,670	2,144,534	2,392,722	2,479,668
Total assets.....	7,617,238,403	12,773,093,888	18,190,057,609	21,815,869,373	23,409,826,451	25,816,701,023
Net worth <sup>3</sup> .....	1,944,388,256	3,303,698,576	4,738,917,553	6,463,939,613	6,873,799,863	8,018,823,714
Total receipts <sup>4</sup> .....	6,361,284,012	8,398,278,426	11,409,520,074	12,269,721,710	13,337,760,162	14,600,883,477
Business receipts <sup>4</sup> .....	5,731,616,337	7,369,538,953	9,860,441,633	10,865,542,520	11,860,133,994	12,878,441,071
Interest received <sup>4,5</sup> .....	366,864,550	637,786,939	977,402,674	807,865,662	883,348,061	1,020,539,472
Total deductions <sup>4</sup> .....	6,125,365,155	8,158,144,126	11,032,574,630	11,754,744,057	12,762,172,360	13,890,551,385
Cost of sales and operations <sup>4</sup> .....	4,204,905,905	4,894,254,081	6,610,769,883	7,052,236,546	7,616,512,076	8,319,637,633
Interest paid.....	344,612,542	568,645,475	825,372,164	546,236,159	612,744,479	738,329,817
Net income (less deficit) <sup>4</sup> .....	239,006,542	240,119,020	370,632,632	498,159,174	565,085,412	708,698,422
Net income <sup>4</sup> .....	296,787,201	363,867,384	552,526,789	658,666,005	738,995,506	875,740,021
Deficit <sup>4</sup> .....	57,780,659	123,748,365	181,894,157	160,506,831	173,910,094	167,041,599
Total income tax <sup>7</sup> .....	105,142,436	111,340,839	128,185,666	154,447,416	172,623,742	197,026,720
Regular and alternative tax <sup>8</sup> .....	103,831,172	109,106,358	119,434,430	149,026,690	167,406,036	191,831,293
<b>AGRICULTURE, FORESTRY AND FISHING</b>						
Number of returns, total <sup>2</sup> .....	80,883	103,156	126,423	141,326	146,996	148,569
Number with net income <sup>2</sup> .....	43,827	52,776	70,965	81,456	79,465	79,709
Total assets.....	40,738,977	52,651,197	68,338,381	74,646,834	79,893,306	86,414,522
Net worth <sup>3</sup> .....	11,460,935	15,406,221	23,360,455	27,698,859	29,266,842	30,530,732
Total receipts <sup>4</sup> .....	52,089,915	70,491,486	88,101,065	98,301,076	100,907,153	107,082,538
Business receipts <sup>4</sup> .....	48,850,056	65,419,402	82,114,836	92,071,144	93,874,803	100,270,859
Interest received <sup>4,5</sup> .....	476,654	775,383	681,127	501,828	623,006	634,134
Total deductions <sup>4</sup> .....	51,418,280	70,559,478	86,883,128	96,656,629	99,615,215	105,407,678
Cost of sales and operations <sup>4</sup> .....	35,798,332	45,085,526	52,758,720	53,240,017	52,426,040	56,016,804
Interest paid.....	2,184,441	2,758,952	2,852,242	2,233,054	2,372,577	2,663,939
Net income (less deficit) <sup>4</sup> .....	673,158	-74,270	1,156,269	1,647,725	1,314,303	1,665,092
Net income <sup>4</sup> .....	2,464,381	2,930,905	4,328,433	4,841,649	4,807,274	5,403,414
Deficit <sup>4</sup> .....	1,791,222	3,005,175	3,172,164	3,193,924	3,492,971	3,738,322
Total income tax <sup>7</sup> .....	544,487	540,641	589,866	613,080	689,669	703,179
Regular and alternative tax <sup>8</sup> .....	533,768	531,787	569,812	590,364	661,546	683,317
<b>MINING</b>						
Number of returns, total <sup>2</sup> .....	25,576	41,426	39,674	35,345	35,371	30,594
Number with net income <sup>2</sup> .....	12,698	18,031	18,436	15,969	19,021	16,580
Total assets.....	126,947,880	240,815,996	219,197,640	224,018,659	239,727,711	272,471,832
Net worth <sup>3</sup> .....	54,068,148	104,772,797	110,339,579	111,449,998	118,662,217	133,400,012
Total receipts <sup>4</sup> .....	176,672,390	142,038,595	111,444,457	112,121,150	115,687,307	128,421,291
Business receipts <sup>4</sup> .....	167,397,918	126,710,610	97,321,579	102,064,204	104,655,098	115,830,248
Interest received <sup>4,5</sup> .....	1,301,266	3,584,890	3,849,674	2,425,849	2,443,961	3,035,807
Total deductions <sup>4</sup> .....	169,051,624	145,389,514	106,466,509	109,623,248	112,266,559	122,903,447
Cost of sales and operations <sup>4</sup> .....	116,989,880	87,972,035	62,070,361	66,116,598	65,770,260	72,359,885
Interest paid.....	3,440,080	7,789,995	6,674,114	4,794,523	5,210,756	3,426,297
Net income (less deficit) <sup>4</sup> .....	7,750,561	-2,543,487	5,302,223	2,628,720	3,644,888	5,703,322
Net income <sup>4</sup> .....	10,133,685	6,166,623	9,071,733	6,541,858	7,563,578	9,433,657
Deficit <sup>4</sup> .....	2,383,124	8,710,110	3,769,511	3,913,138	3,918,690	3,730,335
Total income tax <sup>7</sup> .....	4,083,078	1,810,559	2,223,977	1,360,692	1,605,727	2,213,556
Regular and alternative tax <sup>8</sup> .....	3,947,569	1,736,952	1,897,245	1,185,200	1,405,506	1,982,306
<b>CONSTRUCTION</b>						
Number of returns, total <sup>2</sup> .....	272,432	318,276	406,874	417,250	432,965	449,981
Number with net income <sup>2</sup> .....	150,368	185,613	223,434	250,904	266,613	274,543
Total assets.....	132,939,026	215,297,771	243,829,026	240,435,575	249,093,544	269,903,495
Net worth <sup>3</sup> .....	32,826,174	54,687,270	63,865,550	75,814,580	78,241,990	88,863,744
Total receipts <sup>4</sup> .....	267,205,356	387,232,953	534,654,044	538,266,252	592,760,390	648,455,382
Business receipts <sup>4</sup> .....	260,387,692	374,590,273	522,586,199	528,889,876	583,273,029	638,747,647
Interest received <sup>4,5</sup> .....	2,073,650	3,851,628	3,621,561	2,233,964	1,888,499	2,129,987
Total deductions <sup>4</sup> .....	262,116,275	382,823,113	527,800,795	530,697,417	581,223,796	633,554,596
Cost of sales and operations <sup>4</sup> .....	208,064,925	295,803,244	407,448,745	408,884,991	449,971,310	492,099,337
Interest paid.....	4,278,502	6,407,652	7,368,430	5,052,958	4,877,820	6,633,823
Net income (less deficit) <sup>4</sup> .....	5,271,209	4,370,924	6,824,608	7,514,819	11,573,896	14,844,125
Net income <sup>4</sup> .....	8,911,143	11,053,145	15,859,977	14,814,675	18,395,135	21,477,948
Deficit <sup>4</sup> .....	3,639,934	6,682,220	9,035,370	7,299,856	6,821,239	6,633,823
Total income tax <sup>7</sup> .....	2,557,976	2,312,856	2,092,196	1,654,270	2,072,970	2,550,665
Regular and alternative tax <sup>8</sup> .....	2,521,507	2,243,786	1,983,902	1,575,504	1,980,008	2,443,664
<b>MANUFACTURING</b>						
Number of returns, total <sup>2</sup> .....	242,550	276,545	301,669	307,419	312,383	333,937
Number with net income <sup>2</sup> .....	153,640	159,778	167,509	179,594	189,218	194,376
Total assets.....	1,709,471,700	2,644,393,424	3,921,323,756	4,225,134,395	4,525,455,926	4,937,872,755
Net worth <sup>3</sup> .....	749,186,774	1,099,645,876	1,392,233,318	1,440,728,404	1,588,890,745	1,733,245,573
Total receipts <sup>4</sup> .....	2,404,323,844	2,831,062,496	3,688,693,895	3,890,747,271	4,218,791,583	4,562,409,847
Business receipts <sup>4</sup> .....	2,301,056,550	2,656,345,750	3,434,141,360	3,652,017,915	3,968,849,781	4,268,782,253
Interest received <sup>4,5</sup> .....	28,315,784	47,753,626	81,135,811	69,071,714	74,634,424	86,738,841
Total deductions <sup>4</sup> .....	2,290,593,808	2,733,105,346	3,545,121,842	3,741,592,660	4,024,300,782	4,330,305,512
Cost of sales and operations <sup>4</sup> .....	1,707,143,900	1,797,852,805	2,377,226,499	2,483,308,485	2,696,676,923	2,915,491,220
Interest paid.....	54,177,356	90,452,072	151,214,835	118,233,685	126,350,471	145,864,840
Net income (less deficit) <sup>4</sup> .....	125,667,815	113,758,645	171,373,726	173,219,957	219,114,720	261,858,664
Net income <sup>4</sup> .....	141,547,510	142,541,119	212,936,099	214,058,222	254,253,272	297,791,523
Deficit <sup>4</sup> .....	15,879,695	28,782,474	41,562,373	40,838,265	35,138,553	35,932,859
Total income tax <sup>7</sup> .....	60,184,725	56,687,476	64,385,522	61,912,971	74,398,479	83,297,533
Regular and alternative tax <sup>8</sup> .....	59,577,413	55,553,921	60,664,655	60,251,051	72,522,497	81,002,172

# Selected Historical and Other Data

**Table 14.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement and Tax Items by Industrial Division for Specified Income Years, 1980-1995—Continued**

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

Industrial division and item	1980	1985 <sup>1</sup>	1990 <sup>1</sup>	1993 <sup>1</sup>	1994 <sup>1</sup>	1995p
	(1)	(2)	(3)	(4)	(5)	(6)
<b>TRANSPORTATION AND PUBLIC UTILITIES</b>						
Number of returns, total <sup>2</sup> .....	111,324	138,337	160,353	175,980	186,474	198,815
Number with net income <sup>2</sup> .....	62,232	69,938	81,418	97,212	103,300	111,834
Total assets.....	758,364,400	1,246,426,899	1,522,045,738	1,770,691,651	1,826,272,914	1,930,950,608
Net worth <sup>3</sup> .....	290,655,693	490,481,127	508,667,821	579,823,500	619,079,353	643,203,163
Total receipts <sup>4</sup> .....	523,807,396	772,358,188	936,277,062	1,037,156,438	1,103,212,254	1,168,632,814
Business receipts <sup>4</sup> .....	507,372,820	733,943,970	874,111,070	981,004,201	1,041,837,215	1,096,658,713
Interest received <sup>4,5</sup> .....	5,760,072	12,310,594	18,194,729	16,095,202	17,986,548	22,651,470
Total deductions <sup>4</sup> .....	503,954,285	747,836,158	900,960,832	984,901,013	1,036,075,113	1,094,664,427
Cost of sales and operations <sup>4</sup> .....	336,868,172	381,028,354	405,924,209	393,351,737	404,065,646	410,915,199
Interest paid.....	27,638,591	44,880,858	59,190,735	53,421,303	54,341,492	62,378,578
Net income (less deficit) <sup>4</sup> .....	20,046,155	25,087,629	35,413,596	52,885,350	68,265,100	74,811,146
Net income <sup>4</sup> .....	24,917,293	37,880,144	51,490,850	65,726,981	80,677,627	89,323,361
Deficit <sup>4</sup> .....	4,871,138	12,792,516	16,077,254	12,841,631	12,412,526	14,512,215
Total income tax <sup>7</sup> .....	10,733,055	15,214,129	17,114,547	20,717,373	25,104,099	27,538,540
Regular and alternative tax <sup>8</sup> .....	10,532,722	14,881,470	15,228,031	19,667,270	23,829,209	26,617,879
<b>WHOLESALE AND RETAIL TRADE</b>						
Number of returns, total <sup>2</sup> .....	799,628	917,301	1,023,057	1,072,980	1,106,363	1,153,101
Number with net income <sup>2</sup> .....	487,300	510,825	527,128	582,440	626,179	639,355
Total assets.....	646,901,005	1,009,965,739	1,447,296,828	1,702,833,504	1,795,167,540	1,908,000,974
Net worth <sup>3</sup> .....	222,289,687	286,260,274	354,827,439	448,591,875	492,047,619	528,994,022
Total receipts <sup>4</sup> .....	1,955,523,778	2,473,865,453	3,308,988,336	3,709,494,745	4,052,225,816	4,278,643,672
Business receipts <sup>4</sup> .....	1,919,347,689	2,408,174,933	3,216,861,660	3,623,042,583	3,953,491,832	4,175,822,276
Interest received <sup>4,5</sup> .....	10,503,989	21,633,480	29,851,239	27,704,694	28,962,126	30,386,456
Total deductions <sup>4</sup> .....	1,919,454,218	2,440,403,373	3,279,066,687	3,659,764,518	3,983,974,012	4,215,686,053
Cost of sales and operations <sup>4</sup> .....	1,538,128,634	1,869,766,621	2,482,483,270	2,786,432,350	3,051,013,685	3,231,621,319
Interest paid.....	25,645,855	38,217,998	63,914,431	46,771,670	50,705,546	59,820,452
Net income (less deficit) <sup>4</sup> .....	38,309,671	33,126,702	30,094,078	49,714,808	68,472,944	63,741,435
Net income <sup>4</sup> .....	49,426,500	51,434,500	65,383,876	78,182,240	95,423,680	96,793,744
Deficit <sup>4</sup> .....	11,116,829	18,307,798	35,289,798	28,467,432	26,950,736	33,052,310
Total income tax <sup>7</sup> .....	13,665,104	16,392,896	13,839,310	16,373,907	19,885,265	19,933,364
Regular and alternative tax <sup>8</sup> .....	13,515,653	16,130,885	13,324,360	15,690,940	19,254,920	19,666,127
<b>FINANCE, INSURANCE AND REAL ESTATE</b>						
Number of returns, total <sup>2</sup> .....	493,426	518,432	609,138	641,397	681,671	678,390
Number with net income <sup>2</sup> .....	273,853	285,273	269,667	296,483	315,058	313,326
Total assets.....	4,022,206,073	7,029,452,681	10,193,295,357	12,831,680,335	13,895,294,545	15,485,717,133
Net worth <sup>3</sup> .....	530,541,317	1,161,968,009	2,142,041,011	3,543,133,206	3,842,152,066	4,558,594,685
Total receipts <sup>4</sup> .....	697,460,846	1,182,034,309	1,954,709,651	1,940,315,739	1,976,491,348	2,390,044,675
Business receipts <sup>5</sup> .....	256,892,475	501,993,840	900,908,453	992,334,922	1,001,744,154	1,234,324,370
Interest received <sup>4,5</sup> .....	315,146,115	541,268,193	830,451,126	680,042,021	742,730,589	860,901,277
Total deductions <sup>4</sup> .....	652,637,787	1,104,572,202	1,809,867,575	1,723,335,528	1,773,052,528	2,109,604,494
Cost of sales and operations <sup>4</sup> .....	129,644,330	237,577,803	526,244,728	540,333,700	554,847,043	759,397,646
Interest paid.....	219,167,684	363,009,417	506,921,011	292,846,507	340,510,655	427,157,112
Net income (less deficit) <sup>4</sup> .....	33,122,792	60,670,526	109,901,881	185,229,845	169,303,017	247,155,349
Net income <sup>4</sup> .....	46,040,390	90,546,934	158,458,842	226,551,700	216,489,170	288,761,902
Deficit <sup>4</sup> .....	12,917,599	29,876,408	48,556,962	41,321,855	47,186,152	41,606,553
Total income tax <sup>7</sup> .....	9,804,884	13,598,201	22,556,387	44,409,373	39,014,557	50,912,815
Regular and alternative tax <sup>8</sup> .....	9,680,755	13,369,981	20,709,720	42,851,510	38,164,845	49,745,272
<b>SERVICES</b>						
Number of returns, total <sup>2</sup> .....	671,338	939,390	1,029,447	1,157,724	1,424,394	1,512,876
Number with net income <sup>2</sup> .....	408,716	529,337	546,268	636,095	788,992	848,078
Total assets.....	178,163,377	330,982,941	572,842,266	744,758,261	833,929,557	924,761,969
Net worth <sup>3</sup> .....	52,865,513	89,852,365	143,154,346	236,109,841	263,646,971	301,746,864
Total receipts <sup>4</sup> .....	279,883,187	534,587,609	779,329,609	941,642,864	1,198,029,951	1,316,146,019
Business receipts <sup>4</sup> .....	266,088,619	497,980,990	726,041,364	892,537,156	1,134,091,202	1,246,984,507
Interest received <sup>4,5</sup> .....	3,269,412	6,561,301	9,526,124	9,772,446	12,354,861	14,055,222
Total deductions <sup>4</sup> .....	271,792,974	528,685,613	769,035,909	916,453,470	1,162,499,328	1,277,371,211
Cost of sales and operations <sup>4</sup> .....	129,352,692	176,070,808	290,965,307	319,675,277	348,986,768	380,986,700
Interest paid.....	8,033,612	15,027,259	27,188,190	22,857,022	26,757,051	28,662,878
Net income (less deficit) <sup>4</sup> .....	8,193,903	5,883,782	10,616,792	25,361,467	35,568,508	38,926,020
Net income <sup>4</sup> .....	13,246,601	21,124,460	34,850,560	47,845,396	61,756,827	66,712,959
Deficit <sup>4</sup> .....	5,052,698	15,240,678	24,233,768	22,483,930	26,188,319	27,786,939
Total income tax <sup>7</sup> .....	3,554,144	4,742,347	5,368,531	7,401,280	9,990,309	9,871,949
Regular and alternative tax <sup>8</sup> .....	3,497,265	4,621,875	5,041,377	7,210,494	9,713,741	9,685,438

See notes at end of this section.

## Selected Historical and Other Data

**Table 15.--Corporation Profits Before Taxes per National Income and Product Accounts (NIPA) and per SOI, and Income Subject to Tax per SOI, Income Years 1960-1996**

[All figures are estimates--money amounts are in billions of dollars]

Income year	Profits before taxes (per NIPA) <sup>1</sup>	Net income (less deficit) (per SOI) <sup>2</sup>	Income subject to tax (per SOI) <sup>3</sup>
	(1)	(2)	(3)
1960.....	51.1	43.5	47.2
1961.....	51.0	45.9	47.9
1962.....	56.4	49.6	51.7
1963.....	61.2	54.3	54.3
1964.....	68.0	61.6	60.4
1965.....	78.8	73.9	70.8
1966.....	85.1	80.5	77.1
1967.....	81.8	78.2	74.8
1968.....	90.6	86.0	81.4
1969.....	89.0	80.2	81.2
1970.....	78.4	65.9	72.4
1971.....	90.1	79.7	83.2
1972.....	104.5	96.8	95.1
1973.....	130.9	120.4	115.5
1974.....	142.8	148.2	144.0
1975.....	140.4	142.6	146.6
1976.....	173.8	185.4	183.5
1977.....	203.6	219.2	212.5
1978.....	238.1	246.9	239.6
1979.....	261.8	284.6	279.4
1980.....	241.4	239.0	246.6
1981.....	229.8	213.6	241.5
1982.....	176.7	154.3	205.2
1983.....	212.8	188.3	218.7
1984.....	244.2	232.9	257.1
1985.....	229.9	240.1	266.1
1986.....	222.6	269.5	276.2
1987.....	293.6	328.2	311.8
1988.....	354.3	413.0	383.2
1989.....	348.1	389.0	371.1
1990.....	371.7	370.6	366.4
1991.....	374.2	344.9	350.0
1992.....	406.4	402.0	377.9
1993.....	464.3	498.2	436.8
p1994.....	531.2	565.1	493.6
p1995.....	598.9	n.a.	n.a.
p1996.....	639.9	n.a.	n.a.

See notes at end of this section.

# Selected Historical and Other Data

**Table 16.--Estate Tax Returns as a Percentage of Adult Deaths, Selected Years of Death, 1934-1993**

[Starting with 1965, number of returns is an estimate based on a sample]

Selected year of death	Total adult deaths <sup>1</sup>	Taxable estate tax returns <sup>2</sup>	
		Number	Percentage of adult deaths
	(1)	(2)	(3)
1934.....	983,970	8,655	0.88
1935.....	1,172,245	9,137	0.78
1936.....	1,257,290	12,010	0.96
1937.....	1,237,585	13,220	1.07
1938.....	1,181,275	12,720	1.08
1939.....	1,205,072	12,907	1.07
1940.....	1,237,186	13,336	1.08
1941.....	1,216,855	13,493	1.11
1942.....	1,211,391	12,726	1.05
1943.....	1,277,009	12,154	0.95
1944.....	1,238,917	13,869	1.12
1946.....	1,239,713	18,232	1.47
1947.....	1,278,856	19,742	1.54
1948.....	1,283,601	17,469	1.36
1949.....	1,285,684	17,411	1.35
1950.....	1,304,343	18,941	1.45
1953.....	1,237,741	24,997	2.02
1954.....	1,332,412	25,143	1.89
1956.....	1,289,193	32,131	2.49
1958.....	1,358,375	38,515	2.84
1960.....	1,426,148	45,439	3.19
1962.....	1,483,846	55,207	3.72
1965.....	1,578,813	67,404	4.27
1969.....	1,796,055	93,424	5.20
1972.....	1,854,146	120,761	6.51
1976.....	1,819,107	139,115	7.65
1982.....	1,897,820	34,446	1.82
1983.....	1,945,913	34,883	1.79
1984.....	1,968,128	30,447	1.55
1985.....	2,015,070	22,324	1.11
1986.....	2,033,978	21,939	1.08
1987.....	2,053,084	18,059	0.88
1988.....	2,096,704	20,751	0.99
1989.....	2,079,035	23,002	1.11
1990.....	2,079,034	24,456	1.18
1991.....	2,101,746	26,277	1.25
1992.....	2,111,617	27,243	1.29
p1993.....	2,168,120	32,002	1.48

See notes at end of this section.

# Selected Historical and Other Data

**Table 17.—Gross Tax Collections: Amount Collected by Quarter and Fiscal Year, 1987-1997**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return						
	Total <sup>1,r</sup>	Individual income taxes <sup>2</sup>	Corporation income taxes <sup>3</sup>	Excise taxes		Employment taxes <sup>6</sup>	Estate and gift taxes
				Internal Revenue Service <sup>4</sup>	Bureau of Alcohol, Tobacco and Firearms <sup>5</sup>		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>886,290</b>	<b>465,452</b>	<b>102,859</b>	<b>33,311</b>	<b>N/A</b>	<b>277,000</b>	<b>7,668</b>
October 1986 - December 1986.....	180,580	92,346	22,466	8,281	N/A	55,615	1,872
January 1987 - March 1987.....	209,032	105,483	22,649	7,925	N/A	71,156	1,819
April 1987 - June 1987.....	285,477	164,008	29,748	8,493	N/A	81,139	2,089
July 1987 - September 1987.....	211,201	103,615	27,996	8,612	N/A	69,090	1,888
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>945,521</b>	<b>473,667</b>	<b>109,683</b>	<b>25,934</b>	<b>10,414</b>	<b>318,039</b>	<b>7,784</b>
October 1987 - December 1987.....	200,262	97,479	24,828	6,475	3,167	66,500	1,813
January 1988 - March 1988.....	223,636	111,215	22,006	5,304	3,189	80,161	1,761
April 1988 - June 1988.....	299,925	160,018	35,991	6,550	3,750	91,426	2,190
July 1988 - September 1988.....	221,698	104,955	26,858	7,605	308	79,952	2,020
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>1,024,719</b>	<b>515,732</b>	<b>117,015</b>	<b>25,978</b>	<b>11,396</b>	<b>345,625</b>	<b>8,973</b>
October 1988 - December 1988.....	215,833	104,522	29,551	6,657	2,315	70,632	2,156
January 1989 - March 1989.....	238,276	114,475	20,760	6,098	2,392	92,587	1,964
April 1989 - June 1989.....	335,503	180,947	40,825	6,899	4,026	100,077	2,729
July 1989 - September 1989.....	235,107	115,788	25,879	6,324	2,663	82,329	2,124
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>1,066,600</b>	<b>540,228</b>	<b>110,017</b>	<b>27,139</b>	<b>10,235</b>	<b>367,219</b>	<b>11,762</b>
October 1989 - December 1989.....	222,867	110,077	26,390	6,184	2,790	74,982	2,444
January 1990 - March 1990.....	251,924	127,277	21,433	5,868	2,187	92,868	2,291
April 1990 - June 1990.....	343,976	181,180	37,398	8,143	2,690	110,281	4,284
July 1990 - September 1990.....	247,833	121,694	24,796	6,944	2,568	89,088	2,743
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>1,099,773</b>	<b>546,877</b>	<b>113,598</b>	<b>30,451</b>	<b>12,923</b>	<b>384,451</b>	<b>11,473</b>
October 1990 - December 1990.....	242,792	118,047	29,248	6,363	2,753	83,646	2,735
January 1991 - March 1991.....	257,078	119,891	22,974	7,107	2,919	101,569	2,618
April 1991 - June 1991.....	339,091	181,949	35,953	7,545	4,045	106,426	3,173
July 1991 - September 1991.....	260,812	126,990	25,423	9,436	3,206	92,810	2,947
<b>FISCAL YEAR 1992, TOTAL</b> .....	<b>1,134,196</b>	<b>557,723</b>	<b>117,951</b>	<b>33,566</b>	<b>13,396</b>	<b>400,081</b>	<b>11,479</b>
October 1991 - December 1991.....	249,845	117,980	28,571	8,238	3,572	88,749	2,735
January 1992 - March 1992.....	266,984	136,220	19,751	8,159	2,823	97,425	2,606
April 1992 - June 1992.....	348,986	173,437	41,930	8,311	3,539	118,503	3,266
July 1992 - September 1992.....	268,381	130,086	27,699	8,858	3,462	95,404	2,872
<b>FISCAL YEAR 1993, TOTAL</b> .....	<b>1,190,673</b>	<b>585,774</b>	<b>131,548</b>	<b>34,962</b>	<b>13,987</b>	<b>411,511</b>	<b>12,891</b>
October 1992 - December 1992.....	262,404	124,812	30,324	8,388	3,581	92,284	3,015
January 1993 - March 1993.....	285,925	154,596	21,124	8,317	3,074	96,042	2,772
April 1993 - June 1993.....	354,070	168,977	47,920	8,739	3,776	120,767	3,891
July 1993 - September 1993.....	288,274	137,389	32,180	9,518	3,556	102,418	3,213
<b>FISCAL YEAR 1994, TOTAL</b> .....	<b>1,290,246</b>	<b>619,819</b>	<b>154,205</b>	<b>43,005</b>	<b>13,779</b>	<b>443,831</b>	<b>15,607</b>
October 1993 - December 1993.....	282,891	132,790	36,088	9,907	3,525	97,012	3,569
January 1994 - March 1994.....	309,746	160,382	24,883	9,932	3,009	108,037	3,503
April 1994 - June 1994.....	386,403	182,996	55,652	10,629	3,592	128,665	4,869
July 1994 - September 1994.....	311,205	143,651	37,582	12,536	3,653	110,117	3,666
<b>FISCAL YEAR 1995, TOTAL</b> .....	<b>1,390,048</b>	<b>675,779</b>	<b>174,422</b>	<b>44,981</b>	<b>14,317</b>	<b>465,405</b>	<b>15,144</b>
October 1994 - December 1994.....	301,118	138,454	40,811	11,029	3,671	103,537	3,616
January 1995 - March 1995.....	329,624	169,977	26,137	10,791	2,982	116,503	3,234
April 1995 - June 1995.....	432,556	214,105	65,995	11,116	3,603	133,357	4,380
July 1995 - September 1995.....	326,750	153,243	41,479	12,045	4,061	112,008	3,914
<b>FISCAL YEAR 1996, TOTAL</b> .....	<b>1,500,352</b>	<b>745,313</b>	<b>189,055</b>	<b>42,222</b>	<b>13,805</b>	<b>492,365</b>	<b>17,592</b>
October 1995 - December 1995.....	320,038	148,203	46,823	11,409	3,411	106,200	3,992
January 1996 - March 1996.....	349,683	184,419	27,971	9,939	2,959	120,783	3,612
April 1996 - June 1996.....	474,823	242,754	68,509	9,835	3,532	144,825	5,368
July 1996 - September 1996.....	355,808	169,937	45,752	11,039	3,903	120,557	4,620
<b>FISCAL YEAR 1997</b>							
October 1996 - December 1996.....	345,447	157,767	49,612	10,052	3,261	120,284	4,471
January 1997 - March 1997.....	379,827	197,477	31,359	10,762	3,052	132,838	4,339

See notes at end of this section.

# Selected Historical and Other Data

**Table 18.--Tax Refunds: Amount Refunded by Quarter and Fiscal Year, 1987-1997**

[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes <sup>1</sup>	Corporation income taxes <sup>2</sup>	Excise taxes <sup>3</sup>	Employment taxes <sup>4</sup>	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
<b>FISCAL YEAR 1987, TOTAL</b> .....	<b>96,969</b>	<b>73,583</b>	<b>19,891</b>	<b>1,381</b>	<b>1,900</b>	<b>214</b>
October 1986 - December 1986.....	8,668	3,406	4,789	111	312	50
January 1987 - March 1987.....	28,422	22,198	5,296	479	393	56
April 1987 - June 1987.....	50,063	42,858	5,948	332	869	57
July 1987 - September 1987.....	9,816	5,121	3,858	459	326	52
<b>FISCAL YEAR 1988, TOTAL</b> .....	<b>94,480</b>	<b>74,399</b>	<b>16,477</b>	<b>1,114</b>	<b>2,263</b>	<b>227</b>
October 1987 - December 1987.....	7,701	3,437	3,727	207	275	55
January 1988 - March 1988.....	27,798	21,744	5,248	198	553	55
April 1988 - June 1988.....	49,202	43,769	3,848	421	1,114	50
July 1988 - September 1988.....	9,776	5,449	3,654	288	321	67
<b>FISCAL YEAR 1989, TOTAL</b> .....	<b>93,613</b>	<b>73,597</b>	<b>14,921</b>	<b>2,054</b>	<b>2,771</b>	<b>269</b>
October 1988 - December 1988.....	8,380	3,362	4,461	118	359	80
January 1989 - March 1989.....	32,041	26,759	4,462	182	570	67
April 1989 - June 1989.....	43,538	38,895	3,849	350	381	63
July 1989 - September 1989.....	9,654	4,581	2,149	1,404	1,461	59
<b>FISCAL YEAR 1990, TOTAL</b> .....	<b>99,656</b>	<b>76,065</b>	<b>18,324</b>	<b>2,261</b>	<b>2,677</b>	<b>329</b>
October 1989 - December 1989.....	8,487	3,094	4,605	300	409	79
January 1990 - March 1990.....	37,121	31,367	4,922	342	423	62
April 1990 - June 1990.....	43,308	36,952	4,209	549	1,492	106
July 1990 - September 1990.....	10,740	4,652	4,588	1,070	353	77
<b>FISCAL YEAR 1991, TOTAL</b> .....	<b>104,380</b>	<b>82,877</b>	<b>17,440</b>	<b>1,188</b>	<b>2,471</b>	<b>404</b>
October 1990 - December 1990.....	8,284	3,367	4,148	344	323	102
January 1991 - March 1991.....	38,020	32,811	4,286	293	538	92
April 1991 - June 1991.....	47,962	41,638	4,748	226	1,249	101
July 1991 - September 1991.....	10,114	5,061	4,258	325	361	109
<b>FISCAL YEAR 1992, TOTAL</b> .....	<b>113,108</b>	<b>88,624</b>	<b>19,688</b>	<b>1,997</b>	<b>2,398</b>	<b>401</b>
October 1991 - December 1991.....	10,072	3,607	5,639	379	346	101
January 1992 - March 1992.....	44,657	38,183	5,750	201	430	93
April 1992 - June 1992.....	47,817	42,231	4,596	476	399	115
July 1992 - September 1992.....	10,562	4,603	3,703	941	1,223	92
<b>FISCAL YEAR 1993, TOTAL</b> .....	<b>93,580</b>	<b>74,234</b>	<b>16,035</b>	<b>958</b>	<b>1,969</b>	<b>384</b>
October 1992 - December 1992.....	7,891	3,081	4,190	208	324	88
January 1993 - March 1993.....	37,213	31,503	4,971	239	396	104
April 1993 - June 1993.....	39,325	35,353	3,195	290	397	90
July 1993 - September 1993.....	9,151	4,297	3,679	221	852	102
<b>FISCAL YEAR 1994, TOTAL</b> .....	<b>96,980</b>	<b>75,935</b>	<b>16,251</b>	<b>1,877</b>	<b>2,477</b>	<b>441</b>
October 1993 - December 1993.....	7,329	2,322	4,176	394	324	113
January 1994 - March 1994.....	34,614	27,859	5,800	403	445	107
April 1994 - June 1994.....	43,804	40,876	2,109	333	393	93
July 1994 - September 1994.....	11,233	4,878	4,165	747	1,315	128
<b>FISCAL YEAR 1995, TOTAL</b> .....	<b>108,035</b>	<b>84,056</b>	<b>19,350</b>	<b>2,223</b>	<b>1,972</b>	<b>434</b>
October 1994 - December 1994.....	9,086	3,440	4,909	319	304	114
January 1995 - March 1995.....	35,791	27,642	6,370	926	753	101
April 1995 - June 1995.....	53,388	47,433	4,904	500	443	108
July 1995 - September 1995.....	9,770	5,541	3,167	478	472	111
<b>FISCAL YEAR 1996, TOTAL</b> .....	<b>130,141</b>	<b>104,792</b>	<b>19,201</b>	<b>2,075</b>	<b>3,584</b>	<b>489</b>
October 1995 - December 1995.....	10,949	3,933	5,391	361	1,152	112
January 1996 - March 1996.....	41,636	34,644	6,103	239	538	112
April 1996 - June 1996.....	66,720	61,427	4,363	355	454	121
July 1996 - September 1996.....	10,836	4,788	3,344	1,120	1,440	144
<b>FISCAL YEAR 1997</b>						
October 1996 - December 1996.....	13,058	4,212	8,082	155	433	176
January 1997 - March 1997.....	42,084	35,181	5,771	493	552	87

See notes at end of this section.

# Selected Historical and Other Data

**Table 19.--Individual Income Tax Refund Offsets for Repayment of Specific Outstanding Taxpayer Obligations or Debts, by Selected Type of Program or U.S. Government Agency to Which Amount was Owed, Calendar Years 1985-1996<sup>1</sup>**

[Money amounts are in thousands of dollars]

Selected program or agency	1985		1986		1987	
	(1)	(2)	(3)	(4)	(5)	(6)
	Number of offsets <sup>2</sup>	Refund offset amount <sup>3,4</sup>	Number of offsets <sup>2</sup>	Refund offset amount <sup>3,4</sup>	Number of offsets <sup>2</sup>	Refund offset amount <sup>3,4</sup>
<b>Total.....</b>	<b>489,366</b>	<b>231,709</b>	<b>882,797</b>	<b>456,998</b>	<b>1,150,365</b>	<b>566,175</b>
Department of Health and Human Services... <sup>4</sup>	489,366	231,709	604,425	307,764	664,534	342,523
Aid to Families with Dependent Children (AFDC) <sup>5</sup> .....	489,366	231,709	533,051	258,192	566,312	269,212
Other child support programs (non-AFDC) <sup>6</sup> .....	N/A	N/A	71,374	49,572	108,160	73,216
Department of Education.....	N/A	N/A	243,135	127,585	278,490	137,425
Department of Agriculture.....	N/A	N/A	1,895	1,256	6,505	3,446
Department of Defense.....	N/A	N/A	N/A	N/A	54,950	17,561
Department of Veterans Affairs.....	N/A	N/A	17,027	8,241	129,466	54,302
Department of Housing and Urban Development.....	N/A	N/A	8,642	5,630	9,501	6,604
All other.....	N/A	N/A	7,673	6,522	6,919	4,314
	1988		1989		1990	
	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total.....</b>	<b>1,194,901</b>	<b>637,504</b>	<b>1,259,297</b>	<b>708,545</b>	<b>1,402,111</b>	<b>804,906</b>
Department of Health and Human Services... <sup>4</sup>	737,731	407,815	779,554	449,627	831,966	483,474
Aid to Families with Dependent Children (AFDC) <sup>5</sup> .....	604,645	320,288	627,403	350,918	651,893	365,613
Other child support programs (non-AFDC) <sup>6</sup> .....	132,875	87,201	151,680	98,407	179,611	117,249
Department of Education.....	315,742	167,990	334,740	191,940	432,139	257,392
Department of Agriculture.....	4,838	2,699	4,465	2,567	7,548	6,056
Department of Defense.....	59,533	18,202	61,804	21,622	57,952	19,778
Department of Veterans Affairs.....	52,602	23,268	56,085	27,209	50,004	23,265
Department of Housing and Urban Development.....	10,653	7,948	11,441	8,602	10,850	8,076
All other.....	13,802	9,582	11,208	6,978	11,652	6,865
	1991		1992		1993	
	(13)	(14)	(15)	(16)	(17)	(18)
<b>Total.....</b>	<b>1,565,432</b>	<b>946,210</b>	<b>1,921,944</b>	<b>1,262,622</b>	<b>1,758,162</b>	<b>1,160,397</b>
Department of Health and Human Services... <sup>4</sup>	869,941	523,952	1,070,999	683,657	975,924	633,579
Aid to Families with Dependent Children (AFDC) <sup>5</sup> .....	672,801	392,802	737,254	464,462	701,598	448,560
Other child support programs (non-AFDC) <sup>6</sup> .....	196,381	130,348	254,435	178,198	244,780	170,404
Department of Education.....	575,578	363,968	720,326	516,213	651,056	472,928
Department of Agriculture.....	8,589	7,551	20,262	12,034	28,969	13,076
Department of Defense.....	49,085	18,116	54,509	18,199	46,125	14,829
Department of Veterans Affairs.....	38,987	17,684	29,103	13,122	33,844	10,914
Department of Housing and Urban Development.....	11,250	8,380	13,520	10,815	11,399	8,963
All other.....	12,002	6,559	13,225	8,582	10,845	6,108
	1994		1995		1996	
	(19)	(20)	(21)	(22)	(23)	(24)
<b>Total.....</b>	<b>2,009,877</b>	<b>1,379,675</b>	<b>2,188,257</b>	<b>1,505,736</b>	<b>2,120,935</b>	<b>1,678,504</b>
Department of Health and Human Services... <sup>4</sup>	1,037,174	711,825	1,165,444	828,631	1,241,395	1,019,612
Aid to Families with Dependent Children (AFDC) <sup>5</sup> .....	749,269	507,047	848,166	591,854	879,143	716,637
Other child support programs (non-AFDC) <sup>6</sup> .....	267,546	193,939	316,707	236,198	361,453	302,146
Department of Education.....	781,829	582,662	778,446	571,280	573,308	514,169
Department of Agriculture.....	73,452	33,383	73,654	30,295	93,884	42,503
Department of Defense.....	59,459	25,345	85,023	35,971	111,031	50,223
Department of Veterans Affairs.....	35,368	9,973	45,761	11,830	49,989	12,743
Department of Housing and Urban Development.....	10,454	9,090	10,676	9,745	6,228	6,738
All other.....	12,141	7,397	29,253	17,984	45,100	32,516

See notes at end of this section.

**Table 20.—Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Bureau of Alcohol, Tobacco and Firearms, and Customs Service, by Type of Excise Tax, Fiscal Years 1992-1996**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal Year									
	1992	1993	1994	1995	Tax rates in effect on October 1, 1995	Total	1996			
							by quarter ending—			
(1)	(2)	(3)	(4)	(5)	(6)	December 1995	March 1996	June 1996	September 1996	
<b>Total excise tax collections.....</b>	<b>46,961,000</b>	<b>48,949,000</b>	<b>56,783,000</b>	<b>59,298,000</b>	-	<b>56,027,000</b>	<b>14,820,000</b>	<b>12,898,000</b>	<b>13,367,000</b>	<b>14,942,000</b>
<b>Excise tax collections or liabilities reported by the Internal Revenue Service <sup>1</sup></b>										
<b>Total excise tax collections.....</b>	<b>33,565,587</b>	<b>34,962,476</b>	<b>43,004,797</b>	<b>44,980,628</b>	-	<b>42,221,611</b>	<b>11,409,110</b>	<b>9,938,918</b>	<b>9,834,813</b>	<b>11,038,770</b>
<b>Tax liabilities by type of excise tax, total.....</b>	<b>32,751,319</b>	<b>34,048,600</b>	<b>42,874,953</b>	<b>44,596,609</b>	-	<b>40,998,482</b>	<b>11,681,496</b>	<b>9,255,711</b>	<b>9,689,167</b>	<b>10,372,108</b>
<b>Retail excise taxes:</b>										
<b>Luxury taxes:</b>										
Passenger vehicles.....	276,100	379,530	475,177	519,142	10 percent of price over \$32,000	532,180	142,393	123,031	136,039	130,717
Boats (repealed January 1, 1993).....	12,205	16,374	-2,770	636	N/A	108	5	132	-31	2
Aircraft (repealed January 1, 1993).....	151	702	-48	--	N/A	9	9	--	--	--
Jewelry (repealed January 1, 1993).....	15,942	16,456	-1,846	-179	N/A	-126	-42	--	-84	--
Furs (repealed January 1, 1993).....	735	621	-195	-32	N/A	54	57	-3	--	--
<b>Diesel fuel for trains:</b>										
Total, excluding floor stocks.....	82,000	85,500	193,100	207,800	\$0.0565 per gallon	148,600	40,300	38,000	37,900	32,400
Floor stocks.....	169	109	398	751	N/A	1,173	1,166	5	5	-3
<b>Diesel fuel for certain intercity buses.....</b>	<b>2,505</b>	<b>2,651</b>	<b>2,286</b>	<b>-2,267</b>	<b>\$0.074 per gallon</b>	<b>-4,523</b>	<b>288</b>	<b>-1,315</b>	<b>-1,388</b>	<b>-2,108</b>
<b>Special motor fuels:</b>										
Total, excluding floor stocks.....	40,518	39,108	44,400	33,900	\$0.184 per gallon	41,300	10,700	11,700	9,500	9,400
Floor stocks.....	22	-8	4	2	N/A	-2	-2	--	--	--
<b>Compressed natural gas.....</b>	<b>N/A</b>	<b>N/A</b>	<b>669</b>	<b>936</b>	<b>\$0.04854 per thousand cubic feet</b>	<b>866</b>	<b>11</b>	<b>288</b>	<b>286</b>	<b>281</b>
<b>Alcohol fuels <sup>2</sup>.....</b>	<b>-564</b>	<b>-88</b>	<b>174</b>	<b>166</b>	<b>\$0.184 and other rates</b>	<b>166</b>	<b>55</b>	<b>33</b>	<b>49</b>	<b>29</b>
<b>Noncommercial aviation gasoline <sup>3</sup>.....</b>	<b>2,454</b>	<b>2,067</b>	<b>2,172</b>	<b>2,409</b>	<b>\$0.01 per gallon</b>	<b>5,681</b>	<b>780</b>	<b>--</b>	<b>28</b>	<b>4,873</b>
<b>Fuel used commercially on inland waterways.....</b>	<b>67,140</b>	<b>82,240</b>	<b>112,550</b>	<b>128,690</b>	<b>\$0.244 per gallon</b>	<b>125,520</b>	<b>34,100</b>	<b>30,170</b>	<b>31,590</b>	<b>29,660</b>
<b>Heavy trucks and trailers.....</b>	<b>904,871</b>	<b>1,211,440</b>	<b>1,635,700</b>	<b>2,039,600</b>	<b>12 percent</b>	<b>1,804,000</b>	<b>506,700</b>	<b>444,100</b>	<b>477,400</b>	<b>375,800</b>
<b>Manufacturers excise taxes:</b>										
Gas guzzlers <sup>2</sup> .....	144,156	111,554	64,057	73,482	\$1,000-\$7,000 per vehicle	52,641	20,616	11,383	10,226	10,416
Tires <sup>2</sup> .....	279,852	311,442	357,500	389,900	\$0.15-\$0.50 per pound if greater than 40 pounds	354,100	90,900	79,900	89,600	93,700
<b>Gasoline, except for use in gasohol:</b>										
Total, excluding floor stocks.....	14,759,324	14,753,020	19,794,300	19,918,500	\$0.184 per gallon	19,653,800	4,766,100	4,491,500	5,056,900	5,339,300
Floor stocks.....	8,473	3,113	10,052	3,142	N/A	2,118	267	148	70	1,633
<b>Diesel fuel, except for trains and intercity buses:</b>										
Total, excluding floor stocks.....	4,071,929	4,287,926	6,395,500	6,733,100	\$0.244 per gallon	7,091,500	2,030,500	1,374,100	1,672,100	2,014,800
Floor stocks.....	1,836	1,350	45,599	942	N/A	-2,382	-2,838	278	71	107

**Table 20.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Bureau of Alcohol, Tobacco and Firearms, and Customs Service, by Type of Excise Tax, Fiscal Years 1992-1996--Continued**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal Year									
	1992	1993	1994	1995	Tax rates in effect on October 1, 1995	Total	1996			
							by quarter ending--			
							December 1995	March 1996	June 1996	September 1996
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>Manufacturers excise taxes--continued:</b>										
Gasoline for use in gasohol, by alcohol content:										
Total, excluding floor stocks:										
5.7 percent under 7.7 percent.....	N/A	N/A	38	13,811	\$0.1624 per gallon	8,258	3,354	4,801	64	39
7.7 percent under 10 percent.....	N/A	N/A	21,842	20,554	\$0.1542 per gallon	5,732	1,224	3,839	567	102
10 percent or more.....	297,958	297,361	342,510	271,730	\$0.1444 per gallon	293,120	93,370	87,560	69,580	42,610
Floor stocks.....	-17	--	15	18	N/A	4	1	--	--	3
Gasohol, by alcohol content:										
Total, excluding floor stocks:										
5.7 percent under 7.7 percent.....	N/A	N/A	113,745	203,473	\$0.1532 per gallon	223,109	123,814	71,678	20,007	7,610
7.7 percent under 10 percent.....	N/A	N/A	168,180	359,641	\$0.1424 per gallon	235,639	92,338	107,272	31,989	4,040
10 percent or more.....	399,941	528,630	606,690	740,510	\$0.13 per gallon	964,220	309,790	267,240	203,460	183,730
Floor stocks.....	309	48	478	26	N/A	1	--	1	--	--
Noncommercial aviation fuel, except gasoline:										
Total, excluding floor stocks.....	131,672	140,030	157,900	176,500	\$0.219 per gallon	88,400	40,500	11,000	15,800	21,100
Floor stocks.....	94	51	598	16	N/A	4,685	577	5,289	-1,137	-44
Commercial aviation fuel.....	11,794	12,382	13,100	12,770	\$0.044 per gallon	541,140	119,400	142,650	152,150	126,940
Coal:										
Mined underground:										
At 4.4 percent of sales price.....	84,500	106,203	126,100	138,900	4.4 percent of sales price	146,900	34,200	33,100	38,800	40,800
At \$1.10 per ton.....	326,100	277,848	253,200	246,500	\$1.10 per ton if less than 4.4 percent of sales price	254,700	64,800	65,900	64,100	59,900
Surface mined:										
At 4.4 percent of sales price.....	52,900	58,270	58,900	64,700	4.4 percent of sales price	66,900	16,600	18,600	13,200	18,500
At \$0.55 per ton.....	167,100	162,595	159,000	151,700	\$0.55 per ton if less than 4.4 percent of sales price	146,600	37,000	35,100	36,700	37,800
Certain vaccines <sup>2</sup> .....	163,701	84,195	204,869	176,750	\$0.29-\$4.56 per dose	169,808	37,923	36,026	39,489	56,370
Sport fishing equipment.....	79,950	87,700	89,100	96,800	10 percent	94,500	18,300	30,800	27,800	17,600
Electric outboard motors and sonar devices <sup>2</sup> .....	2,121	2,109	2,544	2,847	3 percent	2,445	400	894	757	394
Bows and arrows.....	19,792	21,003	20,276	20,481	11 percent	17,719	2,603	4,206	4,840	6,070
<b>Taxes on facilities and services:</b>										
Telephone and teletype services.....	3,173,000	3,351,600	3,774,000	3,825,700	3 percent	4,243,400	1,031,700	1,085,000	1,018,400	1,108,300
Transportation of persons by air.....	4,173,486	4,168,262	4,748,300	4,928,000	10 percent	1,558,500	1,355,600	165,100	-4,100	41,900
Use of international air travel facilities.....	221,681	214,210	224,700	256,000	\$6 per person	89,100	73,500	17,300	-5,400	3,700
Transportation of property by air.....	266,590	241,476	330,000	334,700	6.25 percent	130,300	89,500	22,800	10,700	7,300
<b>Taxes on policies issued by foreign insurers <sup>2</sup>..</b>	<b>116,822</b>	<b>109,200</b>	<b>129,100</b>	<b>140,300</b>	<b>1 or 4 percent of premium paid</b>	<b>120,500</b>	<b>30,200</b>	<b>33,100</b>	<b>29,100</b>	<b>28,100</b>
<b>Taxes related to wagering:</b>										
Certain wagers <sup>2</sup> .....	15,560	14,891	15,437	15,135	0.25 or 2.0 percent of wager	15,717	4,507	3,707	3,851	3,652
Occupational taxes <sup>2</sup> .....	1,243	1,267	1,315	1,421	\$50 or \$500 per person per year	1,178	117	284	640	137

Selected Historical and Other Data

**Table 20.--Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Bureau of Alcohol, Tobacco and Firearms, and Customs Service, by Type of Excise Tax, Fiscal Years 1992-1996--Continued**

(Money amounts are in thousands of dollars)

Type of excise tax by agency to which tax was reported or paid	Fiscal Year									
	1992	1993	1994	1995	Tax rates in effect on October 1, 1995	Total	1996			
							by quarter ending--			
							December 1995	March 1996	June 1996	September 1996
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
<b>Certain other excise taxes:</b>										
Passenger transportation by water.....	16,895	20,680	17,350	17,060	\$3 per passenger	17,460	3,940	4,020	4,640	4,860
Use of heavy highway vehicles <sup>1,2</sup> .....	596,167	616,741	646,678	694,605	\$75-\$550 per vehicle per year	740,028	54,124	163,176	128,023	394,705
<b>Environmental taxes:</b>										
Domestic petroleum (Superfund) (expired December 31, 1995).....	288,800	276,300	312,800	291,700	\$0.097 per barrel	65,900	65,600	400	-100	--
Imported petroleum (Superfund) (expired December 31, 1995).....	268,600	280,700	347,800	325,300	\$0.097 per barrel	77,900	74,000	-1,000	3,800	1,100
Domestic petroleum (Oil Spill Liability Trust Fund) (expired December 31, 1994).....	140,000	140,900	-100	1,000	N/A	-400	-400	--	--	--
Imported petroleum (Oil Spill Liability Trust Fund) (expired December 31, 1994).....	129,300	143,600	500	--	N/A	1,700	300	300	1,000	100
Certain chemicals <sup>2</sup> .....	252,200	235,000	258,600	267,500	\$0.22 to \$4.87 per ton	61,000	67,600	-6,400	-600	400
Certain imported substances <sup>2</sup> .....	16,500	11,500	16,200	19,000	\$1.24 to \$7.41 per ton	5,700	5,400	--	300	--
Ozone-depleting chemicals: <sup>2</sup>										
Total, excluding floor stocks.....	558,200	704,600	480,100	434,200	\$0.535 to \$53.50 per pound	327,600	92,400	81,600	122,500	31,100
Floor stocks.....	9,900	64,140	68,700	61,900	\$0.10 to \$10 per pound	27,000	200	900	19,300	6,600
Imported products containing or manufactured using ozone-depleting chemicals <sup>2</sup> .....	N/A	N/A	62,600	74,600	various	74,800	20,400	21,200	19,200	14,000
<b>Taxes on certain tax-exempt organizations:</b>										
Private Foundations:										
Net investment income.....	204,677	223,085	223,419	193,119	2 percent	299,094	55,010	114,604	79,984	49,496
Other <sup>2</sup> .....	103	1,483	174	23	various	36	12	1	21	2
Black Lung Benefit Trusts <sup>2</sup> .....	88	-91	5	284	various	126	29	2	6	89
<b>Taxes on qualified pension and other plans:</b>										
Failure to meet minimum funding standards.....	14,681	8,601	16,729	6,395	5 or 10 percent	8,369	2,550	2,377	1,944	1,498
Nondeductible contributions.....	2,829	3,102	19,648	2,738	10 percent	2,910	458	538	1,721	193
Excess contributions to Individual Retirement Accounts and others.....	6,627	5,992	5,598	8,450	6 percent	833	--	--	--	833
Prohibited transactions.....	10,172	12,150	9,082	8,999	5 percent	8,132	1,529	2,650	2,411	1,542
Failure to distribute minimum amounts.....	16,073	29,116	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Certain excess contributions.....	3,796	3,149	3,201	4,141	10 percent	4,649	1,546	1,595	812	696
Reversion of qualified plan assets to employer.....	70,874	54,210	-2,593	20,190	20 percent	18,078	4,951	3,103	7,480	2,544
Other transactions.....	2,120	914	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Penalties <sup>2</sup> .....	11,193	9,647	7,705	7,399	various	7,063	1,654	1,662	3,150	597
<b>Taxes on undistributed income of qualified investment entities:</b>										
Real Estate Investment Trusts.....	113	1,328	1,490	691	4 percent	692	22	664	6	--
Regulated Investment Companies.....	2,367	5,334	7,274	5,148	4 percent	3,757	-1	3,361	298	99

**Table 20.—Federal Excise Taxes Reported to or Collected by the Internal Revenue Service, Bureau of Alcohol, Tobacco and Firearms, and Customs Service, by Type of Excise Tax, Fiscal Years 1992-1996—Continued**

[Money amounts are in thousands of dollars]

Type of excise tax by agency to which tax was reported or paid	Fiscal Year									
	1992	1993	1994	1995	Tax rates in effect on October 1, 1995	Total	1996			
							by quarter ending—			
							December 1995	March 1996	June 1996	September 1996
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Windfall profit tax on domestic crude oil (repealed August 23, 1988) <sup>1</sup> .....	-259,625	-365	-332,437	-117,526	N/A	18	2,976	-282	-2,160	-516
Miscellaneous excise taxes <sup>2,4</sup> .....	12,554	12,346	13,714	20,090	various	16,679	3,813	4,543	3,813	4,510
Internal Revenue Service collections less reported amounts.....	814,268	913,876	129,844	384,019	--	1,223,129	-272,386	683,207	145,646	666,662
Excise tax collections or liabilities reported by the Customs Service and the Bureau of Alcohol, Tobacco and Firearms										
Total excise tax collections.....	13,395,413 <sup>r</sup>	13,986,524	13,778,203	14,317,372	--	13,805,389	3,410,890	2,959,082	3,532,187	3,903,230
Tax liabilities by type of excise tax, total <sup>5</sup> .....	13,287,696	13,941,086	13,762,109	13,809,604	--	13,643,865	3,336,844	3,225,141	3,467,848	3,614,032
Distilled spirits, total:										
Domestic.....	3,194,845	3,176,775	3,044,372	2,994,978	\$13.50 per proof gallon	2,938,310	777,797	663,237	668,202	829,074
Imported.....	671,592	663,263	617,297	652,334	\$13.50 per proof gallon	668,809	192,532	148,394	156,727	171,156
Wine, total: <sup>2</sup>										
Domestic.....	496,379	467,602	468,284	469,066	\$1.07 to \$13.50 per gallon or proof gallon	485,422	140,607	113,248	113,639	117,928
Imported.....	120,798	112,633	118,582	119,921	\$1.07 to \$13.50 per gallon or proof gallon	134,463	39,750	28,195	30,208	36,310
Beer, total:										
Domestic.....	3,249,522	3,180,410	3,197,528	3,174,833	\$7 or \$18 per barrel	3,135,670	680,546	728,541	859,012	867,571
Imported.....	142,299	158,920	183,880	192,264	\$18 per barrel	219,662	47,116	46,597	57,530	68,419
Tobacco products: <sup>2</sup>										
Domestic.....	5,072,322	5,577,104	5,713,810	5,865,940	various	5,751,575	1,403,516	1,452,952	1,465,401	1,429,706
Imported.....	79,946	134,394	89,389	44,934	various	43,867	11,292	10,217	10,335	12,023
Firearms and ammunition: <sup>2</sup> .....	140,608	171,434	213,966	184,302	10 or 11 percent of sales price	157,816	39,384	31,000	41,449	45,983
Floor stocks, not allocable.....	2,329	186,041	2,601	--	N/A	--	--	--	--	--
Occupational taxes: <sup>2</sup> .....	117,056	112,510	112,400	111,032	\$250 to \$1,000 per dealer or manufacturer	108,271	4,304	2,760	65,345	35,862
Bureau of Alcohol, Tobacco and Firearms and Customs Service collections less reported amounts.....	107,717 <sup>r</sup>	45,438	16,094	507,768	--	161,524	74,046	-266,059	64,339	289,198
Total collections less reported amounts.....	921,985 <sup>r</sup>	959,314	145,938	891,787	--	1,384,653	-198,340	417,148	209,985	955,860

See notes at end of this section.

Table 21.--Selected Returns and Forms Filed or to be Filed by Type During Specified Calendar Years, 1975-1998

Type of return or form	Number filed in calendar year--								
	1975	1980	1985	1990	1994	1995	1996	1997 (Projected) f	1998 (Projected)p
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Individual income</b> <sup>1</sup> .....	<b>84,026,800</b>	<b>93,196,100</b>	<b>99,704,200</b>	<b>112,596,000</b>	<b>115,062,300</b>	<b>116,466,900</b>	<b>118,784,000</b>	<b>121,124,800</b>	<b>123,422,800</b>
Forms 1040, 1040A, 1040EZ, and 1040PC.....	83,913,100	93,052,300	99,528,900	112,305,000	114,683,400	116,059,700	118,362,500	120,667,300	122,938,400
Paper returns.....	83,913,100	93,052,300	99,528,900	108,100,900	100,662,600	104,252,800	103,394,100	101,538,300	102,167,300
Electronically-filed returns.....	N/A	N/A	N/A	4,204,200	14,020,700	11,806,900	14,968,400	19,139,000	20,771,100
Business returns.....	10,073,100	11,402,900	14,136,800	16,170,200	17,758,000	18,058,600	18,301,500	18,597,000	18,883,600
Schedule C or C-EZ.....	7,439,000	8,944,300	11,767,300	14,149,000	15,831,300	16,157,000	16,471,300	16,754,400	17,071,300
Schedule F.....	2,634,200	2,458,600	2,369,400	2,021,300	1,926,800	1,901,600	1,830,100	1,842,600	1,812,300
Nonbusiness returns.....	73,840,000	81,649,400	85,392,100	96,134,800	96,925,300	98,001,100	100,061,000	102,070,300	104,054,800
Forms 1040C, 1040NR, 1040PR, and 1040SS.....	113,700	143,800	175,300	291,000	378,900	407,200	421,500	457,500	484,400
<b>Corporation income</b> <sup>2</sup> .....	<b>2,132,800</b>	<b>2,675,700</b>	<b>3,437,300</b>	<b>4,319,500</b>	<b>4,666,500</b>	<b>4,817,900</b>	<b>5,005,400</b>	<b>5,174,400</b>	<b>5,347,000</b>
Forms 1120.....	1,762,900	2,115,500	2,432,300	2,334,600	2,157,600	2,197,000	2,240,800	2,247,300	2,267,600
Form 1120A.....	N/A	N/A	199,700	332,000	335,700	319,100	328,000	325,500	324,600
Form 1120S.....	367,200	528,100	736,900	1,536,100	2,036,700	2,161,000	2,290,900	2,451,000	2,599,200
Other.....	2,600	32,100	68,400	116,800	136,500	140,800	145,700	150,600	155,600
<b>Partnership, Form 1065</b> .....	<b>1,132,800</b>	<b>1,401,600</b>	<b>1,755,300</b>	<b>1,750,900</b>	<b>1,558,400</b>	<b>1,580,300</b>	<b>1,678,800</b>	<b>1,646,400</b>	<b>1,680,000</b>
<b>Fiduciary, Forms 1041 and 1041S</b> <sup>3</sup> .....	<b>1,564,200</b>	<b>1,881,800</b>	<b>2,125,000</b>	<b>2,680,900</b>	<b>3,087,900</b>	<b>3,190,900</b>	<b>3,266,800</b>	<b>3,365,000</b>	<b>3,461,200</b>
<b>Estate tax, Forms 706, 706NA, 706GS(D), and 706GS(T)</b> <sup>4</sup> .....	<b>225,800</b>	<b>147,300</b>	<b>80,800</b>	<b>60,800</b>	<b>80,500</b>	<b>81,400</b>	<b>90,600</b>	<b>91,700</b>	<b>98,900</b>
<b>Gift tax, Form 709</b> .....	<b>273,200</b>	<b>214,800</b>	<b>97,700</b>	<b>147,700</b>	<b>215,700</b>	<b>216,200</b>	<b>232,000</b>	<b>244,600</b>	<b>256,700</b>
<b>Tax exempt organizations</b> <sup>5</sup> .....	<b>403,800</b>	<b>442,600</b>	<b>454,100</b>	<b>487,400</b>	<b>533,600</b>	<b>572,600</b>	<b>577,800</b>	<b>589,300</b>	<b>603,800</b>
Forms 990 and 990EZ.....	346,600	362,600	365,500	359,700	378,300	406,400	403,400	404,400	409,100
Form 990-PF.....	29,600	33,100	32,000	44,700	49,800	51,300	52,700	54,100	55,500
Form 990-T.....	19,700	23,500	26,200	39,100	46,400	49,800	48,600	50,900	52,100
Forms 990C, 4720, and 5227.....	7,900	23,400	30,400	43,900	59,200	65,100	73,100	79,900	87,000

See notes at end of this section.

Selected Historical and Other Data

# Selected Historical and Other Data

**Table 22.--Taxpayers Receiving Assistance, Paid and Unpaid, Tax Years 1990-1994**

[Some estimates based on samples--all data are in thousands]

Type of assistance	Tax year				
	1990	1991	1992	1993	1994
	(1)	(2)	(3)	(4)	(5)
<b>Returns with paid preparer signature:<sup>1</sup></b>					
All returns .....	54,499	55,711	56,051	56,588	57,415
1040EZ .....	648	667	777	1,527	1,494
1040A .....	4,801	4,695	5,530	5,823	5,726
1040, total .....	49,049	50,348	49,744	49,239	50,195
1040 Business, total .....	10,723	12,657	12,864	12,834	13,077
Nonfarm .....	9,025	10,986	11,212	10,894	11,153
Farm .....	1,697	1,671	1,652	1,459	1,441
1040 Nonbusiness, total.....	36,629	37,691	36,880	36,405	37,118
With itemized deductions .....	17,249	17,749	17,367	14,793	14,965
Without itemized deductions.....	19,380	19,942	19,513	21,612	22,153
Electronically filed <sup>2</sup> .....	4,715	7,448	8,696	9,477	8,464
<b>Assistance provided by IRS:<sup>3</sup></b>					
Telephone inquiries (including recorded telephone information) .....	63,980	67,285	65,364	66,253	110,753
Office walk-ins, information.....	7,173	7,247	6,974	7,149	7,484
Written inquiries.....	168	202	169	270	219
Special programs:					
Community classes and seminars (taxpayers assisted).....	924	711	747	751	668
Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (taxpayers assisted).....	3,112	3,212	3,264	3,170	3,430

See notes on following page.

## Notes to Selected Historical and Other Data Tables

### General notations and statement

N/A - Not applicable.

n.a. - Not available.

p - Preliminary.

r - Revised.

\* - Estimate should be used with caution because of the small number of sample returns on which it is based. See "Appendix—SOI Sampling Methodology and Data Limitations."

\*\* - Not shown to avoid disclosure of information about specific taxpayers. However, the data are included in the appropriate totals.

Detail may not add to totals because of rounding.

### Table 1

- [1] Forms 1040, 1040A, and 1040EZ include "standard" electronically-filed (ELF) returns starting with 1985, and returns filed electronically by telephone ("TeleFile") starting with 1991. For 1992 and 1993, data for these forms also include computer-generated "paper" returns (Form 1040PC) that were reclassified as Form 1040, 1040A, or 1040EZ returns for Statistics of Income, depending on the filing characteristics of each return. The total number of ELF and Form 1040PC returns are also presented, as information items, starting with 1990 and for 1992 and 1993, respectively. However, starting with 1994, Form 1040PC returns were not reclassified for Statistics of Income. Therefore, starting with 1994, data for Forms 1040, 1040A, and 1040EZ are not comparable with the previous years.
- [2] Less deficit. Starting with 1987, data are not comparable with earlier years because of major changes in the law, many of which are referred to in other footnotes.
- [3] Not included in AGI.
- [4] Starting with 1987, represents total dividends; previously, represented total dividends after statutory exclusion.
- [5] Starting with 1987, losses are after "passive loss" limitation.
- [6] Starting with 1987, represents total capital gains; previously, represented total capital gains after statutory exclusion. For other changes affecting

capital gains, see *Statistics of Income—Individual Income Tax Returns*, various years.

- [7] Before 1980 and starting again after 1987, excludes Individual Retirement Arrangement (IRA) distributions; for intervening years, pensions and IRA distributions in AGI were reported together on the tax return. Effective during 1986, the more liberal of the two methods of computing the nontaxable portion of pensions and annuities (representing taxpayer contributions to certain pension plans) was repealed.
- [8] Starting with 1987, represents total unemployment compensation; previously, all or part was excludable under certain conditions.
- [9] Starting with 1994, up to 85 percent of social security benefits were taxable; previously, the maximum percentage was 50.
- [10] Excludes sole proprietorship (including farm) rental income or loss. Starting with 1987, rental losses are before "passive loss" limitation and, therefore, exceed the amount included in AGI.
- [11] Excludes certain royalties included in computations of capital gain or loss and of ordinary gain or loss, sales of noncapital assets.
- [12] Prior to 1981, amounts for net income are actually for net income (less loss). Net income and loss were not separately tabulated. Also, for these years, the number of returns shown with net income was rounded to the nearest hundred thousand during processing; the more exact number was not tabulated.
- [13] See footnote 5.
- [14] See footnote 12.
- [15] See footnote 5.
- [16] Includes adjustments not shown separately in this table. Starting with 1987, excludes certain business-related expenses, deduction for two-earner married couples, and certain alimony payments, but includes self-employed health insurance deduction; see also footnotes 17 and 18. Also, for 1987-1993, excludes employee moving expenses (see footnote 22). Starting with 1990, adjustments include deduction for one-half of self-employment (social security) tax. For changes in adjustments for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [17] Deductible Individual Retirement Arrangement (IRA) contributions, reflected in adjustment statistics starting with 1980, were limited starting with 1987.

## Notes to Selected Historical and Other Data Tables

- [18] Deduction expired during 1992 and 1994, but was later reinstated retroactively for each of these years. Data for 1992 and 1994 are, therefore, understated because they exclude amounts subsequently claimed on amended returns.
- [19] Includes exemptions for blindness repealed effective 1987. Deduction for exemptions was limited for higher-income taxpayers starting with 1991. Exemption amounts were indexed for inflation starting with 1985 and were limited for certain high-income taxpayers starting with 1987.
- [20] In general, represents the sum of standard and itemized deductions. (Returns with "no AGI" were not supposed to show deductions; when they did, they were excluded from the deduction statistics.) For 1980 and 1985 data, includes total itemized deductions before subtraction of "zero bracket amount," plus, for non-itemized deduction returns, the zero bracket amount and, for 1985 data only, charitable contributions deduction. Starting with 1987, includes revised itemized deductions (see also footnotes 22-24), "basic" standard deduction and "additional" standard deductions for age 65 or over or for blindness (for changes in the standard deduction and its relation to the zero bracket amount, see *Statistics of Income—Individual Income Tax Returns*, for appropriate years). Starting with 1991, total itemized deductions are after statutory limitation (see footnote 22).
- [21] For 1980 and 1985 data, represents "zero bracket amount" used on returns of non-itemizers; see also footnote 26. Zero bracket amount for 1985 and standard deduction, starting with 1986, were indexed for inflation.
- [22] Includes itemized deductions not shown separately in this table, including revised deductions, starting with 1987, for "miscellaneous expenses" after limitation and for employee moving expenses; see also footnotes 23 and 24. For the most part, moving expenses are excluded after 1993 (see also footnote 16). In general, total itemized deductions were limited for certain high-income taxpayers starting with 1991. For changes in deductions for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [23] Deductible medical and dental expenses were limited, starting with 1987, based on a revised percentage of AGI. For changes in the deduction for 1987 and earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [24] Starting with 1987, State sales taxes were no longer deductible.
- [25] Starting with 1987, deductions for "personal" interest and mortgage real estate loan interest were limited and, starting with 1991, personal interest was no longer deductible.
- [26] For 1980 and 1985 data, taxable income *includes* the "zero bracket amount," repealed effective 1987 and partially replaced by standard deductions which were *subtracted* in computing taxable income. A standard deduction was similarly used prior to 1980. For the percentages of AGI used for the standard deduction and the limitation on the deduction, see *Statistics of Income—Individual Income Tax Returns*.
- [27] Different tax rate structures applied to Tax Years 1971-1978, 1979-1981, 1982-1986, 1987, 1988-1990, 1991-1992, and 1993-1994. Indexing of tax rate boundaries for inflation was introduced starting with 1985. The preferential maximum tax rate on net long-term capital gains under "alternative tax" was revised over the years. Alternative tax was abolished effective 1987, but a maximum capital gains tax rate less than the maximum regular tax rate continued to apply under certain conditions starting with 1991. For additional information on changes affecting tax computations, see *Statistics of Income—Individual Income Tax Returns*.
- [28] Includes that portion of the earned income credit used to offset income tax before credits; see also footnotes 33 and 34. Earned income credit is shown below in Table 1.
- [29] Includes credits not shown separately in this table, such as the political contributions credit (repealed effective 1987), earned income credit (see below in Table 1; see also footnote 33), and low-income housing credit (introduced effective 1987); see also footnote 30. For changes in credits allowed for earlier years, see *Statistics of Income—Individual Income Tax Returns*.
- [30] Investment credit was included in the more-inclusive general business tax credit starting with 1984. With exceptions, investment credit was repealed effective 1986.
- [31] Includes income tax after credits and additional tax for tax preferences, i.e., "minimum tax" or "alternative minimum tax" (see footnote 32). This is the amount before any audits and enforcement activities by the Internal Revenue Service and was the amount

## Notes to Selected Historical and Other Data Tables

payable to the U.S. Government as reported on the income tax return.

[32] The add-on "minimum tax" on "tax preferences" (chief among which were net long-term capital gains) was introduced starting with 1970. (This tax was formerly described in Statistics of Income as the "additional tax for tax preferences.") The minimum tax computation, using a base related to taxable income, was revised and the tax rate increased effective 1976. The number of preferences subject to tax was revised effective 1976 and 1981. Starting with 1979, two major preferences formerly subject to minimum tax (including net long-term capital gains) were subjected, instead, to the new "alternative minimum tax," which required taxpayers to pay the larger of the regular income tax or the AMT. Computation of AMT was revised effective 1980 (to allow tax to be reduced by certain credits) and, again, effective 1981 (to modify the graduated tax rate structure). Minimum tax was abolished effective 1983 and many of the tax preferences subject to this tax were subjected, instead, to a revised AMT. AMT was increased starting with 1983 by introduction of a single, higher tax rate which replaced two, lower graduated rates. The single rate was increased effective 1987 and 1991; two, higher graduated rates were introduced effective 1993.

[33] "Earned income credit," allowed certain low-income recipients, was liberalized starting with 1985, 1987, 1991, and 1994. In Table 1, the amounts "used to offset income tax credits" and "to offset other taxes" (that are income-related) is reflected in the statistics for "total tax credits"; however "excess earned income credit (refundable)" is reflected in the statistics for "overpayments." The refundable portion of the credit is the amount in excess of the total credit applied against all these taxes, including any advance earned income credit payments for those returns which had such an excess.

[34] Includes refunds and credits to the following year's estimated tax and refundable portion of earned income credit. Reflects overpayments of income tax, tax recapture of certain prior-year tax credits, tax applicable to Individual Retirement Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income, and certain other income-related taxes (for the taxes applicable to the years shown; see *Statistics of Income—Individual Income Tax Returns*).

[35] Reflects taxes mentioned in footnote 34.

SOURCE: *Statistics of Income—Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 2

- [1] Includes returns with adjusted gross deficit.
- [2] U.S. totals in Table 2 do not agree with Tables 1 and 3 mostly because Table 2 also includes (a) "substitutes for returns," whereby the Internal Revenue Service constructs returns for certain known nonfilers on the basis of available information and imposes an income tax on the resulting estimate of "taxable income," and (b) returns of nonresident or departing aliens. In addition, for purposes of Table 2:
  - a. "Number of exemptions" also includes responses of taxpayers who checked the boxes on their tax return for age 65 or over or for blindness in order to claim the additional standard deductions for age or blindness. This treatment enables some comparability to be maintained between State data starting with 1987 and data for years prior to 1987. Number of exemptions is still understated, however, because these boxes may not be checked if taxpayers itemize deductions. (Prior to 1987, checking these boxes entitled taxpayers to additional personal exemptions.)
  - b. "Itemized deductions" includes any amounts reported by the taxpayer, even if they were not used in computing taxable income, e.g., amounts reported on returns with no adjusted gross income. See also footnote 22, Table 1.
  - c. "Total tax liability" includes income tax after credits, alternative minimum tax, tax recapture of prior-year investment or low-income housing credits, tax applicable to Individual Retirement Arrangements (IRA's), self-employment (social security) tax, social security tax on certain tip income, and certain other income-related taxes. Total tax liability is before reduction by earned income credit (see footnotes 2(d) and 4, below).
  - d. "Earned income credit" includes both the refundable and nonrefundable portions. The nonre-

## Notes to Selected Historical and Other Data Tables

fundable portion could reduce income tax and certain related taxes to zero. See also footnote 4.

- [3] Excludes those farm returns which also included a nonfarm sole proprietorship business schedule (s). These returns are included in the statistics for the "number of sole proprietorship returns."
- [4] "Excess earned income credit" represents the refundable portion of the credit (see footnote 2(d)) and equals the amount in excess of total tax liability (defined in footnote 2(c)), including any advance earned income credit payments for those returns which had such an excess.

NOTE: This table presents aggregates of *all* returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1996. In general, during administrative or Master File processing, taxpayer reporting discrepancies are corrected only to the extent necessary to verify the income tax liability reported. Most of the other corrections to the taxpayer records used for these statistics could not be made because of time and resource constraints. The statistics in Table 2 should therefore be used with the knowledge that some of the data have not been perfected or edited for statistical purposes and that U.S. totals in this table may not be altogether comparable to the U.S. totals in Tables 1 and 3, as a result.

SOURCE: Internal Revenue Service, Corporate Systems Division, Individual Systems Branch.

### Table 3

- [1] In addition to low-income taxpayers, this size class (and others) includes taxpayers with "tax preferences," not reflected in adjusted gross income or taxable income, which are subject to the "alternative minimum tax" (included in "total income tax"), defined in footnote 32, Table 1.
- [2] AGI minus "total deductions, personal exemptions" will not equal "taxable income" because the total of deductions and exemptions could exceed AGI and therefore includes amounts that could not be used in computing taxable income.
- [3] Tax includes income tax after credits and the alternative minimum tax (see footnote 1).
- [4] Not computed.

SOURCE: *Statistics of Income—Individual Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year

comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 4

- [1] Represents "income" from owner-occupied nonfarm housing (less actual rental income and subsidies); proprietors' income; services to individuals furnished without payment by financial intermediaries (except life insurance carriers and private noninsured pension plans); employment-related food to employees, including that related to military and domestic service; standard military clothing issued to military personnel; and employees' lodging. Excludes employer-paid health and life insurance premiums.
- [2] Represents imputed interest received by persons from life insurance carriers and private noninsured pension plans.
- [3] Starting with 1990, the procedure for estimating the difference between NIPA and IRS treatment of depreciation was revised. Therefore, the data for years before 1990 are not comparable to data for later years.
- [4] Represents income of low-income individuals not required to file individual income tax returns, unreported income, and statistical errors or omissions and effects of errors in data for adjusted gross income or personal income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *The National Income and Product Accounts of the United States, Volume 1, 1929-58, 1993*, and revised *Volume 2, 1959-92* (in preparation); for years after 1992, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Tables 5 and 6

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Beginning with 1987, data are not comparable with earlier years because of major changes in the definition of adjusted gross income.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product*

## Notes to Selected Historical and Other Data Tables

*Accounts of the United States, 1929-94* (in preparation) and, for years after 1994, *Survey of Current Business*, various issues. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 7

- [1] Sum of standard and itemized deductions, plus charitable deduction reported on standard deduction returns for Tax Years 1982-1986. For 1987-1988, total deductions also include "zero bracket amount" reported on a small number of returns (see footnote 4). Includes total deductions that could not be used because they exceeded AGI.
- [2] See footnote 2, Tables 5 and 6.
- [3] Series revised starting with the Spring 1997 *Bulletin*, to exclude from the standard deduction statistics the relatively small number of returns with no adjusted gross income and no deductions; previously, these returns were classified as if they showed a standard deduction. For the 1977-1986 statistics, the standard deduction is the "zero bracket amount" (reported on returns with *only* a "zero bracket amount"). Such an amount was also included for a small number of returns for 1987-1988; see footnote 4. For years in which the "zero bracket amount" was in effect, frequencies shown for standard deduction returns were derived by subtracting the number reporting an income tax liability with no itemized deductions from the total of all returns. For 1944-1952, returns with itemized deductions include the small number of returns with no deductions and, for 1944-1954, the small number with no adjusted gross income regardless of whether or not deductions were itemized. In later years, returns in these two categories were excluded from all the deduction statistics in this table.
- [4] Amount of standard deduction for 1944-1957 was estimated by Joseph A. Pechman, The Brookings Institution, on the basis of the distribution of the number of returns by income class and marital status in *Statistics of Income—Individual Income Tax Returns*, and, starting with 1958, was obtained directly from Statistics of Income tabulations for these years. Represents "zero bracket amount" for 1977-1986. Starting with 1987, represents the sum of "basic" and "additional" standard deductions (for

age 65 or over and for blindness); also includes zero bracket amount reported on the small number of prior-year returns filed in 1988-1989 that were included in the 1987-1988 statistics.

- [5] For 1977-1986, total itemized deductions are before subtraction of the "zero bracket amount." Starting with 1991, total itemized deductions are after statutory limitation (see footnote 22, Table 1).

SOURCE: Except as indicated in footnote 1, *Statistics of Income—Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 8

- [1] See Table 4 for the differences between personal income and adjusted gross income.
- [2] Excludes the "zero bracket amount" for 1977-1986. Because of major changes in law, taxable income starting with 1955 and 1987 is not comparable with earlier years. See also footnote 26, Table 1.
- [3] For the definition of total income tax, see footnote 31, Table 1.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product Accounts of the United States, 1929-94* (in preparation), and, for years after 1994, *Survey of Current Business*, various issues; and *Statistics of Income—Individual Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 9

- [1] Starting with 1975, includes refundable portion of the earned income credit.

SOURCE: *Statistics of Income—Individual Income Tax Returns*, and unpublished tables, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of the changes mentioned above.

## Notes to Selected Historical and Other Data Tables

### Table 10

- [1] For 1980, represents number of businesses (up to a maximum of three per return). For other years, represents the number of returns, even if there were more than one business per return.
- [2] Total deductions include amounts not shown separately in this table, as well as amounts not reported separately on Schedule C-EZ (short form) used by certain of the smaller businesses starting with 1992. Most deductions for which statistics are shown are slightly understated to the extent that only total deductions had to be reported on Schedule C-EZ. After 1986, total deductions exclude disallowed "passive losses"; but net income (less deficit), net income, and deficit reflect these losses. In addition, net income (less deficit), net income, and deficit are after adjustment for the passive loss carryover from prior years. Therefore, business receipts minus total deductions do not equal net income (less deficit).

SOURCE: *Statistics of Income—Sole Proprietorship Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 11

- [1] Includes assets and liabilities not shown separately. Totals are somewhat understated because not all partnership returns included a complete balance sheet. In addition, after 1990 certain small partnerships were not required to file balance sheets.
- [2] Short-term debt is the abbreviated title for mortgages, notes, and bonds payable in less than 1 year.
- [3] Long-term debt is the abbreviated title for mortgages, notes, and bonds payable in 1 year or more.
- [4] "Total receipts" and "total deductions" include amounts not shown separately. Prior to 1981, "total receipts" included *gross* income from farming, rents, and royalties. Expenses related to this income were included under "total deductions." Starting with 1981, only the *net* incomes or deficits from farming, rents, and royalties were tabulated; the positive amounts were included under "total receipts" and the negative amounts under "total deductions." The related expenses were not tabulated. Because of a redesign of the partnership return, starting with 1987,

total receipts was computed for the statistics as the sum of "total income from a trade or business"; and the following income distributed directly to partners: "ordinary" gain from sales of property other than "capital assets"; "ordinary" income from estates, trusts, and other partnerships; "portfolio income," comprising interest, dividends, royalties, and other (excluding net capital gains), and rental real estate income (positive amounts only); income from other rental activities (positive amounts only). Most, but not all, of these types of income were included in receipts data for 1986 and earlier years.

Total deductions was computed as the sum of "cost of sales and operations," "total deductions from a trade or business," and the following, which were allocated directly to partners: "ordinary" loss from sales of property other than "capital assets"; "ordinary" loss from estates, trusts, and other partnerships; rental real estate losses; other rental losses; and "portfolio losses" (excluding net capital losses). Portfolio income and loss from sales of "capital assets" was intentionally omitted from receipts and deductions to improve comparability with earlier years.

- [5] Business receipts starting with 1981 is not comparable to 1980. Prior to 1981, when partnerships classified in finance, insurance, and real estate reported gross rentals as their principal operating income such rentals were transferred to "business receipts" for the statistics. No such transfers were made after 1980, so that starting with 1981, all rentals were included in the separate statistics for rental income (which is not shown in Table 12).
- [6] Taxable interest only. For the 1985 statistics, also includes certain dividends reported in combination with taxable interest.
- [7] After 1980, represents the more complete amounts reported in depreciation computation schedules, rather than the amounts reported as the depreciation deduction (augmented by depreciation identified for the statistics in cost of sales and operations schedules).

SOURCE: *Statistics of Income—Partnership Returns*, appropriate years, and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

## Notes to Selected Historical and Other Data Tables

### Table 12

[1] Size classes are based on "business receipts," i.e., gross amounts from sales and operations, for industries except those in finance, insurance, and real estate. For the latter industries, "total receipts," which is the sum of business receipts and investment income, was used. For partnerships, comparability of data by size of receipts is affected by revisions to the definition of receipts; see also footnotes 4 and 5, Table 11. To help minimize the break in comparability caused by the change in statistical treatment of partnership farm and rental income, an effort was made for 1981-1987 only, to include rental (though not farm) gross income in the receipts used for the size distribution in Table 12. Starting with 1988 though, only partnership net rentals are reflected in the size distribution.

[2] Includes returns with no business receipts.

[3] Includes corporations and partnerships with zero assets and liabilities. In addition, for partnerships, includes partnerships without balance sheet information (see also footnote 1, Table 11).

[4] For 1980, the size distribution shows the number of businesses, rather than the number of returns; see footnote 1, Table 10. Therefore, the total for 1980 differs from that presented in Table 10.

SOURCE: *Statistics of Income—Corporation Income Tax Returns; Statistics of Income—Partnership Returns, Sole Proprietorship Returns, and Business Income Tax Returns*, depending on the year; and *Statistics of Income Bulletin*, Summer or Fall issues (for most years). Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of the changes mentioned above.

### Table 13

[1] Starting with 1985, "number of returns" excludes taxable cooperatives; starting with 1987, Real Estate Mortgage Investment Conduits (REMIC's); and, starting with 1988, Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's); see also footnotes 5 and 6, below. "Number of returns" also excludes Personal Service Corporations for 1988-1993. Because of the omission of these categories of returns, totals for all income, financial, and tax items shown in the statistics (except those not applicable to

IC-DISC's and FSC's, such as "income subject to tax," "income tax," and tax credits) are slightly understated. (There were 980 IC-DISC returns for 1991; see "Interest-Charge Domestic International Sales Corporations, 1991," *Statistics of Income Bulletin*, Summer 1995, Volume 15, Number 1; and 3,073 FSC returns for 1992; see "Foreign Sales Corporations, 1992," *Statistics of Income Bulletin*, Summer 1997, Volume 17, Number 1.)

A change in the definition of S Corporation net income starting with 1987 means that totals for receipts and deductions are slightly understated to the extent that they were not directly related to the "income from a trade or business" reported by these companies.

Comparability of data for "returns with net income" is also affected by this same change, as well as by a change in the definition of regulated investment company net income for certain years; for additional information about these changes and the estimated effect they have on the net income statistics, see footnote 16, below.

[2] Consolidated returns were filed on an elective basis for groups of affiliated corporations (with exceptions), in general, if 80 percent or more of the stock of the affiliates was owned within the group and a common parent corporation owned at least 80 percent of the stock of at least one of the affiliates.

[3] Included in "number of returns, total" and "number with net income."

[4] In general, certain small, closely-held corporations that elected to be taxed at the shareholder level, with no more than 35 shareholders (25 for 1982 and 15 for 1979-1981).

[5] Domestic International Sales Corporations (DISC's) were designed to promote U.S. exports. They were taxed through parent corporations, but only when profits were distributed or deemed distributed to them. This system of tax deferral was generally replaced after 1984 with a new system of Foreign Sales Corporations (FSC's); see footnote 6. Tax benefits of DISC's remaining after 1984 were limited and an interest charge for tax-deferred amounts was imposed on the parent shareholders, whose DISC subsidiaries were unable to meet the FSC requirements and that elected to continue as IC-DISC's.

[6] Foreign Sales Corporations (FSC's) generally replaced Domestic International Sales Corporations (DISC's) as a means of promoting U.S. exports (see footnotes 5

## Notes to Selected Historical and Other Data Tables

and 6). Under the FSC provisions, a portion of these subsidiaries' "foreign trade income" was exempt from U.S. income tax.

- [ 7] Starting with 1985, inventories includes amounts reported by real estate subdividers and developers previously included in "other investments."
- [ 8] For 1980, tax-exempt securities represent investments in State and local Government obligations. For 1985, these securities were reported with investments in U.S. Government obligations as a combined total on the tax return. After 1988, tax-exempt securities were again reported separately on the tax return, but were redefined to include, not only investments in State and local Government obligations, but also stock in investment companies that distributed dividends during the current year representing tax-exempt interest on such obligations.
- [ 9] After 1990, accounts payable of banking and savings and loan institutions includes deposits and withdrawable shares previously reported in "other current liabilities."
- [10] In general, after 1982, Statistics of Income data for receipts, deductions, and net income (or deficit) of S Corporations are limited to those attributable to a trade or business. Therefore, most investment income or loss, such as from taxable interest, dividends, rents, royalties, and gain (loss) from sales of investment property; the deductions related to this income; as well as deductions for charitable contributions, intangible drilling and development costs, oil and gas depletion, foreign taxes paid, and the limited expensing of the cost of depreciable assets (Code section 179), are not reflected in net income (because they were allocated directly to shareholders, instead). See also footnote 11.

After 1991, statistics for the "cost of sales and operations" represent only the "cost of goods sold," applicable when inventories were an income-determining factor, i.e., when the corporation was engaged in the production, manufacture, purchase, or sale of merchandise in the course of its trade or business. Therefore, the statistics exclude amounts previously estimated for the "cost of operations," applicable whenever inventories were not an income-determining factor. Such estimates were constructed from expense data reported elsewhere in the tax return (often in "other deductions"), on returns of corporations reporting "business receipts" without a

cost of goods sold. Most of these corporations were classified either in the "transportation and public utilities" or "services" industrial divisions. See also footnote 16.

- [11] After 1986, "business receipts" includes the full amount reported by stock and commodity brokers and exchanges, and by real estate subdividers, developers and operative builders, even when they bought and sold securities, commodities and real estate on their own account. Previously, such transactions were treated as "net gain (loss), non-capital assets."
- [12] See footnote 10.
- [13] Starting with the 1985 statistics, "other interest" includes any dividends reported in combination with interest on Form 1120S by S Corporations, i.e., certain corporations that elect to be taxed through shareholders (see footnote 4). Based on prior years when Form 1120S required each to be reported separately, nearly all of the combined amount represents interest.
- [14] For the 1985 statistics, "other deductions" includes depletion and employer contributions to pension, profit-sharing, stock bonus, and annuity plans, and to employee benefit programs, reported on the Form 1120-A short form. After 1987, identifiable amounts reported on Form 1120-A for any of these items are included in the statistics for the appropriate deduction. Starting with 1992, "other deductions" include certain amounts previously treated as part of the cost of sales and operations for Statistics of Income. See also footnote 10.
- [15] In general, "total receipts less total deductions" includes nontaxable interest on State and local Government obligations, but excludes income from related foreign corporations only "constructively" received. As such, "total receipts less total deductions" represents all income, taxable and nontaxable, "actually" received by the corporation, as reported on the corporation income tax return, and excludes all income only "constructively" received. In contrast, "net income (less deficit)" represents all taxable income, actually or constructively received. Therefore, in the statistics, "total receipts less total deductions" minus "nontaxable interest on State and local Government obligations" and "constructive taxable income from related foreign corporations" equals "net income (less deficit)." For the exception, due to regulated investment companies, see footnote 16.

## Notes to Selected Historical and Other Data Tables

[16] "Net income (less deficit)," "net income," and "deficit" shown for 1990-1994 exclude: (a) net long-term capital gain reduced by net short-term capital loss reported by regulated investment companies (see also footnote 15), and (b) amounts other than "from a trade or business" reported by S Corporations (see also footnote 4). For comparisons with earlier years, these amounts should therefore be added back in. Regulated investment company net long-term capital gain reduced by net short-term capital loss excluded from the statistics for net income (less deficit) were: for 1990, \$7.5 billion; for 1992, \$20.9 billion; for 1993, \$33.3 billion; and, for 1994, \$43.4 billion. S Corporation net income (less deficit) excluded from the statistics for 1992 and 1993 was estimated at \$12.1 billion for each of these 2 years; and, for 1994, \$17.7 billion. Data with which to estimate the S Corporation net income (less deficit) excluded from the statistics for 1990 were not tabulated. (For additional information about S Corporation net income, see *Statistics of Income Bulletin*, "S Corporations, 1992," Spring 1995, Volume 14, Number 4, and "S Corporation Returns, 1993," Spring 1996, Volume 15, Number 4.)

[17] For most years, "income subject to tax" (the corporate tax base) exceeds "net income (less deficit)" in the statistics, chiefly because of the deficits reported on returns without net income. Moreover, it is the sum of the several tax bases applicable over time to different classes of corporations, not all of which were directly related to net income. Income subject to tax thus includes the "taxable income" base used by most companies (and defined for the statistics as net income minus certain statutory special non-business deductions, such as for intercorporate dividends received and "net operating losses"); prior to 1988, a variation of this base in combination with net long-term capital gains in certain situations where the lower capital gains tax applied; and the special tax bases applicable to S Corporations (otherwise taxed through their shareholders), insurance businesses, and certain investment companies. Profits of Domestic International Sales Corporations or Interest-Charge Domestic International Sales Corporations (depending on the year) were tax-deferred until distributed, actually or constructively, to parent businesses, and those of S Corporations were mostly taxed through their individual shareholders. Therefore, the net income of all these corporations is excluded from income subject to tax for years for

which data for these companies are included in the statistics (see also footnote 1).

[18] For 1980, includes tax from recapture of Work Incentive Program (WIN) credit; starting with 1985, Personal Holding Company tax; after 1987, tax on "branch profits" of foreign corporations with U.S. operations; and, after 1988, certain lesser taxes, including special taxes applicable to real estate investment trusts and foreign corporations with U.S.-source income. "Income tax, total" more closely represents worldwide income tax liability because it is before subtraction of the foreign tax credit, the largest of the tax credits. To the extent that foreign tax credits adequately reflect the total foreign income tax burden, total income tax includes these taxes. See also, footnotes 21 and 23.

[19] Different tax rate structures applied for Tax Years 1980-1981, 1982, 1983-1986, 1987-1992, and 1993-1994. In general, starting with tax years beginning in 1987, "alternative tax" was repealed. This tax included a maximum rate on net long-term capital gains that produced a tax that was less than that produced by the regular tax rates.

[20] Effective during 1987, the "alternative minimum tax" replaced the "minimum tax" (formerly referred to in the statistics as the "additional tax for tax preferences"). The tax computation was modified effective with Tax Years 1983, 1984, and 1990. The alternative minimum tax rate exceeded that applicable under the former minimum tax.

[21] Tax credits are applied against "regular and alternative tax" only.

[22] Starting with the 1985 statistics, general business credit includes alcohol fuel, investment, jobs and employee stock ownership plan (ESOP) credits which were reported separately for previous years. Also included are the research activities credit (starting 1986), the low-income housing credit (starting 1987), and the credit for contributions to certain community development corporations (starting 1993). With exceptions, investment credit was repealed effective 1986; employee stock ownership plan contributions credit was repealed effective 1987. For changes in definitions of component credits, see *Statistics of Income—Corporation Income Tax Returns*, for the years concerned.

[23] Total income tax after credits is before any audits or enforcement activities by the Internal Revenue

## Notes to Selected Historical and Other Data Tables

Service. It is the amount payable to the U.S. Government as reported on the income tax return, and, because it is after subtraction of foreign tax credit, the total does not include income taxes paid to foreign governments.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 14

- [1] Industrial classification is based on the product or service accounting for the largest percentage of the "total receipts" shown in this table. If this information was not discernible from the corporation income tax return, the return was classified as with "Nature of business not allocable." Data for "Nature of business not allocable" are included in the total for "All industrial divisions," but are not shown separately. Therefore, the statistics by industrial division do not add to this total.
- [2] See footnote 1, Table 13.
- [3] Net worth is the sum of "capital stock," "paid-in or capital surplus," "retained earnings, appropriated," and "retained earnings, unappropriated," minus "cost of treasury stock." Data for each of these amounts are presented separately in Table 13.
- [4] See footnotes 10 and 16, Table 13.
- [5] See footnote 11, Table 13.
- [6] Interest received is the sum of "interest on State and local Government obligations" (i.e., tax-exempt interest) and "other interest" (which includes interest paid by banking and savings institutions). Data for both of these amounts are presented separately in Table 13. See also footnote 13, Table 13.
- [7] In addition, to regular (and alternative tax, for years prior to 1988), includes certain other taxes either shown separately in Table 13 or mentioned in footnote 18, Table 13.
- [8] See also footnote 19, Table 13.

SOURCE: *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Data are subject to sampling error. Tax law and tax form changes affect the year-to-year comparability of the data. See the appropriate

*Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 15

- [1] Profits shown are without inventory valuation and capital-consumption adjustments.
- [2] "Net income (less deficit)" and "income subject to tax" exclude taxable cooperatives starting with the 1985 data, and Real Estate Mortgage Investment Conduits starting with 1987. Net income (less deficit) starting with 1985 excludes Foreign Sales Corporations (FSC's) and Interest-Charge Domestic International Sales Corporations (IC-DISC's); see also Table 13, footnote 1. For changes in the definition of regulated investment company and S Corporation net income, see Table 13, footnote 16.
- [3] For the definition of "income subject to tax," see footnote 17, Table 13. See also footnote 2, above.

SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product Accounts of the United States, 1929-94* (in preparation), and, for years after 1994, *Survey of Current Business*, various issues; and *Statistics of Income—Corporation Income Tax Returns*, appropriate years. Statistics of Income data are subject to sampling error; tax law and tax form changes affect the year-to-year comparability of the data. See the specific *Statistics of Income* reports for a description of sampling error and of the changes mentioned above.

### Table 16

- [1] Total adult deaths represent those of individuals age 20 and over, plus deaths for which age was unavailable.
- [2] Prior to 1982, number of "taxable estate tax returns" by year of death is only approximate because, while the majority of returns filed in a given calendar year represent estates of decedents who died in the immediately preceding year, many represent estates of decedents who died in earlier years. Therefore, the number of taxable returns shown for 1976 decedents, for example, is actually the number of taxable returns filed in 1977, regardless of year of death. Starting with 1982, statistics by year of death are more accurate because they are based on the year of death reported on return filings over a period of successive years.

## Notes to Selected Historical and Other Data Tables

Year-to-year comparability is affected by changes in the gross estate filing threshold which is based on date of death: 1934 (\$50,000); 1935 (\$50,000 changing to \$40,000); 1942 (\$40,000 changing to \$60,000); 1943 (\$60,000); 1977 (\$120,000); 1978 (\$134,000); 1979 (\$147,000); 1980 (\$161,000); 1981 (\$175,000); 1982 (\$225,000); 1983 (\$275,000); 1984 (\$325,000); 1985 (\$400,000); 1986 (\$500,000); and 1987 (\$600,000).

SOURCE: For years after 1953, *Statistics of Income—Estate Tax Returns; Estate and Gift Tax Returns; Fiduciary, Estate and Gift Tax Returns*; and unpublished tabulations, depending on the year. For years prior to 1954, *Statistics of Income—Part 1*. Adult deaths are from the National Center for Health Statistics, Public Health Service, U.S. Department of Health and Human Services, *Vital Statistics of the United States*, unpublished tables.

### Tables 17

- [1] Includes taxes collected by the Internal Revenue Service and, starting in Fiscal Year 1988 and the second quarter of Fiscal Year 1991, estimates of excise taxes collected by the Bureau of Alcohol, Tobacco and Firearms and the Customs Service, respectively. These excise taxes were formerly collected by the Internal Revenue Service. See footnote 6, below, for an explanation of the revisions to the excise tax data starting with the Summer 1997 issue of the *Bulletin*.
- [2] Includes that portion of the individual income tax designated for the Presidential election campaign fund by taxpayers on their income tax returns. Also includes the income tax collected from estates and trusts. Presidential election campaign designations amounted to \$66.3 million in Fiscal Year 1996, \$68.5 million in 1995, \$69.7 million in 1994, \$27.7 million in 1993, \$29.6 million in 1992, \$32.3 million in 1991, \$32.5 million in 1990, \$32.3 million in 1989, and \$33.2 million in both 1988 and 1987. Income tax of estates and trusts collected in Fiscal Year 1996 was \$8.0 billion; in 1995, \$5.3 billion; in 1994, \$6.2 billion; in 1993, \$6.0 billion; in 1992, \$6.1 billion; in 1991, \$4.8 billion; in 1990, \$5.9 billion; in 1989, \$6.0 billion; in 1988, \$6.5 billion; and, in 1987, \$8.4 billion.
- [3] Includes various taxes applicable to tax-exempt organizations, including the tax on "unrelated business income." Total taxes collected from

organizations otherwise tax-exempt were \$699.9 million in Fiscal Year 1996 (including \$501.9 million in unrelated business income tax); \$484.9 million in 1995 (\$294.3 million in unrelated business income tax); \$571.5 million in 1994 (\$372.4 million in unrelated business income tax); \$342.7 million in 1993 (\$173.6 million in unrelated business income tax); \$379.5 million in 1992 (\$181.6 million in unrelated business income tax); \$288.2 million in 1991 (\$155.6 million in unrelated business income tax); \$304.0 million in 1990 (\$127.9 million in unrelated business income tax); \$271.4 million in 1989 (\$115.6 million in unrelated business income tax); \$284.0 million in 1988 (\$137.5 million in unrelated business income tax); and \$244.3 million in 1987 (\$119.9 million in unrelated business income tax).

[4] See footnote 1, above.

[5] Data shown for the Bureau of Alcohol, Tobacco and Firearms (BATF) also include data for the Customs Service. To preserve the historical time series interrupted by the transfer of collection of the manufacturers excise taxes paid on alcohol and tobacco and of the manufacturers excise taxes on recreational products for the taxes paid on firearms from the Internal Revenue Service to BATF and the Customs Service starting in July 1987 and January 1991, respectively, tax collections for these two Treasury Department agencies have been added to the collections reported by the Internal Revenue Service for fiscal years beginning with 1988 in Table 17. All of these taxes are, therefore, included in the Internal Revenue Service statistics for 1987, shown in column 4. The statistics exclude the cargo taxes collected by the Customs Service.

Prior to the Summer 1997 issue of the *Bulletin*, the amounts included in the statistics were based on tax data reported by BATF (including the Customs Service). Except for the taxes on imports reported by the Customs Service, these data represented tax "liabilities," because collections data were unavailable. Estimates of these tax collections are now included in the statistics, starting with the Summer 1997 issue. For an explanation of how these estimates were derived, see the Notes to Table 20. Collections data are constantly being revised as BATF makes changes to the underlying tax "liability" for these years. These revisions are reflected in

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the statistics for the quarter (year) in which the original tax "liability" arose, however, revisions to prior-year data are only retabulated for the year immediately preceding the current year, so the resulting revisions for prior years can only be estimated for this one year. In contrast to the BATF and Customs Service, changes to Internal Revenue Service data are made in the quarter (year) in which the changes were made, regardless of when the tax liability was originally incurred.

- [6] Employment taxes include: (a) old age survivors, disability, and hospital insurance (OASDI) taxes, i.e., social security taxes, levied on salaries and wages (Federal Insurance Contributions Act or FICA taxes) (*in* 1996, \$455.2 billion; 1995, \$394.4 billion; 1994, \$409.6 billion; 1993, \$381.1 billion; 1992, \$365.2 billion; 1991, \$349.3 billion; 1990, \$336.3 billion; 1989, \$317.8 billion; 1988, \$289.9 billion; and 1987, \$252.6 billion); (b) (social security) taxes levied on "self-employment" income (Self Employment Insurance Contributions Act or SECA taxes) (*in* 1996, \$26.9 billion; 1995, \$60.1 billion; 1994, \$24.4 billion; 1993, \$20.6 billion; 1992, \$24.4 billion; 1991, \$25.5 billion; 1990, \$21.3 billion; 1989, \$19.0 billion; 1988, \$17.7 billion; and 1987, \$14.0 billion); (c) unemployment insurance taxes (*in* 1996, \$6.0 billion; 1995, \$5.8 billion; 1994 and 1993, \$5.6 billion each; 1992, \$5.8 billion; 1991 and 1990, \$5.5 billion each; 1989, \$4.7 billion; and, 1988 and 1987, \$6.2 billion each); and (d) railroad retirement taxes (*in* 1996 and 1995, \$4.3 billion each; 1994, \$4.2 billion; 1993, \$4.3 billion; 1992, \$4.4 billion; 1991 and 1990, \$4.2 billion each; 1989, \$4.1 billion; 1988, \$4.3 billion; and 1987, \$4.2 billion).

NOTES: In general, collections represent the gross amounts before refunds and include amounts paid with the tax return, prior to filing the return (as applicable), income tax withheld by employers, and "estimated tax" payments; and subsequent to filing the return (chiefly the result of initial administrative return processing or examination and enforcement activities). Collections also include interest and penalties.

Income tax collection statistics reported by the Internal Revenue Service are not altogether comparable to those published by the Financial Management Service, also in the Treasury Department, because of timing differences resulting from the definitions each agency uses. The

Internal Revenue Service counts the monies as they are received (to reflect the status of its tax collection operation); Financial Management Service counts these amounts as received, but only after discrepancies (such as between what the employer reports as tax withheld and the amount actually withheld) are resolved. Also, Financial Management Service classifies the tax collected according to the Federal Budget account to which the tax receipts are assigned (so that, for example, the "environmental tax" reported on the corporation income tax return is not included in Treasury's monthly corporation income tax statistics because, by law, this tax is assigned to the environmental "Superfund," rather than to the General Fund to which most income taxes are assigned; in contrast, this tax is classified as a corporation income tax in the Internal Revenue Service statistics).

SOURCES: U.S. Department of the Treasury, Internal Revenue Service, Assistant Commissioner (Taxpayer Services), Customer Services Branch; *Internal Revenue Service Annual Report*, and its predecessor, *Commissioner and Chief Counsel, Internal Revenue Service*; and Financial Management Service, *Monthly Treasury Statement of the Receipts and Outlays of the United States Government*.

### Table 18

- [1] Totals include refunds of excise taxes collected by the Bureau of Alcohol, Tobacco and Firearms and the Customs Service, starting with Fiscal Years 1988 and 1991, as well as by the Air Force (see footnote 3, Table 17). See also footnote 4, below.
- [2] Data have not been revised to provide for consistent treatment of the refundable portion of the "earned income credit" from year-to-year. Individual income tax refunds are net of offsets under laws which require the Internal Revenue Service to act as collecting agent for delinquent payments owed various U.S. Government agencies under specific programs; see Table 19.
- [3] For additional information about the taxes to which the refunds applied, see footnote 1 above, and footnote 2, Table 17.
- [4] See footnote 1. Also, as further explained in the Notes to Table 20, taxpayers can offset certain refundable excise tax payments against the tax of subsequent time periods and claim certain other refunds as a credit against income tax; however, these amounts are not reflected in the excise tax refund

## Notes to Selected Historical and Other Data Tables

statistics. For additional information about the excise taxes to which the refunds applied, see footnote 3, Table 17 and the Notes to Table 20.

- [5] For additional information about the taxes to which the refunds applied, see footnote 3, Table 17.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Assistant Commissioner (Taxpayer Services), Customer Service Branch.

### Table 19

- [1] Represents repayments to specific Federal agencies for debts, such as student loans, mortgage and loan foreclosures, dishonored checks, and overpayments of benefits. There was no refund-offset program prior to Fiscal Year 1982.
- [2] After 1990, number of offsets includes adjustments for injured spouse claims filed with the original return.
- [3] Net amount collected after injured spouse claims and after processing of reversal claims; excludes fees charged by the Internal Revenue Service and Financial Management Service, U.S. Department of the Treasury.
- [4] Total also includes repayments to the Public Health Service (starting with 1987) and to the Social Security Administration (for 1992 through 1994), not shown separately. Data for the Social Security Administration (SSA) are included under "All other" programs or agencies starting with 1995, when SSA became an independent Federal agency, no longer affiliated with the Department of Health and Human Services. Therefore, data for the Department of Health and Human Services and "All other" programs or agencies are not comparable with previous years, starting with 1995.
- [5] Represents repayments to State treasuries for funds disbursed to families receiving State assistance.
- [6] Represents repayments to State treasuries for distribution to custodial parents.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Assistant Commissioner (Taxpayer Services), Customer Service Branch.

### Table 20

- [1] Tax liability statistics include "collections" of use tax on heavy highway vehicles and of crude oil windfall

profit tax. See the notes below, also.

- [2] Represents aggregates for two or more specific taxes for which amounts have either been combined or are not available separately.
- [3] This tax is in addition to the regular tax on gasoline.
- [4] Includes small amounts of taxes on alcohol, tobacco, and firearms collected by the Internal Revenue Service after Fiscal Years 1987 and 1991 for tax liabilities incurred previously (effective with or during Fiscal Years 1988 and 1991, responsibility for new tax liabilities was transferred to the Bureau of Alcohol, Tobacco and Firearms and the Customs Service).
- [5] Tax liability statistics include tax "collections" on imported items shown in the statistics. See the notes below, also.

NOTES: Grand totals for taxes shown for the Internal Revenue Service (IRS), the Bureau of Alcohol, Tobacco and Firearms (BATF), and the Customs Service represent tax "collections." (Taxes on certain cargoes treated as excise taxes under the Internal Revenue Code are also collected by the Customs Service, but are not included in these statistics because they are not treated as excise taxes in the Federal Budget.) Total collections rounded to millions of dollars are all that are available from the source used for the statistics.

Total IRS collections represent payments made during the indicated fiscal year (or fiscal year quarter), either through the semi-monthly deposits required of most taxpayers with significant excise tax liabilities, or as payments attached to quarterly excise tax returns. Collections are accounted for without identifying the specific excise taxes the payments are for; therefore, the only statistics on specific taxes are for the "liabilities" reported on excise tax returns. There are two exceptions, for the use tax on heavy highway vehicles and the crude oil windfall profit tax, which are accounted for separately. Therefore, tax "collections" for these two taxes are available and are included in the statistics which otherwise show the tax liability reported.

Starting with Fiscal Year 1994, the statistics for total tax collections and tax liabilities by type of tax take into account the normal lag between the time most taxes are collected via deposits and the recording of tax liabilities by type of tax as reported on tax returns. This was accomplished by matching Internal Revenue Service collection statistics for a specific quarter with tax liability data from returns processed in the following quarter. Prior to 1994, the statistics for collections in a quarter were matched with

## Notes to Selected Historical and Other Data Tables

the liabilities certified during that same quarter. The table entry for "collections less reported amounts" is a balancing amount representing the difference between excise tax collections and the sum of excise tax liabilities "certified" from returns processed in the following quarter (for fiscal years starting with 1994) and from returns processed in the same quarter (for fiscal years preceding 1994). Therefore, because of this change in how tax collections are matched with tax liabilities, the balancing amounts are not comparable for all of the years shown.

In the IRS "certification" process, certain adjustments are made for returns missing or filed late and to correct obvious taxpayer errors. As evidenced by the statistics, some certified amounts are rounded to the nearest \$1,000, \$10,000, or \$100,000, during administrative processing. Adjustments made in a particular quarter are reversed in a subsequent quarter to avoid double counting when late or missing returns are later filed and processed. This can result in amounts being reported in quarters long after a tax is expired or has been repealed. It can also result in the negative amounts shown in the data as corrections are made to earlier quarters(s). Negative amounts also result from prior misclassifications made during the certification process, or from taxpayers using a subsequent quarter's tax return to claim refunds for an earlier quarter or to correct prior mistakes. Corrections to the Internal Revenue Service data are reflected in the data for the quarter(s) and year in which the corrections were made, rather than in data for quarter(s) and year in which the original tax liability arose. The certified tax is net of refund credits reported on excise tax returns, not only for this reason, but also for reasons based on the tax code. As examples, tax can be offset for commodities exported that were previously taxed (exports are usually nontaxable), for the tax-free sale of previously-taxed gasoline to a State or local Government or, in the case of the BATF taxes, for alcohol used for a non-beverage purpose. Other taxpayers apply directly for refunds and, in some instances, are allowed to claim them as a credit against income tax; however, these amounts are not reflected in Table 20.

Excise taxes on alcoholic beverages and tobacco products are collected by both the Customs Service (on imports) and BATF (on domestic production). Taxes on firearms and certain occupational taxes are also collected by BATF. Data on imports represent the tax "collected"; all other data by type of excise tax represent tax "liabilities." Therefore, the totals shown for BATF and Customs Service tax "liabilities" are actually a mixture of tax liabilities and collections. Also, the grand totals for BATF

and Customs Service tax "collections" as shown are residual amounts derived by subtracting total Internal Revenue Service gross tax collections, i.e., before refunds, from the grand total of all excise tax gross collections reported in the *Monthly Treasury Statement*, rounded to millions of dollars, as shown at the beginning of this table.

The BATF data are based on returns filed with respect to tax liabilities arising in that same quarter. In Table 20, the BATF quarterly data have been rearranged starting with the Spring 1997 *Bulletin* so that the tax liability data are matched with the tax "collections" in that same quarter. In contrast to the BATF data, all Customs data represent the amounts actually "collected."

BATF amounts are often revised slightly as late returns are processed or other adjustments made. Unlike the Internal Revenue Service data, revisions are made to BATF data for the specific quarter(s) and year in which the original tax liability arose, so that data for prior periods may be revised on a continuing basis (although the prior-year data are retabulated for only one year).

In the Table 20 statistics for BATF/Customs Service, "collections less reported amounts" is the balancing amount which reconciles the BATF/Customs tax "collections" (derived in the manner previously described) with the sum of the tax liabilities by type of tax shown for the quarter or year. These latter totals are described in Table 20 as "tax liabilities by type of excise tax, total" (even though they actually represent combinations of Customs tax collections and BATF tax liabilities). Because of the method used to calculate the grand total for BATF/Customs tax collections (see above), it is possible for the sum of the detailed types of BATF/Customs excise tax "liabilities" to exceed this total.

To improve comparability of all the historical data by type of excise tax from one year to the next, specific excise taxes have been classified as they appear in the Internal Revenue Code for 1996, even when they were classified differently prior to 1996. As a result, the excise tax totals are not comparable to the totals in previous versions of Table 20, including that published in the Summer 1996 and earlier issues of the *Statistics of Income Bulletin*. For the same reason, they are not comparable to the excise tax statistics published by the Internal Revenue Service for earlier years or quarters.

"Floor stocks taxes" are shown separately because they are nonrecurring. They are generally imposed on holders of inventories on the date a new excise tax is imposed or a tax rate is increased.

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The tax rates in effect at the beginning of Fiscal Year 1996 are shown in Table 20. Most of the rates shown for the previous years for which historical data are presented in Table 20 may be found on Form 720, *Quarterly Federal Excise Tax Return*, and its attachments, for the year(s) concerned.

SOURCE: U.S. Department of the Treasury, Financial Management Service, *Monthly Treasury Statement of Receipts and Outlays of the United States Government*; Bureau of Alcohol, Tobacco and Firearms, *Statistical Release: Alcohol, Tobacco and Firearms Tax Collections*, quarterly (also includes data from the U.S. Customs Service); Internal Revenue Service, *Internal Revenue Service Data Book*, annual, and its predecessor, *Annual Report, Commissioner and Chief Counsel, Internal Revenue Service*, and the Assistant Commissioner (Taxpayer Services), Submission Processing Division, Revenue Accounting Branch, *Internal Revenue Report of Excise Taxes*, for fiscal years before 1994, and unpublished corrected data for 1994 and 1995 and data for 1996 (unrevised data for 1994 and 1995 were published in Davie, Bruce F., "Federal Excise Taxes, Fiscal Years 1994 and 1995," *Statistics of Income Bulletin*, Fall 1996, Volume 16, Number 2). See, also, (unrevised) data included in Davie, Bruce F., "Excise Taxes, Fiscal Year 1992," *Statistics of Income Bulletin*, Fall 1993, Volume 13, Number 2.

### Table 21

[1] Form 1040 is the long form, and Form 1040A, one of the two short forms. Prior to 1994, Form 1040EZ, the other short form, was for single taxpayers with no dependents; starting with 1994, certain married taxpayers with no dependents could also file on this form. Schedule C is for reporting nonfarm sole proprietorship business income and deductions, and Schedule F is for reporting farm sole proprietorship income and expenses; short-form Schedule C-EZ was introduced in 1993. The reported figures for total Forms 1040, 1040A, 1040EZ, and 1040PC, as well as totals for business and nonbusiness Form 1040 returns with Schedules C or F attached, all include "paper" returns plus "standard" electronically-filed (ELF) returns (usually filed by tax preparers) starting with 1986. Starting with 1992, these totals also include returns filed by telephone ("TeleFile"). Form 1040PC represents "paper" Form 1040, 1040A, or 1040EZ returns filed by taxpayers (or tax preparers) using an IRS-approved computer software-generated

format, rather than a specific tax form. Calendar Year 1992 is the first for which this "form" applied. The last category under individual income includes Form 1040C (departing alien) in years before 1992; 1040NR (nonresident alien); 1040PR (self-employment tax, Puerto Rico); and 1040SS (self-employment tax, U.S. Virgin Islands, Guam, and American Samoa); but excludes Form 1040X (amended return).

- [2] Form 1120 is the basic corporation income tax return; Form 1120-A is the short form; and Form 1120S is for S Corporations (certain small companies electing to be taxed through their shareholders, no more than 35 shareholders starting with 1985, no more than 15 for 1980, and no more than 10 for 1975). "Other" includes Forms 1120-F (most foreign companies with U.S. income); 1120-L (life insurance companies) starting in 1992 (included in the statistics for Form 1120 in the earlier years); 1120 POL (certain political associations); 1120H (homeowners associations); 1120-FSC (Foreign Sales Corporations or FSC's) starting in 1986; starting in 1988, 1120-REIT for real estate investment trusts, 1120-RIC for regulated investment companies (both of which formerly filed on Form 1120), and 1120-PC for property and casualty insurance companies (which formerly filed on Form 1120 or 1120M, described below). "Other" also includes Form 1120DF (for designated funds) starting in 1988; and for years before 1988, Form 1120M, now discontinued, for mutual nonlife insurance companies which now file on Form 1120 or Form 1120-PC (and are included in the statistics for Form 1120 in the earlier years). "Other" excludes Forms 1120-DISC for Domestic International Sales Corporations or DISC's, discontinued after 1985 and mostly replaced by FSC's (see above); 1120 IC-DISC for Interest-Charge Domestic International Sales Corporations, which replaced certain DISC's after 1985; and 1120X, amended returns.
- [3] Form 1041 is the regular income tax return filed for estates and trusts. For 1988-1990, includes Form 1041S (short form).
- [4] Form 706 is the regular estate tax return; Form 706NA is for U.S. estates of nonresident aliens; Forms 706 GS(D) and 706 GS(T) are for estate tax returns for which the generation-skipping transfer tax applies.
- [5] Form 990 is for tax-exempt organizations, except private foundations (Form 990-PF). Form 990EZ is the short form. Form 990-T is the income tax return

## Notes to Selected Historical and Other Data Tables

filed for businesses conducted by tax-exempt organizations. Form 990-C is for farmers' cooperatives. Form 4720 is for computing the special excise taxes applicable to certain private foundations and Form 5227 is for split-interest trusts treated as private foundations.

SOURCE: U.S. Department of the Treasury, Internal Revenue Service, Research Division, Projections and Forecasting Group.

### Table 22

- [1] Number of returns with a paid signature is based on different sources, depending on the year. Data for 1993-1994 are based on the Statistics of Income sample. Data for 1990-1992 are from the Individual Master File of all individual income taxpayers, with the following exceptions: the number of returns with itemized deductions; and, starting with 1990, the number of returns filed electronically. These latter numbers were estimated from the Statistics of Income—Taxpayer Usage Study (TPUS) samples of returns filed during the first 4 months of the filing year, and, for 1992, from the full Statistics of Income sample of returns received throughout the entire filing year.
- [2] Data on electronically-filed returns are included in the counts of Form 1040 returns shown above in

Table 22, for all years. For Tax Years 1990 and 1991, data are based on the TPUS samples (see footnote 1) of returns filed, extended to cover the first 8 months of the filing years. No adjustment was made for the returns filed after the first 8 months on the assumption that few were likely to have been filed electronically during these months. Starting with Tax Year 1992, data are based on the full Statistics of Income samples of returns filed throughout the entire filing year.

- [3] Data on IRS taxpayer assistance programs are actually for the fiscal year. In general, assistance rendered in a given fiscal year may be associated with returns due on April 15th of that fiscal year and is, therefore, for the tax year ending with the previous December. As a result, data in Table 22 on taxpayer assistance, shown as for Tax Year 1994, for example, are actually for Fiscal Year 1995.

NOTE: Data on IRS assistance represent taxpayers contacts, unless otherwise indicated. Some taxpayers are contacted more than once. The number of taxpayers assisted (in contrast to the number of taxpayers contacted) is not known.

SOURCE: Data on paid preparers were obtained from Statistics of Income; and from the Corporate Systems Division, Individual Systems Branch. Data on IRS assistance were obtained from the *Internal Revenue Service Annual Reports* for Fiscal Years 1991 and 1992; and *Internal Revenue Service Data Book*, for 1993, 1994, and 1995.

# SOI Sampling Methodology and Data Limitations

## Appendix

**T**his appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs.

Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports (see the References at the end of this appendix). More technical information is available, upon request, by writing to the Director, Statistics of Income Division CP:R:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

### Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on criteria such as: industry, presence or absence of a tax form or schedule, accounting period, State from which filed, and various income factors or other measures of economic size (total assets, for example, is used for the corporation and partnership statistics). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years — 3 for corporations because of the prevalence of fiscal (non-calendar) year reporting. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from that planned. However, these factors do not compromise the validity of the estimates.

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in

*Information for this appendix was compiled by Bettye Jamerson, Special Studies and Publications Branch, under the direction of Beth Kilss, Chief, Publications Section. Major contributions were made by Paul McMahon, Statistical Computing Branch.*

the stratum and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated cost or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the social security number (SSN) or the employer identification number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TIN's designated from one year's sample are for the most part selected for the next year's, so that a very high proportion of the returns selected in the current sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

### Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. Weights are, in general, computed by dividing the count of returns filed for a given stratum by the count of sample returns for that same stratum. "Weights" are used to adjust for the various sampling rates used — the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "post-strata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these post-strata using additional population counts. The data on each return in a stratum are multiplied by that weight. To produce the tabulated estimates, these weighted data are summed to produce the published statistical totals.

**Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.**

# SOI Sampling Methodology and Data Limitations

## Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68 percent confidence interval estimate:

$$\begin{aligned} &150,000 \text{ (sample estimate)} \\ &\quad \times 0.02 \text{ (coefficient of variation)} \\ &= 3,000 \text{ (standard error of estimate)} \end{aligned}$$

then:

$$\begin{aligned} &150,000 \text{ (sample estimate)} \\ &\quad + \text{ or } - 3,000 \text{ (standard error)} \\ &= \{147,000, 153,000\} \text{ (68 percent confidence interval).} \end{aligned}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible samples similarly selected. To obtain this interval estimate with 95 percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained on request by writing the Director, Statistics of Income Division, at the address given above.

## Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, and effects of an early cut-off of sampling. More extensive information on nonsampling error is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during statistical "editing" in order both to improve data consistency from return to return and to achieve definitions of the data items that are more in keeping with the needs of major users. In some cases not all of the data are available from the tax return as originally filed. Sometimes the missing data can be obtained through field follow-up. More often, though, they are obtained through imputation methods. As examples, other information in the return or in accompanying schedules may be sufficient to enable an estimate to be made; prior-year data for the same taxpayer may be used for the same purpose; or data from another return for the same year that has similar characteristics may be substituted. Research to improve methods of imputing data that are missing from returns continues to be an ongoing process [1].

Quality of the basic data abstracted from the returns is subjected to a number of quality control steps including 100-percent key verification. The data are then subjected to many tests based on the structure of the tax law and the improbability of various data combinations. Records failing these tests are then subjected to further review and any necessary corrections are made. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically-processed returns as a further check [2].

Finally, before publication, all statistics are reviewed

**In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.**

# SOI Sampling Methodology and Data Limitations

for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations, as well as limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing and estimating.

## Tabular Conventions

Estimates of frequencies and money amounts that are considered unreliable due to the small sample size on which they are based are noted in SOI tables. The presence of the indicator means that the sampling rate is less than 100 percent of the population and that there are fewer than 10 sample observations available for estimation purposes.

A dash in place of a frequency or amount indicates that no sample return had that characteristic. In addition, a dash in place of a coefficient of variation for which there is an estimate indicates that all returns contributing to the estimate were selected at the 100-percent rate.

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses. These combinations and deletions are indicated in the tables.

## Notes

- [1] See, for example, Hinkins, Susan M., "Matrix Sampling and the Effects of Using Hot Deck Imputation," in *1984 Proceedings of the American Statistical Association, Section on Survey Research Methods*. Other research efforts are included in *Statistical Uses of Administrative Records: Recent Research and*

*Present Prospects*, Volume 1, Internal Revenue Service, March 1984.

- [2] Quality control activities for all SOI studies are published from time to time in a series of separate reports. These reports provide detailed information relating to quality in all phases of SOI processing.

## References

Reports that contain additional information about the samples include:

*Statistics of Income—1994, Individual Income Tax Returns*, (see especially pages 19-22).

*Statistics of Income—1993, Corporation Income Tax Returns* (see especially pages 7-14).

*Statistics of Income—1994, Compendium of Federal Estate Tax and Personal Wealth Studies* (see descriptions for selected articles).

*Statistics of Income—1974-1987, Compendium of Studies of Tax-Exempt Organizations* (see descriptions at the end of each chapter).

*Statistics of Income—1986-1992, Compendium of Studies of Tax-Exempt Organizations, Volume 2* (see descriptions for selected articles).

*Statistics of Income—1984-1988, Compendium of Studies of International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns* (see descriptions at the end of each chapter).

*Statistics of Income Bulletin* (see each issue).

# SOI Projects and Contacts

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964

Planned Projects, Year*	Primary Analysts	Frequency and Program Content
<b>Americans Living Abroad:</b> 1991 Program 1996 Program	Dan Holik Mike Strudler Jeff Curry Maureen Keenan Kahr	This periodic study is conducted every 5 years. It covers foreign income and taxes paid, and foreign tax credit shown on individual income tax returns. Data are by size of adjusted gross income and country.
<b>Corporation Foreign Tax Credit:</b> 1994 Program 1995 Program	Robin Robison Bill States	This annual study provides data on foreign income and taxes paid and foreign tax credit reported on corporation income tax returns. Data are classified by industry and country.
<b>Corporation Income Tax Returns:</b> 1994 Program 1995 Program 1996 Program	Paula Miller Nina Shumofsky Patty Treubert John McGrath Glenn Hentz Janice Washington	Basic data are produced annually and cover complete income statement, balance sheet, tax, and tax credits, and detail from supporting schedules. Data are classified chiefly by industry group or asset size.
<b>Environmental Excise Taxes (Superfund) Study:</b> 1995 Program	Sara Boroshok	The Superfund Amendments and Reauthorization Act of 1986 (SARA) replaced the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), authorizing the collection of environmental taxes, a type of excise tax. This study, previously published annually, is the only source of data that provides detailed tabulations by type of chemical. SARA was not reauthorized for 1996.
<b>Estate Tax Returns:</b> 1992-1994 Program 1995-1997 Program	Barry Johnson Martha Eller	This annual study includes information on gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of the decedents. Basic estate tax return data by year in which returns are filed are produced every year. Also included are data on nonresident aliens who had more than \$60,000 of assets in the United States. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 1992 with returns filed in 1992-95.
<b>Exempt Organizations Business Income Tax Returns:</b> 1993 Program 1994 Program	Peggy Riley	This annual study includes tabulations of "unrelated business" income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent study is for Tax Year 1993.
<b>Foreign Controlled Corporations:</b> 1993 Program 1994 Program	Dan Holik Michael Seiders	This study includes data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry. This study will be done biennially after 1994.

# SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964**

<b>Planned Projects, Year*</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Foreign Corporations:</b> 1994 Program 1995 Program	Kathryn Green Randy Miller	This annual study (as of 1992) provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry and country.
<b>Foreign Recipients of U.S. Income:</b> 1994 Program	Denise Freites	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.
<b>Foreign Sales Corporations (FSC):</b> 1992 Program 1996 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987, and then on a 4-year cycle after 1992.
<b>Foreign Trusts:</b> 1994 Program	Robin Robison	This periodic study, conducted every 4 years, provides data on foreign trusts that have U. S. persons as grantors, transferors, or beneficiaries. Data include country where trust was created, value of transfer to the trust, and the year the trust was created.
<b>Individual Income Tax Return Public Use File</b>	Mario Fernandez	Microdata magnetic tape files, produced annually, contain detailed information obtained from the individual statistics program, with identifiable taxpayer information omitted to make the file available for public dissemination, on a reimbursable basis. (In addition to microdata files, specific tabulations from them are produced, also on a reimbursable basis.)
<b>Individual Income Tax Returns:</b> 1994 Program 1995 Program 1996 Program	Michael Strudler Marty Shiley	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules, chiefly by size of adjusted gross income.
<b>Interest-Charge Domestic International Sales Corporations (IC-DISC):</b> 1991 Program 1996 Program	Dan Holik	These corporations replaced the Domestic International Sales Corporation, or DISC, as of 1985. Balance sheet, income statement, and export-related data are tabulated annually through 1987; thereafter, on a 4-year cycle.
<b>International Boycott Participation:</b> 1994 Program 1995 Program	Denise Freites Kathryn Green	This study provides data on business operations of U.S. persons in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.

# SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964**

<b>Planned Projects, Year*</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Migration Flow and County Income Data</b>	Emily Gross	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 1994-95.
<b>Nonprofit Charitable and Other Organizations:</b> 1993 Program 1994 Program	Cecelia Hilgert	This annual study includes balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c)(3)-(9) of the Internal Revenue Code. The most recent study is for Tax Year 1993.
<b>Occupation Studies</b>	Terry Nuriddin	This periodic study, based on availability of outside funding, is designed to classify individual income tax returns by occupation and to develop a dictionary of occupation titles that can be used to enhance the economic data of many other individual income tax return studies.
<b>Partnership Returns of Income</b>	Tim Wheeler	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.
<b>Partnership Withholding Study:</b> 1994 Program	Chris Carson	This annual study includes data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.
<b>Personal Wealth Study:</b> 1992 Program	Barry Johnson Martha Eller	This periodic study provides estimates of personal wealth of top wealthholders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate data bases. The most recent data (1992) are based on returns filed from 1992 to 1995.
<b>Private Foundations:</b> 1993 Program 1994 Program	Paul Arnsberger	This annual study includes balance sheet and income statement data for private foundations and charitable trusts filing a Form 990-PF. For the 1994 program only, the study will be based on the entire population of Form 990-PF returns. The most recent study is for Tax Year 1993.
<b>S Corporations</b>	Susan Wittman	Annual study data are collected for the income statement, balance sheet, and from supporting schedules. Data are classified by industry group or by asset size.
<b>Sales of Capital Assets:</b> 1985 Program 1985-1996 Panel Study	Barbara Livingston Janette Wilson Laura Prizzi	<p>This periodic study provides detailed data on the sales of capital assets reported on Schedule D of the individual income tax return, sales of residences, and personal or depreciable business property.</p> <p>A panel study provides the same data on capital asset transactions for a subsample of the returns in the Sales of Capital Assets basic study, over a period of years.</p>

## SOI Projects and Contacts

**General Statistical Information: (202) 874-0410 Fax: (202) 874-0964**

<b>Planned Projects, Year*</b>	<b>Primary Analysts</b>	<b>Frequency and Program Content</b>
<b>Sales of U.S. Real Property Interest by Foreign Persons:</b> 1995 Program	Chris Carson	This annual study will provide data on transfers of U.S. real property interests, when these interests are acquired from foreign persons. Data include the amount realized on transfers, U.S. tax withheld, and the country of foreign persons.
<b>Sole Proprietorships:</b> 1994 Program 1995 Program 1996 Program	Michael Strudler	Basic data, produced annually, cover business receipts, deductions and net income reported on Schedule C (for nonfarm proprietors), by industry group. Similar data from Schedule F (for farmers) are available on an occasional basis.
<b>State Data:</b> 1985 Program 1988 Program	Mario Fernandez	Special tabulations of selected individual income, deduction, and tax data by State are produced on a reimbursable basis. (The data file for 1988 is the most recent.)
<b>Statistical Subscription Services:</b> Corporation Source Book	Sandy Byberg	Annual data by more detailed industry groups than are used for the regular corporation statistics are produced by asset size. The most recent volume is for returns with accounting periods ending July 1994 - June 1995.
<b>Tax-exempt Bond Issues:</b> 1994 Program 1995 Program	Marvin Schwartz	This annual study provides information on private activity and governmental bond issues by type of property financed, size of face amount, and State. The most recent studies are 1994, for Public Purpose Bonds, and 1993, for Private Activity Bonds.
<b>Taxpayer Usage Study:</b> 1996 Program	Mike Weber	Basic data, produced annually, provide weekly frequencies of specific line entries made by taxpayers, the use of various return schedules and associated forms, and general characteristics of the individual taxpayer population for returns received during the primary filing season (January through April).
<b>U.S. Possessions Corporations:</b> 1993 Program 1995 Program	Randy Miller	This periodic study, planned for every 2 years, provides data on income statements, balance sheets, tax, and "possessions tax credit" for "qualifying" U. S. possessions corporations. (Most of these corporations are located in Puerto Rico.)

\*Most projects shown below are currently in progress and, therefore, may not yet be completed. Data release dates, i.e., the months in which we expect to release data to users, ahead of publication, upon request, are published annually in the Fall issue of the *SOI Bulletin*. For more information about data availability for a particular project, call or fax the numbers shown at the top of the page.

# SOI Products & Services

The Statistics of Income (SOI) Division's statistical information is available in a variety of media, including publications and electronic formats -- such as computer tapes, diskettes, as well as through SOI's electronic bulletin board and IRS' homepage on the Internet. These products and services are described below along with information on how to obtain them.

## Statistical Information Services

For questions about the availability of SOI data, other statistical services, or release dates for new publications, please contact the Statistical Information Services (SIS) Office on:

**Voice: (202) 874-0410**

**Fax: (202) 874-0964**

**e-mail: [soi.sis@wpgate.irs.gov](mailto:soi.sis@wpgate.irs.gov)**

Requests from the media, however, should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

As its name implies, the SIS office is best able to answer questions about data. It is not the place to call to obtain tax forms or information about the status of an individual's tax refund or audit examination.

## SOI Data on the Internet

IRS' World Wide Web site provides another option for accessing SOI data. At present, nearly 800 files reside on *Tax\_Stats* (the SOI homepage), covering similar data to that on the SOI electronic bulletin board system (BBS). The main difference between the two is that the BBS includes more information from individual income tax returns, including migration flow and county income data, and it is also more current. Also, none of the files that are for sale on the BBS are available at the Web site. To access SOI files at the Web site, look for us at:  
**[http://www.irs.ustreas.gov/prod/tax\\_stats/index.html](http://www.irs.ustreas.gov/prod/tax_stats/index.html)**

At the *Tax\_Stats* site, you will find the following:

- Individuals
- Corporations
- Partnerships
- Exempt Organizations
- Estates/Wealth
- International Income and Taxes
- Sole Proprietorships
- Excise Taxes

- Other SOI Information
- About SOI
- Other IRS Information.

## SOI Electronic Bulletin Board

The SOI electronic bulletin board system makes available for access over 1,200 files. They include data from recent *SOI Bulletin* publications for returns covering individuals, corporations, partnerships, sole proprietorships, exempt organizations, and estates. The BBS also contains files on projections, excise taxes, 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.

Certain data files on the BBS, however, are only available on a reimbursable basis. **After access is provided, you will be able to download them by calling (202) 874-9574.** Most of these files will be tabulations of aggregated data, but some will be files of microdata records.

For orders of \$300 or less, access to your requested files will be given within two business days of the time we receive your order form. For orders over this amount, access will be given after we have received payment. You will have access to your requested files for at least one year from the time of your request.

**To order any of these files, you may:** (1) write to the Statistical Information Services (SIS) Office, Statistics of Income Division (CP:R:S:S:P), P.O. Box 2608, Washington, DC 20013-2608; (2) send a FAX to the SIS Office at (202) 874-0964; or (3) e-mail us at [soi.sis@wpgate.irs.gov](mailto:soi.sis@wpgate.irs.gov). **An order form for your use is provided at the end of this *Bulletin* and must be completed when placing an order.**

## Files Currently Available

The following files are currently available on a reimbursable basis.

### Individual Income Tax Returns, State Data

*Product Code: 95INALST, Price: \$200*

*Time Period Covered: Tax Year 1995*

*Type of File:* One table, based on the population of returns from the IRS Individual Master File system. This table presents data by state (and for the U.S. total) and by size of adjusted gross income. The data items include number of returns and exemptions, adjusted gross income (total

## SOI Products & Services

and for selected sources), itemized deductions (total and for selected types), taxable income, tax liability, and the earned income credit.

*Formats:* Excel version 4, Lotus 123 version 1a, ASCII text

### **Individual Income Tax Returns, County-to-County Migration Data**

*Product Code:* 95MIALCC, *Price:* \$250

*Time Period Covered:* Filing Years 1994 to 1995

*Type of File:* One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by county for the entire United States, including inflows and outflows. The data include the number of returns (which can be used to approximate the number of households), number of personal exemptions (which can be used to approximate the population), total "money income," and median "money income."

*Formats:* Excel version 4, Lotus 123 version 1a, ASCII text

*See also Other Reimbursable Services section.*

### **Individual Income Tax Returns, County-to-County Migration Data**

*Product Code:* 94MIALCC, *Price:* \$100

*Time Period Covered:* Filing Years 1993 to 1994

*Type of File:* See 95MIALCC above.

*Formats:* Excel version 4, Lotus 123 version 1a, ASCII text

*See also Other Reimbursable Services section.*

### **Individual Income Tax Returns, State-to-State Migration Data**

*Product Code:* 95MIALSS, *Price:* \$50

*Time Period Covered:* Filing Years 1994 to 1995

*Type of File:* One table, based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. This table presents data on migration patterns by state for the entire United States, including inflows and outflows. The data include the number of returns (which can be used to approximate the number of households), number of personal exemptions (which can be used to approximate the population), total "money income," and median "money income."

*Formats:* Excel version 4, Lotus 123 version 1a, ASCII text

*See also Other Reimbursable Services section.*

### **Individual Income Tax Returns, County Income Data**

*Product Code:* 94INALCO, *Price:* \$50

*Time Period Covered:* Tax Year 1994

*Type of File:* One table, based on the population of returns from the IRS Individual Master File system. The table presents data for total "money income," adjusted gross income (total and for selected sources), number of returns (which can be used to approximate the number of households), and number of personal exemptions (which can be used to approximate the population). The data are presented by county (including state totals).

*Formats:* Excel version 4, Lotus 123 version 1a, ASCII text

*See also Other Reimbursable Services section.*

### **Individual Income Tax Returns, Complete Report**

*Product Code:* 94INALCR--all 20 tables,

94IN01CR--9 tables covering number of returns filed and sources of income,

94IN02CR--5 tables covering exemptions and itemized deductions, or

94IN03CR--6 tables covering tax computations.

*Price:* \$225 for 94INALCR, or \$75 for 94IN01CR, 94IN02CR, or 94IN03CR. (See "Product Code" above.)

*Time Period Covered:* Tax Year 1994

*Type of File:* Tables, based on SOI samples, weighted to estimate the population. Various tables present data by size of adjusted gross income, marital status, or type of tax computation.

*Formats:* Excel version 4, Lotus 123 version 1a, Adobe Acrobat PDF

### **Corporation Income Tax Returns, Complete Report**

*Product Code:* 93COALCR, *Price:* \$225

*Time Period Covered:* Tax Year 1993

*Type of File:* Tables, based on SOI samples weighted to estimate the population. Various tables include data on balance sheet, income statement, and tax items. Tables also include selected subjects, such as "S" corporations. Data are presented by selected variables, such as industry, ending accounting periods, and sizes of total assets, business receipts, and total income tax after credits.

*Formats:* Excel version 4, Lotus 123 version 1a, ASCII text, WordPerfect

## SOI Products & Services

### Exempt Organizations

*Product Code: 94EOALMD, Price: \$300*

*Time Period Covered: Reporting Year 1994*

*Type of File:* Microdata records of all Forms 990 and 990EZ sampled for the annual SOI study of tax exempt organizations. The sample includes approximately 11,100 IRC section 501(c)(3) organizations and 8,500 IRC section 501(c)(4)-(9) organizations. Sampling rates ranged from less than 1 percent, for small asset classes, to 100 percent, for large asset classes (i.e., those with assets of \$10,000,000 or more). Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each exempt organization.

*Formats:* ASCII text, Excel version 4, Adobe Acrobat PDF, Lotus 1-2-3 version 1a

### Exempt Organizations

*Product Code: 93EOALMD, Price: \$200*

*Time Period Covered: Reporting Year 1993*

*Type of File:* Microdata records of all Forms 990 and 990EZ sampled for the annual SOI study. The sample includes approximately 11,900 IRC section 501(c)(3) organizations and 8,100 IRC section 501(c)(4)-(9) organizations. Sampling rates ranged from less than 1 percent for small asset classes to 100 percent for large asset classes (i.e., those with assets of \$10,000,000 or more).

Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each exempt organization.

*Formats:* ASCII text, Excel version 4, Adobe Acrobat PDF, Lotus 1-2-3 version 1a

### Private Foundations (and Charitable Trusts)

*Product Code: 94PFALMD, Price: \$300*

*Time Period Covered: Reporting Year 1994*

*Type of File:* Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and IRC section 4947(a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. *The database contains nearly 51,000 returns, which represent all of the 1994 PF returns filed and processed through early-May 1997.* SOI intends to continue processing 1994PF's through December 1997 to capture all returns filed over the three-year period which began in January 1995. Anyone who purchases the "early-May 1997" file will obtain free access to the "December 1997" file when it becomes available. Microdata records contain information on the revenue, expenses, assets, and distributions of each foundation or trust.

*Formats:* ASCII text, Excel version 4, Adobe Acrobat PDF

### Private Foundations (and Charitable Trusts)

*Product Code: 93PFALMD, Price: \$200*

*Time Period Covered: Reporting Year 1993*

*Type of File:* Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code (IRC) section 4947(a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes approximately 5,200 returns. Sampling rates ranged from 3 percent for small asset classes to 100 percent for large asset classes. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust.

*Formats:* ASCII text, Excel version 4, Adobe Acrobat PDF

### Files Available in the Future

The following files will be available on a reimbursable basis in the future. Please check back with us to see when they are ready.

### Corporation Income Tax Returns, Source Book

*Product Code: 94COALSB, Price: To be announced.*

*Time Period Covered: Tax Year 1994*

*Type of File:* The *Source Book* contains detailed information for nearly 100 data items (balance sheet, income statement, and tax items) filed with Corporation income tax returns, which are estimates of the population based on SOI samples. Data are presented for over 180 industrial classifications (including divisions, major groups, and minor industries) and by 12 different sizes of total assets, for all returns and separately for returns with net income. There are also separate sections which present data for all "S" corporations and for "S" corporations with net income, classified by industrial divisions and by 11 different sizes of total assets.

*Formats: To be announced.*

*Estimated Availability: August 1997*

### Corporation Income Tax Returns, Complete Report

*Product Code: 94COALCR, Price: To be announced.*

*Time Period Covered: Tax Year 1994*

*Type of File:* Tables, based on SOI samples weighted to estimate the population. Various tables include data on balance sheet, income statement, and tax items. Tables also include selected subjects, such as "S" corporations. Data are presented by selected variables, such as industry, ending accounting periods, and sizes of total assets, business receipts, and total income tax after credits.

# SOI Products & Services

*Formats: To be announced.*

*Estimated Availability: September 1997*

## SOI Publications & Tapes

The following Statistics of Income reports and tapes can be purchased from the Statistics of Income Division.

**Prepayment is required for orders of \$100 or more, with checks made payable to the IRS Accounting Section.** Please write:

**Statistical Information Services Office**  
Statistics of Income Division (CP:R:S:S:P)  
Internal Revenue Service  
P.O. Box 2608  
Washington, DC 20013-2608

or contact the SIS office directly, as indicated above.

### **Corporation Source Book, 1994**

*Publication 1053 -- Price: \$175, plus \$10 for shipping and handling*

This 517-page document presents detailed income statement, 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. *Corporation Source Book* industry pages and notes for any year are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). (The *Source Book* is also available on 35mm microfilm for \$175, plus \$10 for shipping and handling, for years from 1982-1992. Issues prior to 1982 are for sale at \$150 per year, plus \$10 for shipping and handling.) A magnetic tape or diskettes containing the tabular statistics for 1994 can be purchased for \$1,500.

*See also the SOI Electronic Bulletin Board section.*

### **Studies of Tax-Exempt Organizations, 1974-1987**

*Publication 1416 -- Price: \$26, plus \$10 for shipping and handling*

This publication presents 22 articles from Statistics of Income studies on tax-exempt organizations. The articles, which emphasize important issues within the nonprofit sector, also appeared in the *SOI Bulletin*, or in proceedings of the American Statistical Association and the Indepen-

dent 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, plus \$10 for shipping and handling.*

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 Sector Research Forum*, the National Research Council's Committee on National Statistics, and the American Statistical Association.

### **Studies of International Income and Taxes, 1984-1988**

*Publication 1267 -- Price: \$26, plus \$10 for shipping and handling*

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

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

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

*Publication 1773 -- Price: \$26, plus \$10 for shipping and handling*

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 presents 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

# SOI Products & Services

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.

## Turning Administrative Systems Into Information Systems--1995

Publication 1299--Price: Free, except for \$10 for shipping and handling

This report is the fourth volume in the current IRS' methodology reports series, which documents technological and methodological changes in Statistics of Income programs and other related statistical uses of administrative records. (The series previously released 10 volumes under the title *Statistics of Income and Related Administrative Record Research*.) This year's compilation has been divided into five major sections, each focusing on a somewhat different area of research:

- description of SOI's migration data;
- sample designs and redesigns;
- weighting and estimation research;
- analytical approaches to quality improvement; and
- record linkage applications for health care policy.

## Individual Public-Use Magnetic Tape Microdata Files

Entire United States: \$2,150 (no identifiable data)  
Per State: \$4,000 (state tax authorities only; has identifiable data)

These files include individual income tax returns for 1979-1992. 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.

## Exempt Organizations (Forms 990 and 990EZ) Magnetic Tape Microdata Files

Any year: \$450 per year

Files for nonprofit charitable organizations for 1982-1983 and 1985-1994 are available.  
See also the SOI Electronic Bulletin Board section.

## Private Foundations (and Charitable Trusts) (Form 990-PF) Magnetic Tape Microdata Files

Any year: \$400 per year

Files for private foundations for 1982-1983 and 1985-1994 are available.

See also the SOI Electronic Bulletin Board section.

## SOI Publications Available from GPO

The following Statistics of Income publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, by calling (202) 512-1800. The reports may also be obtained by using the order form at the end of this *Bulletin* 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: \$33.00; Single copy price: \$18.00

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole 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--1993, Corporation Income Tax Returns

Publication 16, Stock No. 048-004-02369-5  
Price: \$19.00

This report presents data on corporation income tax returns with accounting periods that ended July 1992 through June 1993, that are more comprehensive than those published earlier in the *SOI Bulletin*.

Presents information on:	Data are classified by:
■ receipts;	■ industry;
■ deductions;	■ accounting period;
■ net income;	■ size of total assets;
■ taxable income;	and
■ income tax;	■ size of business receipts.

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- tax credits;
- assets; and
- liabilities.

### **Statistics of Income -- 1994, Individual Income Tax Returns**

*Publication 1304, Stock No. 048-004-02377-6  
Price \$14.00*

This report presents more comprehensive and complete data on individual income tax returns for 1994 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.

### **Other Reimbursable Services**

The following SOI products are also available at a cost in electronic or other formats. (Data availability and prices are subject to change and were most recently revised in July 1997.)

#### **County-to-County Migration Data**

*Price for diskettes: Any year, 1984 - 1995 — \$375 per year (entire United States); \$50 per year (single state)*

Compilations are available showing migration patterns, from where to where, by county, based on year-to-year changes in the individual income tax return address. Selected data are available (according to the years in which the returns were filed) between 1984 and 1995 and include counts of the number of returns and the number of personal exemptions (which can be used to approximate population). Tabulations are also available as hard copy for all years between 1978 and 1995 at \$5 per county (for inflows) and \$5 per county (for outflows) plus \$30 handling fee per order.

*See also SOI Electronic Bulletin Board section.*

#### **State-to-State Migration Data**

*Price for diskettes: Any year, 1989 - 1995 — \$75 per year (entire United States)*

Compilations are available showing migration patterns, from where to where, by state, based on year-to-year changes in the individual income tax return address. Selected data are available (according to the years in which the returns were filed) between 1989 and 1995 and include counts of the number of returns and the number of personal exemptions (which can be used to approximate population). Tabulations are also available as hard copy for all years between 1986 and 1995 at \$5 per state (for inflows) and \$5 per state (for outflows) plus \$30 handling fee per order.

*See also SOI Electronic Bulletin Board section.*

#### **County Income Data**

*Price for diskettes: Any year, 1989 - 1994 — \$75 per year (entire United States)*

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 1989 through 1994. Data are also available as hard copy for all years between 1988 and 1994 at \$10 per state plus \$30 handling fee per order.

*See also SOI Electronic Bulletin Board section.*

#### **ZIP Code Area Data**

*Price: \$40.00 per state; \$2,000 for the entire United States*

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.



# Electronic Bulletin Board Products Order Form

**Statistics of Income  
Internal Revenue Service**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Business Affiliation: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

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Preferred Password: \_\_\_\_\_

*Password must be 6 characters, with at least 1 letter and at least 1 number.*

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Payment enclosed, or  Bill me.

Please make check or money order payable to: *IRS Accounting Section.*

Please mail to: Statistical Information Services (SIS) Office, Statistics of Income Division (CP:R:S:S), P.O. Box 2608, Washington, DC 20013-2608, or send a FAX to the SIS Office at (202) 874-0964, or e-mail to [soi.sis@wpgate.irs.gov](mailto:soi.sis@wpgate.irs.gov).

*Thank you for your order.*

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Internal Revenue Service  
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